

**Fort Stockton  
Independent School  
District**

**Grants Management  
Procedures  
Manual**

## Table of Contents

### Contents

---

Staff Directory .....	1
Responsibilities of the Grant Management Department.....	2
Fort Stockton ISD Organization Chart .....	4
Summary of Department Responsibilities.....	5
Supplement Not Supplant Procedures .....	6
General Information for all Grants .....	9
2009-2010 Grants .....	10
FSISD Grants Policies and Procedures Guidelines.....	11
Appendix A – TEA Guidelines Related to Specific Costs	
Appendix B – FAQs Related to Grants in General Administered by the TEA	
Appendix C – TEA Side-by Side of Federal Cost Principles	

## Staff Directory

---

<b>Name</b>	<b>Title</b>	<b>Phone</b>
Ralph Traynham	Superintendent	336-4000 x11
Paula Traynham	Asst. Superintendent	336-4000 x12
Maria Gomez	Business Manager	336-4000 x19
Gwen Duncan	Special Education Director	336-4040
Raymond Matta	Food Service Director	336-4031
Debra Ezell	Technology Director	336-4052
Marlane Burns	Curriculum Director	336-4126
Sylvia Ogas	Bilingual/ESL/TAKS Coordinator	336-4123

***\* Please refer to the current Personnel Directory for other staff contact information.***

## **Responsibilities of the Grant Management Department**

---

Grants Management is in the Business Office under the direction of the Business Manager and is responsible to the Superintendent, the Fort Stockton Independent School District ("the District", "FSISD") 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 has adopted an institutional oversight model for state and federal financial assistance. The oversight model establishes lines of authority within the District related to financial transactions on government assistance received. There are three fundamental principles:

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

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

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

**Staff Responsibilities** (in summary - see full related job descriptions for more comprehensive details.)

**Assistant Superintendent** – Reports directly to the Superintendent and is responsible for:

- Submitting all state and federal Title grant applications
- Monitoring finance and compliance of all state and federal grants
- Reporting unusual or irregular activities related to grants to the Business Manager
- 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

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

- Planning and coordinating the purposes, goals and overall design of curriculum for the district
- Planning, implementing and evaluating instructional programs with teachers and principals, including learning objectives, instructional strategies, and local district-wide assessment techniques
- Coordinating textbook adoption procedures by serving on the textbook committee, conferring with publishers' consultants, and making arrangements for evaluation by teachers
- Assisting in planning and facilitating staff development by securing consultants, specialists, and other educational resources to assist in attaining objectives
- Providing effective staff development activities by using the mission of the district, program evaluation outcomes, and input from staff
- Evaluating job performance of employees to ensure effectiveness

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

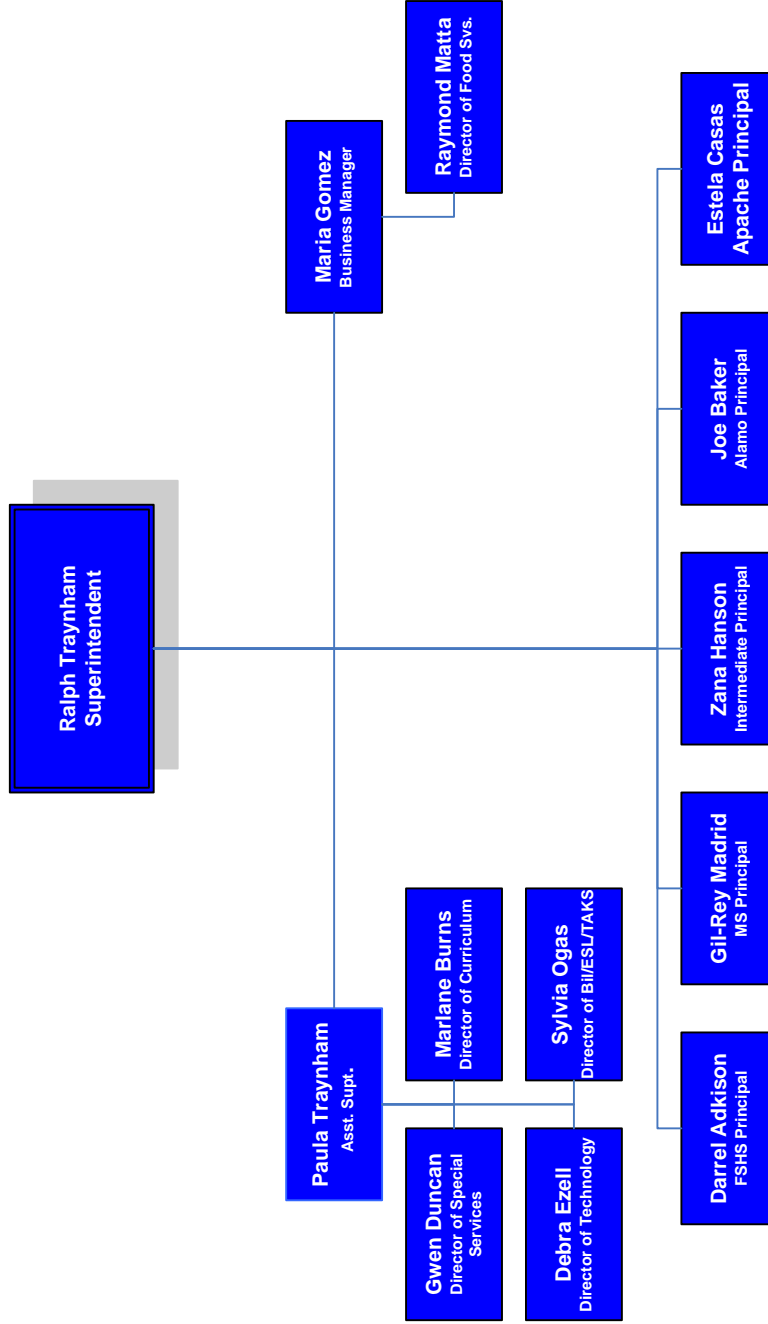
- Submitting all state and federal special grant applications
- Directing and managing the District's special education program and facilities
- Ensuring that programs are cost effective and funds are managed prudently
- Compiling budgets and cost estimates based on documented program needs
- Implementing policies established by federal and state law, State Board of Education rule, and local board policy regarding special education
- Compiling, maintaining and filing all required reports and other documents

**Food Service Director** – Reports directly to the Business Manager and is responsible for:

- Directing and managing district's food service programs
- Complying with federal and state law, State Board of Education rule, and local board policy in food service area
- Compiling budgets and cost estimates based on documented program needs
- Compiling, maintaining and filing all required reports, records, and other documents

\* **See current Employee Handbook for additional information**  
**FSISD on line policy can be found at [www.fsisd.net](http://www.fsisd.net)**

**FORT STOCKTON INDEPENDENT SCHOOL DISTRICT**  
**2009 – 2010 Organizational Chart**



## Summary of Department Responsibilities

---

Duties	Staff Responsible
Review CIP and DIP for compliance	Superintendent/Asst. Superintendent
Conduct comprehensive needs assessment for District	Assistant Superintendent
Develop plan from assessment, identified needs and prepare budget, staffing and program descriptions	Assistant Superintendent/Business Manager
Training on budgeting, budget amendments, coding, purchasing, credit cards, split-funded salary allocations, contract monitoring (including debarred vendors), travel reimbursements and other employee reimbursements, and selected unallowable costs	Business Manager
Approval of all purchases to ensure compliance with grant requirements, coding, allow-ability of costs, competitive procurement, correct pricing on bids and proposals, eligible vendors (not on debarred list) and alignment with identified needs, CIPs and DIPs	Campus Principals Assistant Superintendent Executive Director of Curriculum & Personnel Business Manager
Compliance reporting	Assistant Superintendent
Periodic reporting (cash draw downs)	Business Manager
Quarterly reporting	Business Manager
Budget reporting to campuses, and central administration	Business Manager
Reconciliation of accounting records with expenditure reports to grantor agencies	Business Manager
Annual review of code of ethics (34CFR Section 80.36), policies and administrative procedures for all of the above listed duties and responsibilities	ALL

## **Supplement Not Supplant Procedures**

---

Fort Stockton 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** (enhance, expand, strengthen and reinforce) the funds available from non-federal sources, and **not to supplant** (replace or take the place of) the existing non-federal funds.

**Note: In a Title I school-wide program, a school is not required to provide supplemental services to identified children.**

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 4<sup>th</sup> 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.
    - Documentation shall include purchase orders for state required activities. The purchase orders shall reflect that non-federal funds were used to pay for the expenditures.
2. Procedures for determining that a school participating in a school-wide program is using federal funds available only to supplement the amount of funds that would, in the absence of NCLB federal funds, be available from non-federal sources for the school (including funds needed to provide services for children with disabilities and children with limited English proficiency -
3. Procedures for determining supplement, not supplant when state or local funds are no longer available - Federal funds shall not be used to provide services that the District is required to make available under other Federal, State or local laws (Board Policy).
  - a. Salary expenditures for staff required by federal, state, or local policy shall not be paid from federal funds. For example, teacher FTEs that meet the state's

- 22:1 student-teacher ratio for grades PK through 4<sup>th</sup> 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.
- 4.** Procedures for determining that program-specific supplement, not supplant provisions are met -
- a. A review of the non-federal funds available to each campus (school-wide and non-participating) shall be conducted on an annual basis by the Business Manager.
    - 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.
    - All purchase orders with federal funds shall be reviewed by the Federal Programs Director to ensure compliance with the supplement, not supplant provision. The final approver's signature and date is his/her representation that the grantee complied with local policy and procedure and state and/or federal law, rules and/or grant requirement, as applicable.
- 5.** Procedures for determining supplement, not supplant when state or local funds are no longer available -
- a. Federal funds shall not be used to provide staff that the District provided with non-federal funds in the prior year.
    - Documentation may include a report that reflects the staff units throughout the district and the prior year and current year source of funding.
  - b. Federal funds shall not be used to pay for goods or services that the District provided with non-federal funds in the prior year.
    - Documentation may include Budget Worksheets or other budget documents.
- 6.** Procedures for determining that program-specific supplement, not supplant provisions are met -
- A. Title I, Part A – School-wide Programs {211}
    - Title I, Part A federal funds shall be used only to supplement the amount of funds available from non-federal sources for the campus including funds needed to provide services that are required by law.

for children with disabilities and children with limited English proficiency. A school-wide campus does not have to demonstrate that activities are supplemental. The school is not required to identify particular children or to provide supplemental services to identified children.

- A review of the non-federal funds available to each campus (school-wide and non-participating) shall be conducted on an annual basis.
- B. Title II, Part A – Teacher/Principal Training and Recruitment {255}
- Using Title II, Part A funds to meet any state mandate or local board policy would be considered a supplant. For example, if an LEA decides to use Title II, Part A funds to hire additional teachers to reduce class size in Grade 2, the state mandate of 22:1 must be met with state and/or local funds before additional teachers may be hired with Title II, Part A funds.
- C. Title II, Part D – Technology {262}
- Title II, Part D funds must supplement, and not supplant, **State and local** funds. Title II, Part D funding must supplement the State Technology requirements.
- D. Title I, Part C – Migrant {212}
- Title II, Part C funds must supplement, and not supplant, **State and local** funds. Title II, Part C funding must supplement the Migrant Program requirements.
  - Documentation may include a report that reflects the state and local funds used to meet the State Migrant Programs requirements and the federal funds used to provide additional goods or services.
- E. Title III, Part A – Language Instruction Through Bil/ESL {263}
- Title III, Part C funds must supplement, and not supplant, **State and local** funds. Title III, Part C funding must supplement the State English Language Acquisitions requirements.
  - Documentation may include a report that reflects the state and local funds used to meet the State English Language Acquisition requirements and the federal funds used to provide additional goods or services.

**General Information for all Grants:** Special revenue funds are funds from local, state and federal sources for the objective of providing funds toward approved educational programs and referred to as grants. An application is submitted to the appropriate agency after an evaluation of the program and a comprehensive needs analysis is completed. Strategic planning is conducted for the usage of the funds. A preliminary budget is worked up taking in to account the District plan and campus improvement plans and an allocation for funding is developed.

After receiving notification of grant awards (NOGAs) for all federal and state grants, campus and program awards will be made in accordance with the grant application and allowable expenditures of the specific grant guidelines. All purchases (payroll, contracted services, supplies, and travel) will be monitored by the directors of each program for compliance and will follow the accounting procedures outlined by the business office. If it becomes necessary to request an amendment due to a need identified by a campus or program that was not addressed and approved in the original award, the amendment will be processed after the supervisor of the director approves the need for the amendment. Funds will be available only after the receipt of the amendment approval notice. The business office will be responsible for assuring the compliance of all expenditure reports relating to federal and state programs.

Fundamental business procedures are found in the current Business Office Procedures manual. Covered topics include purchase requisitions, purchase orders and receiving instructions, travel guidelines, purchasing law, and cash handling procedures.

Also, the TEA website is an invaluable resource for additional information. Links are included for Federal cost principles and allowable costs, State travel guidelines, guidelines related to specific costs in alphabetical order, frequently asked questions (FAQs) related to grants in general administered by the Texas Education Agency.

**Fort Stockton ISD  
2009-2010 Grants**

<b>Fund</b>	<b>FY</b>	<b>Beg. Date</b>	<b>End Date</b>	<b>Roll Forward</b>	<b>Program</b>	<b>Fed/ St/ Loc</b>	<b>Funding Agency</b>
211	10	7/01/09	9/30/10	Y	Title I Part A – Improving Basic Education	F	TEA
212	10	7/01/09	9/30/10	N	Title I, Part C - Migrant	F	TEA
224	10	7/01/09	9/30/10	Y	IDEA Part B, Formula (Special Education)	F	TEA
225	10	7/01/09	6/30/10	Y	IDEA Part B, Preschool (Special Education)	F	TEA
240	10	10/01/09	9/30/10	N	National School Breakfast & Lunch Program	F	TEA
244	10	7/01/10	6/30/10	N	Career & Technology Education, Carl Perkins	F	TEA
255	10	7/01/09	9/30/10	Y	ESEA Title II Part A – Teacher & Principal Training & Recruiting	F	TEA
262	10	7/01/09	9/30/10	Y	Title II Part D – Enhancing Education through Technology	F	TEA
263	10	7/01/09	9/30/10	N	Title III, Part A - LEP	F	TEA
266	10	9/15/09	9/30/10	N	Title XIV SFSF – ARRA Stabilization Funds	F	TEA
279	9	9/24/09	9/30/11	Y	Title II Part D – Technology	F	TEA
283	10	8/07/09	9/30/11	Y	IDEA Part B LEA – Formula ARRA	F	TEA
284	10	8/07/09	9/30/11	Y	IDEA Part B LEA – Preschool ARRA	F	TEA
285	9	6/08/09	9/30/11	Y	Title I Part A – ARRA Stimulus	F	TEA
394	10	09/01/09	08/31/10	N	Life Skills	S	TEA
401	10	9/01/09	8/31/10	N	Optional Extended Year Program	S	TEA
404	10	9/01/09	8/31/10	N	Student Success Initiative	S	TEA

# FSISD Grants Procedures

## Grant Management:

### Objectives:

- A. Prepare, submit and review all grant applications that have a financial reporting or compliance requirement prior to submission for approval by the superintendent.
- B. Communicate and promote policies and procedures consistent with state/federal/local regulations.
- C. Exercise budgetary and compliance controls of grants.
- D. Provide support and guidance to campus and central administrative offices for the effective administration and financial management of grants.

**Developing and amending grants:** Developing/amending grants is under the authority of the Business Department of FSISD and the approval of the District Superintendent.

### Purpose and Scope:

Objectives. All grant activities are congruent with OMB Circular A-87 and establishes principles for determining the allowable costs incurred by state, local, and federal under grants, cost reimbursement contracts, and other agreements with the Federal Government. The principles are for the purpose of cost determination and are not intended to identify the circumstances or dictate the extent of federal funds in the financing of a particular program or project.

- (1) FSISD is responsible for the efficient and effective administration of state/federal awards through the application of sound management practices.
- (2) FSISD will assume responsibility for administering state/federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the federal award.
- (3) FSISD in recognition of its own unique combination of staff, facilities, and experience, will have the primary responsibility for employing whatever form of organization and management techniques may be necessary to assure proper and efficient administration of state/federal awards.

#### A. Definitions:

1. "Approval of expenditures" means documentation evidencing consent prior to incurring a specific cost. If the costs are covered by a state/local-wide cost allocation plan or an indirect cost proposal, approval of the plan constitutes the approval.
2. "Contract" means a mutually binding legal relationship obligating the seller to furnish the supplies or services and the buyer to pay for them.
3. "Cost" means an amount as determined on cash, accrual, or other basis acceptable to the Federal awarding or cognizant agency. It does not include transfers to a general or similar fund.

#### B. Basic Guidelines:

1. Factors affecting allowable costs. To be allowable under state/federal awards, costs must meet the following general criteria: a. Be necessary and reasonable for proper and efficient performance and administration of federal awards. b. Be allocable to state/federal awards. c. Be authorized or not prohibited under

State, Federal or local laws or regulations. d. Conform to any limitations or exclusions set forth in State/Federal laws or other governing regulations as to types or amounts of cost items. e. Be consistent with policies, regulations, and procedures that apply uniformly to both State/Federal awards and other activities of the governmental unit. f. Be accorded consistent treatment. A cost may not be assigned to a Federal award if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost. g. Be determined in accordance with generally accepted accounting principles. h. Be adequately documented.

2. Reasonable costs. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when governmental units or components are predominately federally- funded. In determining reasonableness of a given cost, consideration shall be given to: a. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the governmental unit or the performance of the Federal award. b. The restraints or requirements imposed by such factors as: sound business practices; arms length bargaining; Federal, State and other laws and regulations and, terms and conditions of the Federal award. c. Market prices.

3. Allocable costs. a. A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received. b. All activities which benefit from the governmental unit's indirect cost, including unallowable activities and services donated to the governmental unit by third parties, will receive an appropriate allocation of indirect costs. c. Any cost allocable to a particular Federal awards may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the Federal awards, or for other reasons. However, this prohibition would not preclude governmental units from shifting costs that are allowable under two or more awards in accordance with existing program agreements. Also the cost must be consistent with the grant application in its original or amended form.

#### **D. Composition of Cost:**

1. Total cost. The total cost of Federal awards is comprised of the allowable direct cost of the program, plus its allocable portion of allowable indirect costs, less applicable credits.
2. Classification of costs. There is no universal rule for classifying certain costs as either direct or indirect under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective. Therefore, it is essential that each item of cost be treated consistently in like circumstances either as a direct or an indirect cost. Guidelines for determining direct and indirect costs charged to Federal awards are provided in the sections that follow.

#### **E. Direct Costs:**

1. General. Direct costs are those that can be identified specifically with a particular final cost objective.

- 2. Application. Typical direct costs chargeable to federal awards are: a. Compensation of employees for the time devoted and identified specifically to the performance of those awards. b. Cost of materials acquired, consumed, or expended specifically for the purpose of those awards. c. Equipment and other approved capital expenditures. d. Travel expenses incurred specifically to carry out the award.
- 3. Minor items. Any direct cost of a minor amount may be treated as an indirect cost for reasons of practicality where such accounting treatment for that item of cost is consistently applied to all cost objectives.

**F. Indirect Costs:**

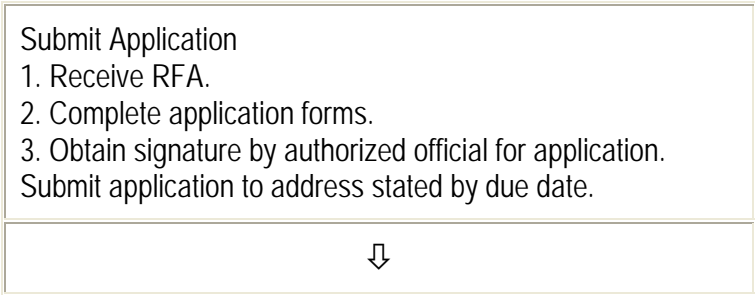
- 1. General. Indirect costs are those: (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.
- 2. Amounts not recoverable as indirect costs or administrative costs under one federal award may not be shifted to another federal award, unless specifically authorized by federal legislation or regulation.

**G. Supplement, not Supplant:** Federal grants contain a prohibition against federal funds supplanting state or local funds, therefore, federal funds must be used to enhance the existing educational program and not to substitute for state or local funds or services that would otherwise be provided. Ask these simple questions: Would this program or service exist absent the use of federal funds? Were these programs or services paid from another fund in the prior year? If the answer is “yes” then this is not a supplement program.

**H. Development Process:** Application for state/federal funds will be under the authority of the staff member assigned to the particular grant. All rules and regulations will be followed as described in the grant. See Flowchart below.



Flowchart - Grant Project



### Receive Grant Agreement

Receive notice of selection for funding by TEA. Make any necessary corrections, verifications or negotiations with TEA. Identify, disaggregate and assign responsibilities to key personnel. Receive and review grant packet.



### Plan for Project Implementation

1. Review and coordinate with the district- and campus-level decision-making committees and coordinate with other appropriate state and federal programs to maximize the effectiveness of the grant.
2. Identify additional resources needed to carry out the activities.
3. Provide reasonable opportunities for teachers, parents, and other interested parties, organizations, and individuals to participate in the planning for and operation of the project.
4. Employ effective procedures for acquiring and disseminating to participating teachers and administrators, significant information from educational research and promising educational practices developed through similar projects.



Implement Grant Project Work with business office to establish financial accounting system to record expenditures and receive grant payments Hire grant personnel, order supplies and materials, and provide training (if approved in grant agreement budget), in a timely manner so that program participants received the maximum benefit from services. Establish workflow procedures for data collection/maintenance and expenditure/progress/ evaluation reporting. Carry out grant activities as described in the approved grant application, including conducting comprehensive planning to ensure that appropriate policies and procedures are in place to ensure the efficient, effective, and proper administration of the grant through sound management principles, including regular communication between the appropriate program and fiscal personnel. Implement the program components/activities on schedule (or within a reasonable amount of time) according to the timeline described in the task/activity plan in the application. Grantee should have policies and procedures in place to ensure grant programs are implemented in a timely fashion. Monitor

progress of implementation on an ongoing basis to determine whether the program met its stated goals and achieved the desired results based on established performance indicators and submit progress/activity reports accordingly. Submit expenditure reports as required. Monitor expenditures, project progress and timeline. Evaluate the grant project on an ongoing basis and according to the approved evaluation plan. File evaluation report as indicated in grant agreement.



#### Close Out Grant Project

Verify submission of all required reports Verify receipt of all applicable grant payments or return of any overpayments Retain all programmatic and financial data for a period of 5 years from ending date of grant project Manage equipment and supplies purchased with grant funds as stipulated in the grant agreement and in accordance with applicable state and federal regulations.



#### Continuing Responsibilities

1. The right of TEA to disallow costs and recover funds on the basis of a later audit or monitoring visit;
2. The obligation of the grantee to refund any monies due as a result of later corrections or other transactions;
3. The need for the grantee to meet audit requirements under the Single Audit Act in OMB Circular A-133;
4. The requirement to retain records for a minimum of five years past the ending date of the grant (including any amended ending dates); and
5. Property management standards must continue as described in Section Eight: Property Management.

**I. Budget Amendment Process:** Budgets requiring amendments will originate with the staff member assigned to the development of the grant and will be responsible for completing the Budget Amendment Form. All amended budgets must remain in the same overall budget and be transferred into a previously created area and follow the district approval procedure. Transfers within the approved allocation amount may not exceed 25% of original approved Notice of Grant Award. Budgets that exceed 25% or amounts being needed in an area not approved in the grant will be amended through the online State amendment process and adhere to deadline dates.

Amendment procedures are established so that grantees may request budgetary or programmatic changes.

**Conditions Not requiring an amendment:**

Grantees are permitted, in some cases, to re-budget within the approved direct cost budget categories (as established on the Budget Summary schedule) to meet unanticipated requirements and to make certain changes to the approved budget without a written amendment.

In general, an Amendment is NOT REQUIRED in the following circumstances:

For all grants, <u>regardless of the dollar amount</u> , an amendment is <u>NOT</u> required to:	For grants totaling <u>\$25,000 or less</u> , an amendment is <u>NOT</u> required to:	For grants <u>greater than \$25,000 total</u> , an amendment is <u>NOT</u> required to:
<ol style="list-style-type: none"> <li>1. increase or decrease the <u>amount</u> of funds budgeted for a line item on a supporting budget schedule (i.e., <u>within</u> a class/object code) as long as the description of the line item does not change;</li> <li>2. increase the quantity by <u>20 percent or less</u> of computer hardware/ equipment (not capitalized) previously approved on the Supplies and Materials schedule;</li> <li>3. increase the quantity by <u>20 percent or less</u> of capital outlay items <u>previously included in the list</u> of articles costing <u>less than \$5,000</u> on the Capital Outlay schedule (line #09).</li> </ol>	<ol style="list-style-type: none"> <li>1. transfer funds among all class/object codes budgeted and approved on the Budget Summary schedule,               <ol style="list-style-type: none"> <li>a. as long as funds are used only for class/object codes <u>previously approved</u> on the Budget Summary schedule; and</li> <li>b. as long as a new line item on a supporting budget schedule (i.e., within a class/object code) is <u>not being added</u>.</li> </ol> <p style="text-align: center;">In no case may grantees expend more than the total grant award.</p> </li> </ol>	<ol style="list-style-type: none"> <li>1. increase the amount budgeted on the Budget Summary schedule for 6200 Professional and Contracted Services, 6300 Supplies and Materials, or 6400 Other Operating Costs by any amount, regardless of the percent increase,               <ol style="list-style-type: none"> <li>a. as long as funds were <u>previously approved</u> in these class/object codes on the Budget Summary.</li> </ol> <p style="text-align: center;">In no case may grantees expend more than the total grant award.</p> </li> </ol>

**Conditions Requiring an Amendment: (34 CFR § 80.30)**

Some grant changes require the prior written approval of Agency through an amendment. An amendment is required in the following circumstances:

For all grants, <u>regardless of the dollar amount</u> , an amendment is required if the applicant is requesting to:	For grants totaling <u>greater than \$25,000, but less than or equal to \$200,000</u> , an amendment is required if the applicant is requesting to:	For grants <u>greater than \$200,000 total</u> , an amendment is required if the applicant is requesting to:
<ol style="list-style-type: none"> <li>1. add a class/object code not previously budgeted on the Budget Summary schedule;</li> <li>2. add a new line item on any of the supporting budget schedules (i.e., <u>within</u> a class/object code);</li> <li>3. increase or decrease the number of positions approved on the Payroll Costs schedule;</li> <li>4. add a new item, change the use/purpose, or increase the estimated quantity by <u>more than 20 percent</u> of computer hardware/ equipment (not capitalized) approved on the Supplies and Materials schedule;</li> <li>5. add a new item or increase the quantity of</li> </ol>	<ol style="list-style-type: none"> <li>1. increase the amount budgeted on the Budget Summary schedule for 6100 Payroll Costs by more than 25% of the amount previously approved for 6100 Payroll Costs; or</li> <li>2. increase the amount for 6600 Capital Outlay by more than 25% of the amount previously approved for 6600 Capital Outlay.</li> </ol> <p style="text-align: center;">In no case may grantees expend more than the total grant award.</p>	<ol style="list-style-type: none"> <li>1. increase the amount budgeted on the Budget Summary schedule for 6100 Payroll Costs by more than 10% of the amount previously approved for 6100 Payroll Costs; or</li> <li>2. increase the amount for 6600 Capital Outlay by more than 10% of the amount previously approved for 6600 Capital Outlay.</li> </ol> <p style="text-align: center;">In no case may grantees expend more than the total grant award.</p>

<p>capital outlay item(s) approved on line 1 of the Capital Outlay schedule for articles costing \$5,000 or more;</p> <ol style="list-style-type: none"> <li>6. add a new item, change the use/purpose, or increase the estimated quantity by more than 20 percent of capital outlay items approved on line 2 of the Capital Outlay schedule (i.e., articles costing less than \$5,000);</li> <li>7. reduce funds allotted for training costs (where such costs are direct payments/reimbursements to trainees, primarily travel and lodging for trainees, workshop/conference registration fees, tuition, books, and related fees);</li> <li>8. change construction costs;</li> <li>9. request additional funding;</li> <li>10. revise the scope (i.e., extent or range) or objectives of the grant (regardless of whether there is an associated budget revision requiring prior approval); or</li> <li>11. extend the ending date of the grant (<u>if requesting to extend the ending date by more than 3 months, attach a narrative explanation/justification for the need to extend. An amendment will not be approved without such explanation.</u>)</li> </ol>	<p>In no case may grantees expend more than the total grant award.</p>	
---	--	--

### Procedure for Requesting an Amendment

An amendment will not be processed until the original application is approved and distributed. Follow the instructions in the SAS and prepare the support schedule entitled Purpose of Amendment. All other affected support schedules must be submitted with this schedule along with a completed Schedule #1 - General Information. Indicate the amendment number on the schedules. Each amendment must be sequentially numbered; amendments are processed in number order. A second amendment will not be processed until amendment number one is completed.

An amendment is effective on the day it is received in the Agency (i.e., the stamp-in date) in substantially approvable form. All amendments are subject to negotiation and approval by TEA.

Unless otherwise specified in the SAS instructions and NOGA transmittal letter, the last day of to submit an amendment is 90 days prior to the ending date of the grant.

The amendment must become effective (i.e., be received in TEA) prior to any activities such as purchase orders issued, funds encumbered and/or expended, goods received, or services rendered which are affected by the amendment.

#### Example:

To transfer 25% of the approved budget from class/object code 6600 to 6300 and add new line items within 6600, attach a Supplies and Materials support schedule and a Capital Outlay support schedule to a Purpose of Amendment schedule indicating the reason for the amendment. (In this example, check number 2 on the Purpose of Amendment Schedule.) Attach all of the above

schedules to a General Information schedule with an original authorized signature in Section 7 and a new Budget Summary schedule with the changes.

Three (3) copies of all forms pertinent to the requested change must be submitted. In this example, the following schedules were amended:

- Schedule #1 - General Information
- Schedule #3 - Budget Summary
- Schedule # 3A - Purpose of Amendment
- Support Schedule #3D - Supplies and Materials
- Support Schedule #3G - Capital Outlay

All support schedules attached must include all items, those being amended and those not affected by the amendment. Once approval is granted, the above schedules replace the original application schedules and will become part of the official grant agreement.

**J. Approval Process:** Approval of all purchases to ensure compliance with grant requirements, coding, allowability of costs, competitive procurement, correct pricing on bids and proposals, eligible vendors (not on debarred list) and alignment with identified needs, CIP's and DIP's will be processed through the RSCCC/TxEIS program.

**K. Compliance Reporting:** Compliance reports will be under the authority of the individual staff member responsible for the development of the application. Compliance Reports will be filed according to TEA regulations.

**L. Periodic/Quarterly Reporting:** Financial reporting and reviewing will be carried out by the FSISD Business Manager. All ARRA Certificate requirements pursuant to Section 1511, Section 1605 and 1606 are followed according to TEA Guidelines and OMB Circular A-87.

**M. Time and Effort Reporting:** Grant funds may be used, if provided for in the grant agreement, to pay all or part of the salaries and allowable fringe benefits of personnel who are directly working on the grant project. Records must be maintained to describe the duties and pay of each grant-funded position. Personnel files include signature, date and job description.

Grant employees may spend 100% of their time on conducting grant program activities. In this case, these employees may be paid 100% from grant funds. Other grant employees may spend only part of their time conducting grant activities, in which case these employees may be paid partially from grant funds, according to the time actually spent on grant activities.

All employees to be directly charged to the grant must be budgeted and approved on the Payroll Costs Schedule of the SAS (usually Schedule #3C). Grantees may charge the grant program only for the actual number of days worked and the actual percentage of time worked on the grant program based on time and effort documentation or a substitute system. Refer to the SAS instructions and to Appendix E for more information pertaining to time and effort documentation to support charges to payroll on federally funded grants. For grantees who must comply with OMB Circular A-87, all charges to payroll for grant-funded personnel must be based on one of the following: (1) certification; (2) time and effort records; or a (3) substitute system.

## **State-Funded Grants**

For state-funded grants, time and effort records must be maintained for those personnel whose salaries are prorated between or among different funding sources (and when not working under a single cost objective) to ensure state-funded grants bear their fair share of costs. Grantees must adjust payroll records and expenditures based on this documentation. For example, for budget planning purposes, the percentage of time that an employee works under a particular funding source may be estimated. During the actual performance of that work the employee must keep ongoing, contemporaneous documentation of the time spent working under that funding source. Samples of appropriate documentation would be calendars, time and effort reporting forms, etc. After the fact, the payroll records must be adjusted from the estimated percentages to the actual percentages.

**N. Personnel Units Change Process:** Amendments in personnel units will originate with the Assistant Superintendent and the Business Manager. FTE's are calculated based on TEA Guidelines as outlined in district's FTE Quarterly Spreadsheets. Any/all amendments of personnel units will follow grant funding requirements and funding amounts and will be based on the following situations:

- \* Loss of previously hired personnel units:
- \* Addition of new personnel units:
- \*Change of job description of funded units
- \*Change of personnel funding amounts of the grant

# **APPENDIX A**

# Web Policy

## Copyright and Terms of Service

---

Copyright © Texas Education Agency, 2002. The materials found on this website are copyrighted © and trademarked ™ as the property of the Texas Education Agency and may not be reproduced without the express written permission of the Texas Education Agency, except under the following conditions:

- 1) Texas public school districts, charter schools, and Education Service Centers may reproduce and use copies of the Materials and Related Materials for the districts' and schools' educational use without obtaining permission from the Texas Education Agency;
- 2) Residents of the state of Texas may reproduce and use copies of the Materials and Related Materials for individual personal use only without obtaining written permission of the Texas Education Agency;
- 3) Any portion reproduced must be reproduced in its entirety and remain unedited, unaltered and unchanged in any way;
- 4) No monetary charge can be made for the reproduced materials or any document containing them; however, a reasonable charge to cover only the cost of reproduction and distribution may be charged.

Private entities or persons located in Texas that are not Texas public school districts or Texas charter schools or any entity, whether public or private, educational or non-educational, located outside the state of Texas MUST obtain written approval from the Texas Education Agency and will be required to enter into a license agreement that may involve the payment of a licensing fee or a royalty fee.

Contact [TEA Copyrights](#) with any questions you may have.

# Texas Education Agency (TEA)

## Guidelines Related to Specific Costs

Funds must be expended for *reasonable and necessary costs* in conducting grant activities. *Reasonable* means a cost is consistent with prudent business practice and comparable to current market value. *Necessary* means the cost is essential for you to accomplish the objectives of the project. All costs must be properly supported by the original source documentation (i.e., invoices, receipts, purchase orders, travel vouchers, etc.) to be reimbursable by TEA. Your organization must comply with the applicable Federal cost principles in expending grant funds. See the last section of this appendix for a list of the Federal cost principles.

This document addresses certain specific costs only and is not intended to be all-inclusive.

### Advertisements

Advertisements are allowed for recruiting grant personnel only as long as the advertisement is *not* in color and not excessively large.

Advertisements are allowed for communication with the public and press when the costs are considered necessary as part of the outreach effort for the grant.

### Alcoholic Beverages

Alcoholic beverages are not allowable under any circumstances.

### Audit Fees

Audit fees are allowable in accordance with the following:

- Audit fees and expenses may not be charged to State-funded grants.
- Audit fees and expenses are allowable only when the audit is required by and performed in accordance with [OMB Circular A-133, Audits](#).
- Audit fees and expenses may not be charged as a direct cost when such audit-services costs are part of your organization's indirect cost pool.

### Awards for Recognition and Incentives for Participation

Minimal-cost certificates, plaques, ribbons, small trophies, or instructionally-related items to be used in the classroom (such as pens and pencils) are acceptable incentives for participation in program activities or awards for recognition.

The following items may be donated by others but may not be purchased with grant funds:

- Gifts or items that appear to be gifts
- Souvenirs, memorabilia, or promotional items, such as T-shirts, caps, tote bags, imprinted pens, and key chains
- "Door prizes," movie tickets, gift certificates, passes to amusement parks, and so on
- Food of any kind (snacks, beverages, refreshments, meals, and so on)

## Calendars and Calendaring Systems

Calendaring systems to manage *personal* calendars—whether paper calendars, personal digital assistants (PDAs), or electronic or software calendars—are not allowable costs.

## Cellular Telephones for Personal Use

A cellular telephone for personal use is not an allowable cost.

## Ceremonies, Banquets, or Celebrations

Costs associated with ceremonies, banquets, or celebrations are not allowable.

## Conflict of Interest

Any purchase or expenditure that would pose a conflict of interest, real or perceived, is not allowable.

## Construction, Remodeling, or Renovation

These costs are not allowed unless specifically authorized in the authorizing program statute and unless specifically approved by TEA in the applicable grant application.

## Consultants

You shall not use or pay any consultant in the conduct of this application if the services to be rendered by such consultant could have been rendered by your employees. You must select consultants based on demonstrated competence, qualifications, and experience and on the reasonableness of the proposed fee.

## (Corporate) Credit Card Charges

TEA will reimburse costs charged to the grant using corporate credit cards *only* when the accounting ledger reflects each individual charge on the credit card statement by:

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

The grantee must maintain the original *itemized* receipt that identifies each item purchased (and not just the credit card receipt). The grantee must also maintain all other appropriate internal accounting records, such as travel vouchers, expense reimbursement vouchers, purchase orders, etc.

## Donations

Donations to other organizations or to other units within the grantee organization are not allowable.

## Employee Service Awards

Employee service awards cannot be paid from grant funds.

## Employer Contributions to Voluntary Retirement Plan

Employer contributions to an employee's *voluntary* retirement plan, such as a 401(k) or 403(b), are not allowable. Employer contributions to *mandatory* pension plans, whereby it is mandatory that every employee participate and the employee cannot opt out, are allowable.

## Entertainment, Recreation, Social Events

Costs associated with any type of entertainment, recreation, or social event are not allowable.

## Field Trips

If specified in the grant program, *educational* field trips are allowable under certain circumstances if allowed in the grant program. Educational field trips are approved, planned instructional activities that involve students in learning experiences that are difficult to duplicate in a classroom situation. These field trips should provide hands-on activities that encourage students to experiment and ask questions. The field trip must support Texas Essential Knowledge and Skills (TEKS), must be reasonable in cost, and must be necessary to accomplish the objectives of the grant program.

The field trip must also appear as a part of the teacher's lesson plans, which should include activities that prepare students for the trip and follow-up activities that allow students to summarize, apply, and evaluate what they learned from the trip.

Costs for the field trip must be reasonable. Any entrance fees and transportation costs must be reasonable in comparison to the intended objectives of the trip.

For audit purposes, your organization must maintain documentation of the field trip and must provide clear evidence of how the expense ties back to an instructional objective. Documentation should include the following:

- Destination of each field trip
- Costs associated with each field trip
- Objectives to be accomplished from conducting the field trip
- Teacher's lesson plan and follow-up activities

If the supplement-not-supplant requirement applies to the grant program in question, documentation must demonstrate the supplementary nature of the field trip as well.

## Examples of Appropriate Educational Field Trips

Examples of appropriate educational field trips include the following:

- Curricular academic activities focused on math, science, and technology, such as service learning, internships, academic UIL competitions (such as robotics or math), or science and technology fairs
- Laboratory and field investigation instruction, used to improve students' understanding of science TEKS objectives
- Trips to a river, archaeological site, or nature preserve that might include contracting with local science centers, museums, zoos, and horticultural centers for visits and programs
- Trips to the local library to increase access to high-interest reading materials or research
- Visits to colleges and universities to encourage interest in the pursuit of higher education

## Unallowable Costs Related to Field Trips

The following costs are not allowable:

- Field trips for social, entertainment, or recreational purposes
- Field trips that supplant and do not supplement local or state expenditures or activities
- Field trips that are not part of a teacher's lesson plan or that do not meet the instructional objectives of the grant program
- Field trips that are not reasonable in cost or are not necessary to accomplish the objectives of the grant program
- Field trips that are not properly documented (as described above)

## Fines and Penalties

Fines and penalties are not allowable.

## Food and Beverage Costs

Expenditures on food must be *reasonable in cost, necessary to accomplish program objectives, and an integral part of the instructional program*. If TEA determines that you expended grant funds on food costs that are not reasonable or necessary to meet the intent and objectives of the grant, TEA reserves the right to restrict your organization from expending any funds on food costs or to disallow expenditures on food costs.

### Food Costs for Participant Meetings/Training

Unless otherwise specified by TEA, a limited amount of funds may be expended on light meals for *participant meetings or training events under very limited circumstances*. The use of grant funds for this purpose is specifically limited to *light working lunches* for participants when the working lunch is noted on an agenda, is clearly described, and is mandatory. The purpose of a working lunch should be to shorten the overall meeting or training time and to facilitate accomplishing the objectives of the meeting or training and the overall program.

A "working lunch" or "light lunch" described below is considered to be reasonable in cost when the cost of the lunch including tax does not exceed \$20 per person; therefore, TEA will not reimburse a grantee for more than \$20 per person, including tax. Any amount over \$20 per person must be paid from other allowable funding sources. The \$20 per person does not include any *mandatory service fee or set-up fee*. Anything termed a "gratuity" or "tip" is not reimbursable by TEA.

Specifically, grant funds may be expended for the following costs provided that the grantee maintains adequate and sufficient documentation that the costs were necessary and reasonable to further the intent and objectives of the grant.

- **Light Lunch during an All-Day Meeting or Training Session:** Light lunch (not to exceed \$20 per person, including tax) for participants who are cloistered in an all-day (at least six-hour) meeting or training session. You must document that it was impractical for participants to obtain lunch on their own (for example, because of an isolated location or distance to eateries) and that their attendance at the meeting or training session was essential to accomplishing the objectives of the grant. You must maintain an agenda that clearly identifies the topics discussed during the meeting or training session and the time allocated to each topic, including the lunch period.

- **Working Lunch during an All-Day Meeting or Training Session:** Light meals during a “working lunch” (not to exceed \$20 per person, including tax). A working lunch is defined as an activity in which staff or participants are engaged in exercises or activities during the normal meal time. You must maintain an agenda that shows that no other opportunity for a meal was provided and that clearly identifies the exercise or activity the participants were engaged in. You should also retain a representative sample of the work product, if any, that was generated as a result of the working session.

No other food costs, including food and beverages for refreshments, breaks, or snacks, are permitted.

### **Allowable Food Costs for Parents and/or Students**

- Nutritional snacks for students during extended day (after-school) programs
- Nutritional snacks for children in child care while parents are participating in grant activities
- Food necessary to conduct nutrition education programs for parents
- Parent involvement activities in which refreshments are necessary to encourage participation or attendance by parents, such as in low-income areas, and thus meet program objectives.

Full meals for parents or students are not allowable for these purposes under any circumstances. Expenditures must be reasonable in cost, necessary to accomplish program objectives, and an integral part of the instructional program.

### **Unallowable Food Costs**

The following costs are not allowable:

- Refreshments of any kind, including beverages, breaks, and snack foods except as necessary for parent involvement activities to encourage attendance by parents
- Refreshments or meals at an awards banquet or function
- Any food costs that are not necessary to accomplish the objectives of the grant program
- Any food cost associated with an event in which a guest speaker or other individual conducts a presentation and the participants are not actively engaged in performing activities
- Breakfast
- “Working lunches” or “light lunches” that exceed \$20 per person, including tax
- Gratuities or tips

### **Fundraising Activities**

Costs of organized fund raising, including solicitation of gifts and bequests, endowment drives, financial campaigns, and similar expenses incurred to raise capital or to obtain contributions are not allowable. Costs associated with attending or sponsoring training on fundraising are not allowable.

### **Gifts**

Gifts or items that appear to be gifts are not allowable.

### **Interest Paid**

Interest paid in a prior grant period may not be charged retroactively to this grant period.

## **Land Purchase and Improvements**

Land purchase and improvements to land are not allowable costs, unless specifically authorized in the grant program statute and specifically approved by TEA in the grant application.

## **Legal Fees**

Legal fees and expenses are allowable only as necessary for the administration of the grant program. Retainer fees are not allowable costs.

## **Lobbying**

Any costs incurred for lobbying are not allowable.

## **Membership in Civic and Social Organizations or Lobbying Organizations**

Memberships in civic and social organizations and in organizations that are substantially engaged in lobbying are not allowable costs.

## **Personal Calendaring Systems**

Calendaring systems to manage *personal* calendars—whether paper calendars, personal digital assistants (PDAs), or electronic or software calendars—are not allowable costs.

## **Printing Costs**

Printing costs are allowable when documentation demonstrates that they are reasonable and necessary. Any multi-color printing must be reasonable in cost and must be necessary to carry out the objectives of the grant program. Documentation must be maintained demonstrating that any such costs are reasonable and necessary.

## **Professional or Individual Liability Insurance**

Professional liability insurance for individual employees is not an allowable cost.

## **Promotional Items, Memorabilia, or Souvenirs**

Promotional items, memorabilia, or souvenirs are not allowable costs.

## **Renovation, Remodeling, or Construction**

Renovation, remodeling, or construction is not allowable unless specifically designated as allowed in the authorizing statute and specifically approved by TEA in the applicable grant application.

## **Salaries, Wages, and Employee Benefits**

Salaries and wages are allowable for personnel who work on the grant provided the appropriate time and activity reports (i.e., time and effort reports) are maintained in accordance with the applicable federal cost principles and submitted to the TEA Accounting Division to document charges to payroll. Benefits are allowable in the same proportion as salaries and wages.

## **Social Events**

The costs associated with social events of any kind are not allowable.

## Substitute Pay for Private Schoolteachers

Substitute pay for private schoolteachers (for-profit or nonprofit) is not allowable under any circumstances.

## Training or Technical Assistance on Grant Writing

Funds may not be used for training or technical assistance on grant writing or for costs associated with writing other grant applications.

## Transportation Costs

The cost of transporting students (or parents, if appropriate for the particular grant program) to or from \ grant activities is an allowable expenditure. You may not charge the grant for costs incurred in transporting students to and from the *regular* school day.

## Travel Costs

All organizations should have a local travel policy that is applied consistently among all employees so employees are reimbursed at the same rates, whether traveling on a state or federal grant or for other purposes. The maximum amounts that may be charged to the grant are restricted to the rates that are approved in the State of Texas Appropriations Bill in effect for the particular grant period.

If local policy restricts travel, per diem, and other travel expenses to a rate less than State law, the applicant must budget and request reimbursement from the grant *at the lesser rate*. If local policy exceeds the maximum recovery rate specified in the Appropriations Bill, then the difference must be paid from state or local funds, i.e., not from grant funds. *Travel allowances*, in which the per diem is paid to the employee regardless of the amount actually expended, are not allowable.

*Travel* generally means a destination outside the city or town in which the individual works (i.e., duty point). Travel can also mean transportation from one duty point to another within the same city or town, such as with an itinerant teacher or counselor who visits multiple campuses in the same work day. This is usually termed “in-district” travel.

## Travel Costs for Executive Director, Superintendent, or Board Members

Travel costs for executive directors, superintendents, or board members or directors are allowed only when they are specifically related to carrying out the objectives of the grant project and only with specific TEA approval in the grant application.

## Allowable Travel Expenses

For more detailed information regarding allowable travel expenses, consult the Texas State Comptroller’s Web site, at <http://window.state.tx.us>. Follow these steps to locate information on the comptroller’s site regarding specific aspects of travel reimbursement:

1. Click the “Finances and Economy” tab at the top of the home page.
2. Scroll down to the “Fiscal Management” section, and click “State of Texas Travel Information.”
3. In the “Resources” section, click “Textravel.” (Note: The “Travel Reimbursement Rates” link opens a general summary page of travel information. Specific travel information is not readily available at that link.)

4. Click either the Meals and Lodging or the Transportation tab.
5. On the left of the page that opens is a blue menu listing subtopics of specific travel information (e.g., on the Transportation page, the subcategories listed in the blue menu include Mileage in Personal Vehicle, Parking, and Rental Vehicles). Click the appropriate subtopic.

The following travel expenses are allowable:

- **Mileage** reimbursement is allowable for travel necessary to carry out the objectives of the grant project. When an employee is on travel for the purposes of the grant, mileage reimbursement cannot exceed the rate established by the Texas Comptroller. Effective January 1, 2010, reimbursement for mileage is not to exceed 50 cents per mile. (The mileage reimbursement rate for travel between January 1, 2009, and December 31, 2009, was 55 cents per mile.) If local organization policy reimburses at a lower rate, you must claim that lower rate.
- As of September 1, 2009, the Texas Mileage Guide is no longer used to calculate mileage. Travelers are required to calculate mileage by one of the following two methods:
  - Odometer reading (point-to-point method)
  - Electronic mapping source (such as that on [www.Mapquest.com](http://www.Mapquest.com) or any other online mapping service). If this method is chosen, the traveler must print out the driving directions provided by the site and attach them to the travel voucher.

Travelers are required to select the shortest and most economical route but may justify the selection of another route if it was chosen for safety reasons and specific justification of the selection is given.

- **Airfare** is allowable at the lowest fare available and must be documented with a receipt. First-class airfare is not allowable.
- **Car rental** fee (at destination) is not allowable unless other transportation such as taxi or shuttle is not available for performing official business or unless you document that car rental is more cost effective than alternate modes of travel. (The car rental must be documented with a receipt.) Gasoline for the rental car is allowable with a receipt.
- **Airport parking** is allowable.
- For both **in-state and out-of-state travel**, the traveler may apply funds available for meal reimbursement toward lodging. For instance, if the traveler chooses for the sake of convenience to stay in a hotel that costs \$10 more a night than the allowable maximum for lodging, the traveler can apply \$10 of the maximum available for meal reimbursement toward the lodging rate. If the traveler chooses to apply meal reimbursement to lodging, the maximum meal reimbursement rate is reduced by the same amount. (Applying \$10 of the meal reimbursement to lodging would reduce the maximum allowable meal reimbursement by \$10.)
- **In-state travel:** Beginning September 1, 2009, the Federal Rate Schedule will be used for reimbursement of in-state meal and lodging expenditures. Because the reimbursement rates can change, it is recommended that travelers print the page at the time reservations are made and submit the printout with the travel reimbursement voucher as a supporting document.

Follow these steps to access federal meal and lodging reimbursement rates for traveling in Texas on the Texas State Comptroller's web site, at <http://window.state.tx.us>:

1. Click the “Finances and Economy” tab at the top of the page.
2. Scroll down to the “Fiscal Management” section, and click “State of Texas Travel Information.”
3. In the “Resources” section, click “Travel Reimbursement Rates.”
4. Click “Domestic Maximum Per Diem Rates.”
5. On the U.S. map, click Texas.
6. ***Important: Disregard the note regarding CONUS at the top of the page; that is a federal standard that does not apply.*** Find your destination on the list, and apply the maximum meal and lodging rates for the city or area to which you are traveling.
  - If the Texas city to which you are traveling is not listed, check the county list. If the county to which you are traveling is listed, use the rate given for that county.
  - If the Texas county to which you are traveling is not listed, use the standard maximum rate of \$85 for lodging and \$36 for meals.

- **In-state *day* trips: In accordance with local policy**, an employee whose duties require the employee to travel outside the employee’s designated headquarters **without an overnight stay** away from the employee’s headquarters may be reimbursed for the **actual cost** of the employee’s meals, **not to exceed \$36**. In the absence of a local policy, no reimbursement shall be made from the grant for this purpose.

“Designated headquarters” is defined as the area within the boundaries of the city or town in which a traveler’s place of employment is located. **Travel must take the employee outside designated headquarters for more than six consecutive hours; the cost of meals for travel lasting less than six consecutive hours is not allowable to be charged to the grant.**

- **Out-of-State Travel:** A state employee who travels within or outside the continental United States shall be reimbursed for the **actual cost of lodging and meals**. However, the reimbursements from grant funds **may not exceed** the maximum meals and lodging rates based on **the federal travel regulations** and issued by the Texas Comptroller of Public Accounts. If local policy reimburses at a **lesser** amount, you must comply with local policy. If local policy reimburses at a **greater** amount, you must pay the difference from local or state funds (i.e., not from grant funds).

Follow these steps to access federal meal and lodging reimbursement rates for traveling out of state on the Texas State Comptroller’s web site, at <http://window.state.tx.us>:

1. Click the “Finances and Economy” tab at the top of the page.
2. Scroll down to the “Fiscal Management” section, and click “State of Texas Travel Information.”
3. In the “Resources” section, click “Travel Reimbursement Rates.”
4. Click “Domestic Maximum Per Diem Rates.”
5. On the U.S. map, click the state to which you are traveling.

6. **Important: Disregard the note regarding CONUS at the top of the page; that is a federal standard that does not apply.** Find your destination on the list, and apply the maximum meal and lodging rates for the city or area to which you are traveling.

- If the out-of-state city to which you are traveling is not listed on the Federal Rate Schedule, find the city on the list that is nearest geographically to your travel destination and apply the lodging and meal rates given for that city.
- When determining the nearest listed city, it is permissible to cross state lines. (For example, if travel takes you to northern New Mexico, the nearest listed city might be a city in Colorado rather than another location in New Mexico.)

■ **Summary of Rates:** The following table summarizes reimbursement rates for in-state and out-of-state travel.

In-State Meals and Lodging	Refer to the federal <a href="#">Domestic Maximum Per Diem Rates</a> . For cities not listed, apply the rate for the county in which the city is located. If the county is not listed, the rates are as follows: Lodging in-state: Up to \$85/night Meals in state: Up to \$36/day
Out-of-State Meals and Lodging	Refer to the federal <a href="#">Domestic Maximum Per Diem Rates</a> . For areas not listed, use the rate for the nearest city. When locating the nearest city, it is permissible to cross state lines.

- **Taxi fares** for official business are allowable. Tips cannot be reimbursed.
- Itemized **miscellaneous business expenses** (such as business phone calls, printing, or materials) for carrying out official business of the meeting, conference, or workshop are allowable.
- **Registration fees** to attend workshops or conferences are allowable. Social events or recreational events available at a cost above the basic registration fee may not be paid from grant funds.

### Unallowable Travel Expenses

The following travel expenses are not allowable:

- First-class air fare
- Per diem (meals and lodging) for meeting, conference, or workshop participants who live in the same city where the event is held. (Automobile mileage is allowable.)
- Tips or gratuities of any kind
- Alcoholic beverages
- Entertainment, recreation, or social events
- Any expense for other persons
- Automobile mileage or taxi fares for other than official business
- Personal accident insurance or personal effects coverage for rental cars
- Rental car for personal use or for purposes not associated with the official business of the meeting, conference, or workshop
- Travel allowances (i.e., per diem paid regardless of participant’s actual expenses)

- Noninstructional field trips (see guidance under “Field Trips”)

## Travel Documentation

Travel costs must be properly documented to be reimbursable. The employee must document travel costs with a travel voucher or other comparable documentation. Documentation must include the following at a minimum:

- Name of the individual claiming travel reimbursement
- Destination and purpose of the trip, including how it was necessary to accomplish the objectives of the grant project
- Dates of travel
- Actual mileage (not to exceed reimbursement at the maximum allowable rate). As of September 1, 2009, the Texas Mileage Guide is no longer used to calculate mileage. Travelers are required to calculate mileage by one of the following two methods:
  - Odometer reading (point-to-point method)
  - Electronic mapping source (such as that on [www.Mapquest.com](http://www.Mapquest.com) or any other online mapping service). If this method is chosen, the traveler must print out the driving directions provided by the site and attach them to the travel voucher.

Travelers are required to select the shortest and most economical route but may justify the selection of another route if it was chosen for safety reasons and specific justification of the selection is given.

- Actual amount expended on lodging per day, with a receipt attached (may not exceed the maximum allowable)
- Actual amount expended on meals per day (may not exceed the maximum allowable; tips and gratuities are not reimbursable). Receipts are not required by TEA but may be required per local organization policy.
- Actual amount of airfare (receipt must be attached)
- Actual amount expended on public transportation, such as taxis and shuttles
- Actual amount expended on a rental car, with receipt attached and justification for why a rental car was necessary and how it was more cost effective than alternate transportation ; receipts for any gasoline purchased for the rental car must be attached (mileage is not reimbursed for a rental car – only the cost for gasoline is reimbursed)
- Actual amount of gasoline for a rental car (receipt must be attached)
- Actual amount of parking
- Actual amount expended on incidentals, such as hotel taxes, copying of materials, and other costs associated with the travel
- Total amount reimbursed to the employee

## Tuition

Tuition fees, either paid directly to an institution or on a reimbursement basis to an employee, are allowable only for courses *directly related to the grant program* and where authorized in the grant program as an allowable use of funds.

## Federal Cost Principles

The applicable cost principles as established by the Federal Office of Management and Budget (OMB) are as follows:

Type of Entity	Applicable Cost Principles
<ul style="list-style-type: none"> <li>■ Public school districts</li> <li>■ Regional education service centers (ESCs)</li> <li>■ Open enrollment charter schools operated by a governmental entity</li> <li>■ Local governments (e.g., cities, counties)</li> </ul>	OMB Circular A-87, Cost Principles for State and Local, and Indian Tribal Governments <a href="http://www.whitehouse.gov/omb/circulars/a087/a87_2004.html">http://www.whitehouse.gov/omb/circulars/a087/a87_2004.html</a>
<ul style="list-style-type: none"> <li>■ Open-enrollment charter schools operated by a nonprofit organization</li> <li>■ Nonprofit organizations, including community-based organizations and faith-based organizations</li> </ul>	OMB Circular A-122, Cost Principles for Nonprofit Organizations <a href="http://www.whitehouse.gov/omb/circulars/a122/a122_2004.html">http://www.whitehouse.gov/omb/circulars/a122/a122_2004.html</a>
<ul style="list-style-type: none"> <li>■ Open-enrollment charter schools operated by an institution of higher education (i.e., college or university)</li> <li>■ Institutions of higher education (IHEs)</li> </ul>	OMB Circular A-21, Cost Principles for Educational Institutions <a href="http://www.whitehouse.gov/omb/circulars/a021/a21_2004.html">http://www.whitehouse.gov/omb/circulars/a021/a21_2004.html</a>

To see the cost principles in side-by-side view, click the following link:

[http://ritter.tea.state.tx.us/opge/grantdev/adminresources/Costprinciples\\_sidebyside\\_032310.pdf](http://ritter.tea.state.tx.us/opge/grantdev/adminresources/Costprinciples_sidebyside_032310.pdf)

# **APPENDIX B**

## **Frequently Asked Questions Related to Grants in General Administered by the Texas Education Agency**

Updated January 2008

### **Table of Contents**

- A. General Application Preparation and Submission
- B. Amendment
- C. Shared Services Arrangements (SSAs)
- D. Documentation Required for Nonprofit and For-profit Organizations
- E. Private Nonprofit School Participation
- F. Supplement Not Supplant
- G. Maintenance of Effort (MOE)
- H. Obligations/Encumbrances
- I. Travel Costs
- J. Use of Corporate/Organization Debit/Credit Cards
- K. Allowable/Unallowable Costs
- L. Indirect Costs/Cost Share Requirements
- M. Equipment
- N. Retaining Grant Records
- O. Identification of High Risk Grantees
- P. Noncompliance
- Q. Documentation for Charges to Payroll

### **A. General Application Preparation and Submission**

1. **A competitive application was mailed on time but arrived late to the TEA Document Control Center (DCC) because of tardy delivery. Can any other documentation, such as a USPS round validation stamp, mail receipt with the date of mailing, a dated shipping label, invoice or receipt from a commercial carrier (UPS, Fed Ex, etc.) be used as proof of receipt?**

No. TEA accepts no responsibility for delays in mail, shipping, courier service, or weather. Applicants are strongly advised to allow for and anticipate any such delays by mailing or shipping the application as early as possible.

2. **Can the competitive application still be considered eligible for funding if the deadline is missed?**

No. A competitive application that is late will not be accepted by TEA under any circumstances. Waiting until the last minute to submit an application could result in missing the deadline because of the unexpected delay. Accepting one late application for any reason would invalidate the entire competition, require the publication of a new Request For Application (RFA), and necessitate the re-submittal of applications by all applicants on a new deadline date. In establishing the time and date of receipt for paper applications, the Commissioner of Education will rely solely on the time/date stamp of the DCC at TEA. For eGrants, the Commissioner will rely solely on the time and date in the automated eGrants system.

**3. For a competitive grant, may additional pages be attached to the application if more room is needed to describe the project?**

No. Use only the space provided in the application or specified in the instructions. Additional pages not requested will be removed prior to the review and scoring and will not be considered during the scoring process.

**4. When the narrative is allowed to exceed one page, must the TEA header be on each page following the first page?**

Yes. In addition to the header, the Standard Application System (SAS) number, as well as the name of the applicant or an identifying number, such as a county-district number or vendor ID number, should be on each additional page.

**5. Must each page of the application be numbered?**

Yes, even if the numbers are handwritten at the bottom of each page. It is difficult for reviewers to note the strengths and weaknesses of an application if there are no page numbers to which they may refer. In addition, should the pages become separated for some reason, page numbers are necessary for putting the pages in proper order and sequence.

**6. Where can a list of school districts and corresponding county-district numbers be found?**

School districts, corresponding campuses, and country district numbers can be found at <http://askted.tea.state.tx.us>.

**7. An applicant is a community-based organization, not an ISD, and does not have a county-district number. What identifying information should be typed in the upper right hand corner of each schedule and on other pages included in the application, such as narratives and appendices?**

Enter the complete name of the organization on the first page. After that, type either a shorter identifiable version of the name or the acronym in lieu of a county-district number. If the organization has received funds through the state of Texas and has a vendor ID number, enter the vendor ID number on every page, including the first page.

**8. What schedules must be included in the application?**

All required schedules must be included and all parts of a schedule must be completed and included. Schedule #3A—Purpose of Amendment is to be submitted only if and when amending an application.

**9. Will a competitive application be reviewed and scored if a required schedule is missing?**

No. All required schedules, including a complete budget and all provisions and assurances, must be included for the application to be eligible to be reviewed and scored.

**10. How many grants will be in the competition?**

Applications can be submitted until 5:00 PM (Central Time) on the deadline day by eligible applicants. It is not possible to predict how many will apply.

**11. Where can the application, instructions, and program objectives for available grants be found?**

The RFA, eligibility list if applicable, and application are available for viewing and downloading at: <http://burleson.tea.state.tx.us/GrantOpportunities/forms/>. In the "Select Search Options" box, select the name of the program/RFA from the drop-down list. Once you have selected the name of the grant program, scroll down to the "Application and Support Information" to view all documents that pertain to this RFA.

In addition, a complete copy of the RFA (if non-eGrants), which includes a description of the eligible applicants, guidelines, instructions, and application forms, may be obtained by writing the Document Control Center, Texas Education Agency, Room 6-108, 1701 North Congress, Austin, TX 78701; by calling 512-463-9304; by faxing 512-463-9811; or by emailing [dcc@tea.state.tx.us](mailto:dcc@tea.state.tx.us). Refer to the RFA number and title in the request. Provide your name, complete mailing address, and phone number including area code.

**12. Where can a listing for current discretionary grant opportunities be found?**

A listing of competitive and non-competitive grant opportunities is available on the TEA Grant Opportunities website at:  
<http://burleson.tea.state.tx.us/GrantOpportunities/forms/>.

**13. How will potential applicants know if they are eligible to apply for a specific competitive grant?**

Eligible applicants are listed in Part 2: Program Guidelines of the RFA in the "Eligible Applicants" section or in a separate eligibility list posted with the RFA.

**14. Should applicants contact TEA prior to applying for a competitive grant?**

There is no requirement to contact TEA prior to applying for a competitive grant; however, prospective applicants are usually requested to file a Notice of Intent to Apply that is helpful for TEA planning purposes.

**15. Is submitting a Notice of Intent to Apply for a competitive grant to TEA required?**

Unless otherwise stated in the RFA, the Notice of Intent to Apply is requested but not required. Failure to notify TEA of the intent to apply will **not** disqualify the applicant from submitting a competitive application unless otherwise stated in the RFA.

**However**, authorizing statute may require, that prior to submission of an application, prospective applicants give notice of intent to submit an application to the **affected**

**community.** Any such requirement will be specified in the applicable RFA or application package.

**16. If the required number of paper applications is not submitted for a competitive grant, will this affect eligibility?**

Yes. To be eligible to be considered for funding for a competitive grant, the required **number of complete copies** of the application must be **received** in the TEA's DCC on or before 5:00 PM (Central Time) on the closing date as specified in the RFA. Additional copies will not be accepted after the closing date.

**17. Will a request for an extension of a competitive application deadline ever be granted?**

An extension of a competitive deadline is never granted on an individual basis for any reason. If the deadline is extended, it will be extended for all eligible applicants and the extension will be publicized.

**18. Why is it necessary to coordinate with the district business office before submitting a grant application?**

To ensure compliance with required accounting procedures, all applicants are strongly encouraged to consult with the applicant's business office **prior to submitting the application** regarding the assignment of budgeted items to the appropriate class/object codes. For paper applications, applicants should ensure that all budgeted amounts in all columns are added correctly and that totals requested on supporting budget schedules match the totals on the Budget Summary schedule. Advance coordination with the business office will expedite negotiation and processing of the application, whether it is in paper or in eGrants.

**19. Can anyone sign Schedule # 1 or submit an eGrant as the authorized official?**

No. The authorized official is the person authorized by the local board to obligate the applicant organization in a legally binding contractual agreement. This is the person who would represent the organization in the event of any legal dispute that might arise pertaining to the grant.

1. Applications submitted by public school districts must be signed/submitted by the superintendent of the school district or his/her designee (usually an associate superintendent or similar level only in the larger school districts).
2. Applications submitted by regional Education Service Centers (ESCs) must be signed/submitted by the executive director or his/her designee.
3. Applications submitted by open enrollment charter schools must be signed/submitted by the chief operating officer of the school.
4. Campuses or campus charter schools must apply through their public school district and the application must be signed/submitted by the superintendent or his/her designee.
5. Signing "**by**" or "**for**" the authorized official is not acceptable.

**20. What if my authorized official isn't available to sign the paper application or submit the eGrant by the deadline day? Can someone else sign it/submit it for him/her, or can it be signed/submitted later?**

No. Applicants are advised to plan ahead and ensure that an authorized official will be present to either sign the paper application or submit the eGrant.

**21. Can anyone submit an eGrant application to TEA?**

No. The same requirements apply to submitting an eGrant as they do for submitting paper applications. The eGrant must be submitted by the official authorized by the local board to obligate the applicant organization in a legally binding contractual agreement as stated in the answer to the previous question. Therefore, the authorized official must be sure to obtain his/her individual TEA SE username and password in sufficient time so that the eGrant can be properly submitted by the established deadline date.

**B. Amendments**

**1. When is an amendment effective?**

An amendment is effective on the date it is received in TEA in **substantially approvable form**. An amendment is in substantially approvable form if it contains the signature of the authorized official on Schedule #1 of the paper application and if it contains all of the properly completed schedules affected by the amendment.

**2. An amendment has been submitted, but it hasn't been approved yet. Can purchase orders be processed or funds encumbered?**

No. An amendment must be approved by TEA prior to any activities such as issuing purchase orders, encumbering and/or expending funds, receiving goods, or rendering services which are affected by the amendment. Once approved, however, the amendment will be effective on the date it was received in TEA in substantially approvable form.

**3. Can an amendment be submitted and approved before the NOGA is received?**

No.

**4. When is an amendment not required?**

Refer to the specific instructions for the Purpose of Amendment schedule to determine when an amendment is not required. Do NOT submit an amendment if it is not required based on the conditions specified in the instructions. If uncertain about the amendment requirements, contact the TEA funding division prior to submitting an amendment. The TEA reserves the right to return unnecessary amendments without reviewing and approving them.

**5. When is prior written approval through an amendment required from TEA?**

Grantees should refer to the instructions to the Purpose of Amendment Schedule to determine when an amendment is required. Currently, the amendment

instructions/requirements are in transition, so the recommendation is to follow the instructions for that particular RFA/SAS.

### **C. Shared Services Arrangements (SSAs)**

#### **1. A school district is entering into an arrangement with a community-based organization. Is this considered a shared services arrangement?**

No. Arrangements with entities (other than school districts, open enrollment charter schools and/or ESCs) such as colleges, universities, community-based organizations, councils of government (COG), etc., for services are not considered shared services arrangements. These other entities may contract with the fiscal agent/SSA to provide services or may enter into a collaborative **partnership** with the fiscal agent/SSA to conduct grant activities, but such contractors/partners **will not** be members of the SSA and should not be listed on this schedule.

### **D. Documentation Required for Nonprofit and For-profit Organizations**

#### **1. For discretionary grants (competitive or non-competitive), what documentation has to be submitted by nonprofit and for-profit organizations to show financial stability?**

All nonprofit organizations, including open enrollment charter schools, as well as for-profit organizations (when for-profit organizations are eligible applicants) must submit along with the application indicators of financial stability, including but not limited to:

- 1) The most recent (i.e., within the last two years from the date of the grant application is filed with the TEA) audit report, including a statement of financial position (balance sheet), statement of activities (income statement), statement of cash flows, note disclosures, and the independent auditor's opinion (standard report).
- 2) In the event the grant application is also subject to the Single Audit Act of 1996, as amended, the audit report must also include reports in accordance with Government Auditing Standards, as promulgated by the U.S. Government Accountability Office, and Office of Management and Budget (OMB) Circular A-133. Entities which expend more than \$500,000 in federal funds total in a fiscal year are required to have an audit conducted under OMB Circular A-133.
- 3) Alternatively, in the event that the organization is new and has not yet had the first annual audit conducted, the grant applicant may file a compilation of financial statements, including a report on compiled financial statements, a statement of financial position (balance sheet), statement of activities (income statement) and statement of cash flows. The compilation report must be prepared by a certified public accountant and in accordance with the standards promulgated by the American Institute of Certified Public Accountants. This annual report of financial activity is required under the Texas Non-Profit Corporation Act, Vernon's Texas Civil Statutes, Article 1396-2.23A.

- 2. A nonprofit or for-profit organization has applied for a competitive grant but failed to submit the required proof of financial stability with the application. Can the application still be reviewed and scored if the financial stability information is not included?**

No. The application will not be reviewed and scored. The RFA states that the proof of financial stability must be submitted along with the application. If, after review and scoring, the grant is selected for funding, the audit or compilation report is forwarded to the TEA Division of Financial Audits for review. A grant will not be awarded to an entity that is not financially stable as determined by the Division of Financial Audits. This determination will be made based upon the financial and other information disclosed in the audit or compilation report. Financial stability will be considered prior to issuing a grant award for each year of subsequent funding and is a pre-condition for award.

- 3. Does a nonprofit organization have to submit proof of nonprofit status? If so, what documentation is acceptable as proof?**

Nonprofit organizations, **including open enrollment charter schools**, must submit **along with the application current** proof of nonprofit status. An applicant may show that it is a nonprofit organization by any of the following means:

1. A copy of a letter from the Internal Revenue Service (IRS) recognizing that contributions to the organization are tax deductible under Section 501(c)(3) of the IRS Code;
  2. A 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;
  3. A certified copy of the applicant's certificate of incorporation or similar document if it clearly establishes the nonprofit status of the applicant; or
  4. Any item described above if that item applies to a state or national parent organization, together with a statement by the parent organization that it is a local nonprofit affiliate.
- 4. A nonprofit organization has applied for a competitive grant but failed to submit the required and acceptable proof of nonprofit status with the application. Can the application still be reviewed and scored if the proof of nonprofit status is not included?**

No. The application will not be reviewed and scored if acceptable proof of nonprofit status as stated above does not accompany the application when it is submitted. A grant will not be awarded to a nonprofit organization that cannot demonstrate nonprofit status at the time of application submittal.

#### **E. Private Nonprofit School Participation**

- 1. Where can the legal authority for the requirements for private nonprofit school participation be found?**

Some requirements come from the authorizing statute; example: Title IX, Section 9501 of NCLB.

Other requirements come from EDGAR: [34 CFR 76.650-.662]

34 CFR Part 76 applies to all state-administered programs administered by the USDE unless the authorizing statute has its own requirements pertaining to private nonprofit participation or unless the federal NOGA states these sections do not apply. (Example: Title V, Part A)

## 2. What are the private nonprofit school participation requirements for LEAs?

In general:

- Private nonprofit school participation does not apply to open enrollment charter schools because their boundaries can cross over several LEA boundaries.
- The LEA must annually contact private nonprofit school officials located within the LEA's boundaries to determine whether the private nonprofit school officials desire that their children participate in the federal programs and services.
- For those private nonprofit schools that choose to participate, the LEA must provide a genuine opportunity for them to participate in the planning and design of the program services and activities.
- LEAs must provide for "timely and meaningful consultation" with private nonprofit school officials during the design and development of programs prior to making any decisions that affect the opportunity of private nonprofit schoolchildren and teachers to participate.
- Equitable Services—private nonprofit schools must be offered equitable services and other benefits (as compared to public school children and teachers) that address their needs under the program.
- Equitable means comparable in quality, scope, and opportunity for participation.
- Different Needs—if the needs are different for private nonprofit schoolchildren and teachers, the LEA shall provide services that address their needs on an equitable basis.
- Local Application—the local application contains a schedule pertaining to private nonprofit school participation that must be completed if any private nonprofit schools are located within the boundaries of the LEA.
- Equal Expenditures—expenditures for educational services and other benefits for private school children and their teachers and other educational personnel must be equal, taking into account the number and educational needs of the children to be served.
- Secular, Neutral, and Nonideological Services or Benefits—educational services or other benefits, including materials and equipment, must be secular, neutral, and nonideological.
- Services to private school children must be provided by employees of the school district or other public agency or through contract by the public agency with an individual, association, agency, organization, or other entity.
- Employees or contractors must be independent of the private school or of any religious organization.
- Employees or contractors must be under the administrative control and supervision of the public agency.
- The public agency must exercise administrative direction and control over federal funds and any property purchased with those funds that benefits private nonprofit schoolchildren.
- The public agency must ensure that the private school is using materials and equipment for the approved purposes of the federal program.

- The public agency must remove equipment or supplies from a private school when the supplies and materials are no longer needed for the federal program purposes or if necessary to avoid unauthorized use of the equipment or materials for purposes other than the particular federal program under which the supplies and materials were purchased.
- The public agency must ensure that services in a private school supplement and do not supplant services that would otherwise be provided by the private school.
- No funds will actually ever flow through to the private school (unless specifically authorized in statute)—only services, materials, and equipment are provided for the benefit of the students and teachers.
- The LEA orders the equipment and materials, pays for them, and "loans" them to the private school for the duration of the project.
- The LEA maintains any computers, equipment, library books, or other capitalized items on their inventory and shows the location as the private school.

**3. If a private nonprofit school does not wish to participate in the first year of a basis to determine if grant, are we still required to contact the private nonprofit school on an annual they wish to participate?**

Yes. Private nonprofit schools must be contacted annually, or with each renewal/continuation period.

**4. How is the fair share of expenditures calculated for participating private nonprofit schools?**

- Count the number of public school children (or teachers) participating in the federal program.
- Count the number of private nonprofit school students (or teachers) eligible to receive benefits in the program.
- Add them together to get the total number of students in public and private.
- Divide into the total amount available to get a per student amount (a reasonable amount may be set aside for administering the private nonprofit school program prior to doing this).
- Multiply the per student amount times the number of eligible private nonprofit school children (or teachers).
- This amount is the "fair share" for private nonprofit schools.
- Example of calculation:  
Participating public school children = 1000  
Eligible private school children = 25  
 Total = 1025 students  
 $\$100,000/1025 = \$97.56$  per student  
 $\$97.56 \times 25 = \$2,439$  (fair share for eligible private school children)

**5. Are any funds actually ever paid to the participating private school?**

No, not unless specifically permitted in the authorizing statute. This is a very rare occasion.

**6. Can a private for-profit school receive federal program benefits?**

No, not unless specifically provided for in the authorizing federal program statute or regulations.

## **F. Supplement Not Supplant**

### **1. What is the definition of supplement? Supplant?**

**Supplement** means to add to; to enhance; to expand; to increase; to extend; to create something new. **Supplant** means to take the place of; to replace by something else.

**Example of statutory language:** A state or local educational agency may use funds only so as to supplement the funds that would, in the absence of such federal funds, be made available from non-federal sources, and in no case may funds be used so as to supplant funds from non-federal sources.

### **2. What does supplement, not supplant mean?**

- Federal funds may be used only to supplement or augment the educational programs generally offered with state and local funds.
- Federal funds may be used only to provide supplemental services that would not have been provided had the federal funds not been available.
- State or local funds which previously funded activities may not be diverted to another purpose simply because federal funds are now available to fund those activities.
- In other words, the use of federal funds may not result in a decrease in state or local funds for a particular activity, which, in the absence of the federal funds, would have been available to conduct the activity.
- Federal funds must supplement or augment that which must be provided by state law or SBOE rule, or any activities which have been adopted as policy by a local school board of education to fund from non-federal sources.
- If federal funds are used to enhance or expand a state mandate, SBOE rule, or local board policy, the federal supplementary activities must be separately identified and clearly distinguishable from the activities identified as necessary for implementing a state mandate, SBOE rule, or local board policy as outlined in the implementation plan.

### **3. Do recipients of federal funds have to maintain documentation that demonstrates the supplementary nature of the funds and activities?**

Yes. In most cases, both the funding and the activities must be supplemental. The exception is Title I school wide projects where only the level of funding must be supplemental. If supplement and not supplant cannot be properly documented, the maximum penalty would be the return of 100% of the grant dollars to TEA, depending upon the activities and expenditures associated with the supplant.

### **4. How can grantee officials know if they are supplanting?**

Ask yourself this question: If I didn't have federal funds available to conduct this activity/service, would I still conduct it with state or local funds anyway?

If the answer to the question is "yes", you are supplanting because it is no longer a supplementary activity. You must be able to demonstrate that you could not conduct the activity if it weren't for the federal funds.

The test to determine whether supplanting has occurred is whether the programs supported with federal funds would, in the absence of these federal funds, have been supported with state or local funds.

**5. Does supplement-not-supplant ever apply to state-funded grant programs?**

Yes, supplement-not-supplant often applies to state-funded grant programs. If this requirement applies, it will be specified in the applicable RFA or SAS. The requirements will be applied in the same manner as for federal grants. The grant funds must supplement other state, federal, or local funds.

**G. Maintenance of Effort (MOE)**

**1. What is Maintenance of Effort (MOE)?**

Maintenance of Effort means that a funding recipient is required to maintain a specified level of state and local funding as a condition for receiving a continued level of federal funding. Typically, a local educational agency (LEA) may receive federal funds for any fiscal year only if the State educational agency finds that either the combined fiscal effort per student or the provision of free public education by the LEA for the preceding fiscal year was not less than 90 percent of the combined fiscal effort or aggregate expenditures for the second preceding fiscal year. (NCLB, Section 9521). (The MOE requirements may vary depending upon the specific federal program. Consult the applicable federal program statute.)

**2. What happens if an LEA doesn't maintain MOE?**

The State educational agency (i.e., TEA) is required to reduce the amount of the allocation of federal funds in any fiscal year in the exact proportion by which a local educational agency fails to meet the requirement by falling below 90 percent of both the combined fiscal effort per student and aggregate expenditures (using the measure most favorable to the local agency). The final grant amount will be reduced in exact proportion by which the LEA fails to meet 90 percent of the combined fiscal effort per student and aggregate expenditures. [P.L. 107-110, Title IX, Section 9521]

**3. Can the Secretary of Education waive MOE requirements?**

Yes, if the Secretary determines that a waiver would be equitable due to either exceptional or uncontrollable circumstances, such as a national disaster or a precipitous decline in the financial resources of the local educational agency. The waiver must be submitted directly to the U.S. Department of Education (USDE). The USDE will notify TEA in the event a waiver for MOE is granted for a particular school district.

**4. Is an MOE waiver good for the duration of the entire grant program?**

No. Waivers are given for one year at a time.

**5. How is MOE calculated?**

Per 34 CFR 299.5: In calculating MOE, the state agency shall consider only the LEA's expenditures from state and local funds for free public education. These include: administration, instruction, attendance and health services, and pupil transportation services, operation and maintenance of plant, fixed charges, deficits for food services and student body activities. TEA uses expenditure information from PEIMS to calculate MOE for LEAs.

**6. Are there any expenditures that are not included in the MOE calculation?**

Yes. Expenditures not included in the MOE calculation in accordance with the regulations include community services, capital outlay, debt service, and federal funds.

**H. Obligations/Encumbrances**

**1. What is an obligation?**

Obligation means the amounts of orders placed, contracts or subgrants awarded, goods and services received, and similar transactions during a given period that will require payment by the grantee during the same or a future period. In other words, an *obligation* is a purchase order, a signed contract or other agreement, a purchased airplane ticket, the purchase of supplies or materials, etc., or other "commitments" to expend the funds. Grant funds may not be obligated prior to the starting date of the grant or after the ending date of the grant.

**2. When does an obligation occur?**

Grant funds may not be obligated prior to the starting date of the grant or after the ending date of the grant. An obligation occurs when:

- Services by an employee – when the services are performed
- Services by a contractor – the date of a binding written commitment to obtain services
- Utility services – when the services are received
- Travel – when the travel is actually taken (for example, mileage claimed, lodging, and meal expenses while on travel)
- Rental of property – when the property is used
- Real or personal property (including purchase of supplies and equipment) – the date of a binding written commitment to acquire the property, such as a purchase order

**3. We have a discretionary grant in which grant funds were encumbered/obligated before the end of the grant period, but the goods were not received until after the end of the grant period. When the final expenditure report was submitted, however, TEA would not pay for these goods. Why not?**

For discretionary grants, all encumbrances have to occur on or between the beginning and ending dates of the grant. Likewise, all goods must be received and all services

must be rendered within the beginning and ending dates of the grant. All expenditures must be subsequently liquidated (recorded as an expenditure or accounts payable) by the time the final expenditure report is submitted to TEA so that the expenditures and accounts payable can be included in the final expenditure report. A good or service can only be put into the accounts payable once the goods or services have been received. Goods or services received after the grant ends will have to be paid from other grant or local funds. [General Provisions and Assurances, Schedule 6A, Section K]

4. **We have a discretionary grant. We ordered materials or equipment before the ending date of the grant. But the vendor didn't ship the materials or equipment on time, so we did not receive them until after the grant ended. Can we pay for them from the grant?**

No. The materials or equipment must be received prior to the ending date of the grant.

5. **We want to contract with a consultant to perform services related to the grant. Can the contract extend past the ending date of the grant period?**

TEA cannot reimburse the grantee for consultant services performed before or after the ending date of a grant. Therefore, TEA highly recommends that such a contract not extend past the ending date of the current grant period. The contract creates a binding written legal agreement between the grantee and the consultant. Should you not receive grant funds for some reason beyond the current grant period, the grantee is still contractually obligated to receive services from and to pay the consultant. This means the grantee will be paying for consultant services from some other allowable funding source if the grantee for some reason does not receive grant funding in the subsequent year.

In addition to possibly resulting in financial difficulties for the grantee in paying the consultant, it may also appear to be a supplant rather than a supplemental expenditure because the grantee is making a commitment beyond the current grant period, which implies other sources of funds will exist after the grant period to pay the consultant. A supplant condition would require the repayment to TEA of all costs paid to the consultant.

In addition, you may wish to terminate the contract with a particular consultant at the end of the grant period, but would be unable to do so easily if the contract extends past the current grant period.

For these reasons, TEA recommends that any contract with a consultant/contractor not extend past the current grant period.

6. **Can we sign a contract with a consultant/contractor prior to the start date of the grant and pay for the services from the grant, even though the services will not be performed until after the grant starts?**

No. The signed contract constitutes a binding obligation/encumbrance, and cannot be committed prior to the start date of the grant. Signing the contract prior to the start date of the grant will cause an audit exception for the grantee.

## **I. Travel Costs**

### **1. What are the current travel reimbursement rates when traveling within the state of Texas?**

Lodging: actual costs not to exceed \$85/day, not including taxes

Meals: actual cost not to exceed \$36/day (tips and gratuities are not allowable)

Mileage: 55¢/mile (as of 1-1-09)

Prior to January 1, 2009, the mileage rate was 58.5 cents per mile.

### **2. Is there a website available to confirm current travel cost allowances in Texas?**

TEA applies the same travel rates to grantees as it does to state employees. State of Texas Travel Information is available on the State Comptroller's website at:  
<https://fm.xcpa.state.tx.us/fm/travel/index.php>.

### **3. Are receipts required for meals when traveling?**

It is the discretion of the individual school districts/grantee organizations whether to require submission of meal receipts. It is important to remember that travelers should not arbitrarily receive the maximum \$36/day if this amount wasn't spent. Meals are to be reimbursed for actual costs, not to exceed the maximum allowable. Example: A traveler spends \$2.00 for breakfast, \$4.00 for lunch, and \$10 for dinner for a total of \$16.00. This is the amount that should be claimed toward expenses, not \$36.00. If local school policy requires reimbursement at an amount less than the maximum amount allowed by state law, the local policy amount should be used. Tips for meals are not a reimbursable expense.

### **4. Are receipts required for lodging, airfare, or rental car?**

Yes. Receipts for these expenditures should be submitted to your business office along with some type of travel voucher documenting actual travel costs. TEA cannot reimburse grantee organizations in the absence of these receipts. The grantee maintains these receipts for audit and monitoring purposes.

### **5. What are the current travel reimbursement rates when traveling outside the state of Texas?**

Out-of-state travel rates can be found at:

[https://fm.xcpa.state.tx.us/fm/travel/out\\_of\\_state/index.php](https://fm.xcpa.state.tx.us/fm/travel/out_of_state/index.php).

### **6. What kind of documentation should be maintained for travel expenses?**

Actual travel costs must be documented with a "travel voucher" or other comparable documentation completed by the employee at the completion of the trip.

Documentation must include at a minimum:

- The name of the individual claiming travel reimbursement

- The destination and purpose of the trip, including how it was necessary to accomplish the objectives of the grant project
- The dates of travel
- The actual mileage (not to exceed reimbursement at the maximum allowable rate)
- The actual amount expended on airfare, with a receipt attached
- The actual amount expended on lodging per day, with a receipt attached (may not exceed the maximum allowable)
- The actual amount expended on meals per day (may not exceed the maximum allowable; tips/gratuities are not reimbursable)
- The actual amount expended on public transportation, such as taxis, shuttles, etc.
- The actual amount expended on a rental car, with receipt attached and justification for why a rental car was necessary and more cost effective than alternate transportation
- The actual amount expended on incidentals, such as hotel taxes, copying of materials, and other costs associated with the travel
- The total amount reimbursed to the employee any travel costs not properly documented are not reimbursable.

**7. A grantee employee will be attending a conference in which the dates of the conference and the corresponding travel dates cross a grant period (i.e., the first part of the travel occurs in one grant period, and the second part of the travel occurs in the next grant period). How is this travel to be charged?**

The travel costs that are actually incurred during each respective grant period must be charged to that grant period. For example, half of the plane ticket would be charged to the first grant, and half of the plane ticket would be charged to the second grant, because the traveler departed on a day covered by the first grant, and returned on a day covered by the second grant. The lodging and meals would also be charged in the same manner, i.e., expenses for lodging and meals that were incurred during the first grant period would be charged to the first grant period, and lodging and meal expenses that were incurred during the second grant period would be charged to the second grant period.

**8. Can we pay a registration fee in advance of the conference, even though the conference may not be until the subsequent grant period?**

Yes, but only if the registration fee **MUST** be paid prior to the ending date of the current grant in order for the participant to attend the conference. If the registration fee can be paid later or paid on-site at the conference, then the registration fee must be paid later or on-site from the subsequent grant. The registration fee will be charged to the grant period during which the registration fee was actually paid because that is when the obligation occurs. You must be able to document that the registration fee was required to be paid in advance to avoid an audit exception.

**9. If we pay the registration fee in advance, it will save us some money. But the conference is not until the next grant period. Can we pay the registration fee from the current grant to save money?**

No. Even though it will save you money, unless the registration fee **MUST** be paid in advance in order to be able to attend the conference as discussed in section I, question 8, you may not pay the registration fee in advance.

- 10. If we purchase a plane ticket in advance, it will save us some money. But the conference we are flying to is not until the next grant period. Can we buy the plane ticket in advance from the current grant to save money?**

No. Even though it will save you money, the plane ticket must be purchased during the grant period in which you will be traveling because the obligation occurs when you actually travel.

- 11. What is defined as "foreign travel"? Can foreign travel be paid from a grant?**

Foreign travel is defined as any travel outside the United States, Canada or Mexico. TEA generally does not approve foreign travel. On the rare occasion that such travel is approved, the travel must have been properly budgeted and approved in the applicable grant application, **prior** to the trip occurring. The grantee must also maintain documentation that the foreign travel is **necessary** to accomplish the objectives of the grant program (i.e., the grant program would not be successful without it) and that it is **reasonable** in cost. Any foreign travel not specifically approved by TEA in advance is not reimbursable.

- 12. Can travel be paid to Canada or Mexico, since it is not considered "foreign travel"?**

Yes, travel to Canada or Mexico can be paid from the grant, provided that the grantee documents that the travel costs are reasonable and that the trip is necessary to accomplish the objectives of the grant program (i.e., the grant program would not be successful without it).

- 13. Can school district employees be reimbursed for meals for one-day workshops that are not held in the district?**

This requirement is not currently addressed in the guidance provided by TEA. Local policy should determine allow ability, provided the costs are reasonable and necessary. If local policy permits reimbursement of meals for a one-day workshop not held in the district/city but where there is no overnight travel, then districts are encouraged to consider whether the meal reimbursement is "reasonable and necessary" in determining allow ability. In any case, all costs must be reasonable and necessary. For example:

- Reimbursement for **breakfast** for non-overnight travel would not be necessary to accomplish the objectives of the grant, as the individual could have breakfast at home prior to departing for the workshop.
- Reimbursement for **lunch** might be reimbursable for an all-day workshop, where, in order to eat, the employee must purchase lunch at a nearby eatery.
- Reimbursement for **dinner** would not be necessary to accomplish the objectives of the grant if the workshop ends at a reasonable time in the afternoon or early evening to still allow the employee to seek dinner on their own. Reimbursement for

dinner might be necessary, however, if the workshop extends through the dinner hour, such as until 9:00 p.m. or 10:00 p.m., and the employee would not return home in time to be able to have dinner on their own. In this particular example, it may unreasonable to expect an individual to wait until 9:00 or 10:00 p.m. to have dinner once they return to their own district/city.

**14. Can we pay an employee a "travel allowance" in lieu of the actual amount expended for travel?**

No. TEA travel reimbursement policy states that employees and others traveling for the benefit of the grant program will be reimbursed for **actual** expenditures, not to exceed the maximum daily rates for lodging or for meals. Refer to the "Guidelines Related to Specific Costs" for current lodging and meal maximum daily rates at <http://ritter.tea.state.tx.us/opge/grantdev/admin.html>. Click on the latest set of guidelines under "Federal Cost Principles and Allowable Costs".

To reimburse the traveler for any amounts above the amount actually expended would constitute a "gift of public funds", and these are not allowable.

**J. Use of Corporate/Organization Debit/Credit Cards**

**1. Can an employee use an organization-issued debit/credit card to charge grant expenses?**

A grantee may use any medium to transact business during the course of implementing a grant program. However, some business practices are better than others because they facilitate the implementation of internal controls that mitigate the risk that an employee or other agent will use public (or local) funds in an inappropriate or unauthorized manner. Although not recommended by TEA, a grantee may use a revolving credit or charge account(s) issued directly to the grantee organization (i.e., a corporate account) to transact business related to a grant program **provided that it properly accounts for each individual transaction charged to the account(s)**. This includes, but is not necessarily limited to, the following:

1. **Each individual transaction** listed on the credit or charge account billing statement is properly classified in the accounting system according to:
  - a. The source of funding (i.e., donations, a particular state grant, a particular federal grant, etc.)
  - b. The expense category (i.e., supplies, instructional materials, equipment, travel, etc.)
  - c. The date of the transaction (as opposed to the billing statement date or the date that the total credit/charge account bill was paid).
2. Original, internal accounting records (e.g., purchase order, travel reimbursement voucher, employee expense reimbursement voucher, etc.) that identify the business purpose and the general ledger account code classification of each transaction are maintained.
3. Original itemized invoices and receipts that adequately describe or otherwise identify the goods purchased or services rendered are maintained. These records must also

clearly identify the business or individual that the grantee transacted with and the date(s) of the transaction(s).

4. Financial accounting reports (e.g., a detailed general ledger that supports the expenditures reported to the TEA on an interim or final expenditure report) that disclose the accounting of grant funds are prepared.

The classification of costs by funding source and expense type and the maintenance of adequate original source documentation is necessary for reporting purposes to the TEA. It is also necessary to demonstrate compliance with state and federal cost principles and standards of financial management systems and conformance with generally accepted accounting principles. Lastly, it is a requirement of the Internal Revenue Code applicable to all business entities. **Any charges not supported by proper original receipts or invoices are not reimbursable to the grantee.**

Written Policy Recommended: TEA recommends that the organization develop and maintain a written policy with regard to the use of organization-issued credit cards. TEA further recommends that the organization obtain a signed statement from each employee issued an organization-credit card, certifying that the employee has read and understands the conditions set forth in the policy and that any credit card charge not supported by an itemized receipt will not be reimbursed by the organization and the employee will be liable for the charges.

#### **K. Allowable/Unallowable Costs**

1. **Are TRS retiree surcharges allowable costs of the Federal and/or State funded grants? Are TRS Retiree TRS-Care insurance costs allowable costs for Federal and/or State funded grants?**

If the federal project budget is sufficient to cover the TRS on-behalf transaction, then such amounts are to be recorded in the fund code for the federal project and reported as program cost. If the federal program budget did not include this item or the budget is not sufficient to cover this cost, then the TRS amount is recorded in the General Fund, which is the standard for all other TRS on-behalf transactions.

Costs are recorded under the fund code that financed the transaction. In most instances, costs attributed to employee benefits are recorded in the same fund (except for TRS on-behalf transactions which are recorded under Fund Code 199, General Fund, for all employees) that financed the salary transactions (budget codes 6119, 6129) for professional and paraprofessional employees. In some instances, benefits may be financed in the General Fund because a project or grant may not have authorized any or may have authorized insufficient funds to cover the entire amount of salary and benefits for employees that are funded by a particular grant or project (also certain employee benefits may represent nonallowable costs under state or federal law, rules, or regulations applicable to certain grants or projects).

2. **What does a "reasonable and necessary" cost mean?**

"Reasonable costs" means costs that are consistent with prudent business practice and are comparable to current market value. "Necessary costs" are those costs that are essential to accomplishing the objectives of the project. Project costs must be

reasonable in relation to expected outcomes, i.e., the amount requested might realistically be expected to have an impact on the stated needs, and the expected outcomes are sufficient to justify the amounts requested.

### 3. To be allowable, do costs have to meet specific criteria?

Yes. To be allowable, costs must:

- 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 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)
- If federal, not be included as cost or used to meet cost-sharing or matching requirements of any other federally-funded program in the current or a prior period
- For discretionary grants, not be used for lease-purchases (i.e., debt service)

### 4. How is the reasonableness of a cost determined?

Consider whether:

- The cost is of a type generally recognized as ordinary and necessary for operation of the organization or grant performance
- The grantee acted in accordance with any restrictions or requirements imposed for generally accepted sound business practices, arms length bargaining, federal/state laws and regulations, and grant award terms and conditions
- Market prices for goods and services are comparable
- Individuals acted with prudence in the circumstances of responsibility to the organization, its members, employees, clients, and the public and federal government
- There are no significant deviations from established practices of the organization which may unjustifiably increase grant costs

### 5. What are "allocable" costs?

A cost is allocable to a particular grant in accordance with the relative benefits received and if it is treated consistently with other costs incurred for the same purposes in like circumstances and if it:

- Is incurred specifically for the grant
- Benefits both the grant and other work and can be distributed in reasonable proportion to the benefits received
- Any cost allocable to a particular grant or other cost objective may not be shifted to other federal awards to overcome funding deficiencies, or to avoid restrictions imposed by law or by the terms of the grant award

## 6. Are field trips allowable?

*Educational field trips* are allowable under certain circumstances if allowed in the grant program. Educational field trips are approved, planned instructional activities that involve students in learning experiences difficult to duplicate in a classroom situation and should provide hands-on activities which encourage students to experiment and ask questions. The field trip needs to support the Texas Essential Knowledge and Skills (TEKS) and must be reasonable in cost and necessary to accomplish the objectives of the grant program.

The field trip must also appear as a part of the teacher's lesson plans and should include activities that prepare students for the trip and follow-up activities that allow students to summarize, apply, and evaluate what they learned from the trip. Costs for the field trip must be reasonable. Any "entrance fees" and transportation costs must be reasonable in comparison to the intended objectives of the trip. Documentation of the field trip must be maintained by the grantee for audit purposes and must provide clear evidence of how the expense ties back to an instructional objective. Documentation should include:

- The destination of each field trip
- The costs associated with each field trip
- The objective(s) to be accomplished from conducting the field trip
- The teacher's lesson plan and follow-up activities

For the supplement not supplant requirement, documentation must demonstrate the supplementary nature of the field trip as well. Examples of appropriate educational field trips might include:

- Curricular academic activities centered around math, science, and technology, such as service learning, internships, UIL competitions (robotics, math) or science and technology fairs
- Using laboratory and field investigation instruction to improve students' understanding of science TEKS objectives
- Trips to a river, archaeological site, or nature preserve; it could include contracting with local science centers, museums, zoos, and horticultural centers for visits and programs
- Trips to the local library to increase access to high-interest reading materials
- Visits to colleges and universities to encourage interest in the pursuit of higher education

### **Unallowable Costs Related to Field Trips**

- Field trips for social, entertainment or recreational purposes
- Field trips that supplant and do not supplement local or state expenditures or activities
- Field trips that are not part of a teacher's lesson plan or that do not meet the instructional objectives of the grant program
- Field trips that are not reasonable in cost or are not necessary to accomplish the objectives of the grant program

- Field trips that are not properly documented as described above

**7. Can an awards banquet, ceremony, or celebration be paid for from grant funds?**

No. Expenditures related to award banquets/ceremonies, celebrations, or social events are not allowable under any circumstances.

**8. The district is conducting an all-day cloistered training for staff or participants. Can grant funds be used to pay for lunches?**

Payment for lunches is allowable only under certain limited circumstances. If the training is such that it is impractical for staff to obtain lunch on their own, or where continued attendance is essential to accomplish the objectives of the training, providing a light meal (for example, a reasonably priced box lunch, pizza, etc.) is allowable. Documentation that demonstrates the necessity of such meals must be maintained for audit and monitoring purposes.

Breakfast is not allowable for trainings or meetings under any circumstances.

**9. Can refreshments for training or staff meetings be paid for from grant funds?**

No. Not under any circumstances. Refreshments are not considered to be necessary to carry out the objectives of the training or staff meetings.

**10. Parental involvement at the campus level is poor. Refreshments or snacks will be provided during the parental involvement meetings to encourage attendance at these meetings. Can these refreshments be paid for with grant funds?**

Yes, but only when necessary to encourage attendance and to accomplish the objectives of the grant program. This includes snacks for the children receiving childcare while parents are participating in the meeting or activity.

**11. Are salaries for superintendents allowable?**

No. Salaries for superintendents are not allowable under any circumstances. OMB Circular A-87 (2 CFR Part 225), federal grant regulations governing public school districts and other local governments, disallows salaries and expenses for superintendents. Since public charter schools are included in the Texas public school system, the same regulations regarding superintendents' salaries is applicable to public charter schools as well.

**12. Are salaries for principals or assistant principals allowable?**

No. Since these positions would be budgeted for the campus in the absence of grant funds, it is not an allowable cost to fund these positions from grant funds.

**13. Are fringe benefits allowable under payroll costs?**

Yes. Fringe benefits are allowable for personnel paid from the grant. Payroll costs include gross salaries, wages and benefits such as teacher retirement, unemployment insurance, etc.

**14. Are employer contributions to an employee's voluntary retirement plan, such as a 401(k), 403(b), or an IRA, allowable from grant funds?**

No. Not under any circumstances. It is allowable, however, to pay for mandatory retirement or pension plans when the retirement or pension plan is mandatory (i.e., not optional) for all employees and when specified in organization policy that all employees are required to participate in the plan.

**15. When can a school pay for extra duty pay costs?**

A school may pay employees extra duty pay to attend meetings/conferences/workshops during non-contract hours (after-hours, holidays, and weekends). Extra duty pay may not be paid during regular working hours of a contract day. Employees must document the extra hours worked and payment must be made based on actual extra hours worked. Alternatively, where provided in district policy, if an additional assignment, such as managing a grant, is given to an employee, where the employee will manage the grant during non-contracted hours, the district may supplement the pay of the employee on a semester or annual basis, as appropriate, depending upon the length of the project. All extra-duty pay must be reasonable compensation for the actual work performed during extra hours. If extra-duty pay is based on hours worked, the pay must be based on the hourly rate for the employee.

**16. Are merit raises allowable expenditures for grant-funded personnel? Do they need to be listed as a separate line item from staff salaries?**

Yes, merit raises are allowable but should not be listed as a separate line item in the grant application. The costs need to be included in staff salaries if the school anticipates awarding salary increases for those positions. Note that the full amount of the raise is allowable only if the salary is fully paid out of the grant. If staff salaries are paid by other funding sources, the school cannot use the grant funds to pay for full merit raises for those staff positions. The costs will need to be calculated on a pro-rated basis if the positions are paid from several funding sources.

**17. Are costs associated with audit fees allowable?**

These costs may or may not be allowable depending on the type of an audit conducted and the grant award amount. Public schools and open enrollment charter schools are required under the Texas Education Code (TEC) to have an annual audit, but the costs associated with this **annual audit** are not allowable under a grant. Costs associated with a **single audit** (required and conducted in accordance with OMB Circular A-133 when an entity expends \$500,000 or more in federal funds in a fiscal year) are allowable and can be charged to the grant. If the grantee receives funds from different federal funding agencies, the costs for a single audit must be pro-rated among the federal programs included in the single audit based on the award amount expended in each federal program.

**18. Are legal fees/expenses allowable?**

Legal fees/expenses are *allowable* only as *necessary* for the *administration of the grant program*. Examples of legal services that can be paid with grant funds are attorney's review of notice of grant awards, service contracts as related to the grant, etc. Retainer fees are not allowable.

**19. Can grantees pay "consultant fees" to employees of the district or charter agency?**

No. Professional and consultant fees are allowable only for services performed by persons who are not officers or employees of the organization. If employees of the school/charter agency provide services directly related to the grant, the employees' salaries/wages must be included on the Payroll Schedule.

**20. Can the grantee lease space from itself or from the charter agency?**

No. Due to a concern over less-than-arms-length agreements and conflicts of interest, fees for a lease in which the landlord and tenants are the same entity are not allowable. If the charter school and the charter agency share the same vendor ID number, both the school and the charter agency are considered the same entity. In this case, fees for leases whereby the school is the tenant and the charter agency is the landlord are not allowable. However, the charter agency may receive compensation for the use of the building for grant activities through use allowances. In accordance with the federal cost principles, the use allowances may be computed at an annual rate not to exceed 2% of the original acquisition cost of the building. Charges for use allowances must be supported by adequate property records.

**21. Can grant funds be used to pay for rental fees for properties or equipment under a lease-purchase condition?**

For discretionary grants, the lease-purchase option, whereby the grantee is paying out a purchase over time, is not an allowable condition for any expenditure paid by the grant funds. For formula grants, the lease-purchase option (i.e., Debt Service) is usually available and would be provided in the applicable grant application if allowable.

**22. What constitutes a "conflict of interest" in the selection of consultants and contractors?**

When selecting contractors or consultants to perform program activities, no employee, officer or agent of the grantee or subgrantee shall participate in the selection or in the award or administration of a contract supported by federal funds if a conflict of interest, real or apparent, would be involved. A conflict of interest would arise when an employee, officer or agent of the grantee organization, any member of his/her immediate family, his or her partner, or an organization which employs or is about to employ any of the above individuals, has a financial or other interest in the firm/contractor selected for award.

**23. Should computer hardware or other equipment be listed under Supplies and Materials (6300) or under Capital Outlay (6600)?**

Depends. Grantees are required to capitalize and list equipment with a unit cost of \$5,000 or more as Capital Outlay under the class/object code 6639 (Furniture, Equipment, Vehicles, or Software--\$5,000 or more per unit). However, for equipment with unit costs less than \$5,000, the grantee may list computer hardware or other equipment under Supplies and Materials under class/object code 6399 (Hardware and Equipment Not Capitalized), or under Capital Outlay (6649—Fixed Assets, District Defined under \$5,000), *depending on local capitalization policies*. The capitalization policy must be applied consistently among all funding sources.

**24. Can grant funds be used to pay for construction costs?**

No. Federal regulations do not allow grant funds to be paid for construction costs unless specifically permitted in the authorizing program statute. Construction costs are costs associated with permanent and structural work of buildings or properties, such as creating parking lots, asphalt paving, building wheelchair ramps to meet ADA requirements, adding additional space/room to the building, building a road, fence or garage on school property, etc.

**25. Can grant funds be used to pay for renovation/remodeling costs?**

Costs related to minor renovation of interior space for educational purposes directly related to the grant program are allowable. However, the proposed renovation must be for minor, non-structural and non-permanent work such as painting the walls, adding removable room-dividing panels, adding counters and shelves, replacing worn carpet, etc. The construction of permanent walls is considered construction and is not allowable.

**26. Should health insurance costs for employees be listed under class/object code 6420—Insurance Costs?**

No. Health insurance costs for employees are part of fringe benefits; therefore, they need to be included in staff salaries on the payroll schedule. Insurance costs to be listed under 6420 are the costs for insurance which the organization is required to carry, or which is approved, under the term of the award, and other insurance which the organization maintains in connection with the general conduct of its operations.

**27. Is personal or professional liability insurance for employees allowable?**

No. The only allowable liability insurance is liability insurance for the organization to protect the students and parents during grant activities.

**28. Is it allowable to use grant funds to pay for a graduation ceremony?**

No. Refreshments, meals, decorations, or other related costs related to a graduation ceremony are not allowable to be paid from grant funds.

**29. Can grant funds be used to pay parents to participate in a program?**

It depends on the type of participation. Parents may be paid from grant funds if they provide services or participate in activities that are necessary, directly related to, and beneficial to the students' learning. Examples for parent services and participation that may be paid from grant funds are accompanying students during educational field trips if it is necessary for parents, instead of teachers, to accompany students to the field trips, and participating in training coordinated by the school and such training is directly related to student learning improvement, such as home tutoring strategies and other necessary parent involvement programs. These costs would be budgeted under Other Operating Costs under class/object code 6413—Stipends to Non-Employees.

**30. Are advertising costs allowable?**

Advertising costs are allowable on a restricted basis. That is, the costs are allowable for recruitment of students and grant program staff and for procurements for goods and services as directly related to the grant program. Advertisements for recruitment of **grant personnel** are allowable only when the advertisement is not in color and not excessive in size (normal newspaper style). Advertisements for the purpose of communicating with the public and press are allowable when the costs are considered necessary as part of the outreach effort for the grant and when reasonable in cost (i.e., usually not in color and not excessive in size unless the costs can be justified as necessary to accomplish the objectives of the outreach effort).

**31. Can grant funds be used to pay for a mortgage for a school facility?**

No. The method of mortgage payments is similar to a lease-purchase option which is not allowable. This also constitutes the purchase of real property, which is not allowable under grants unless specifically permitted in the authorizing program statute. If sufficient grant funds are available and if approved in the applicable grant application, a grantee may be permitted to purchase a portable or modular building on a one-time basis for the whole amount of the building. However, grant funds cannot be used to level the site for the portable/modular building, install plumbing, electricity, etc. or install sidewalks, as these are considered construction costs and are not allowable. The purchase of real property (i.e., a building and the land upon which the building sits) is not allowable from grant funds.

**32. What types of incentives for participation and awards for recognition may be purchased with grant funds?**

Minimal cost certificates, plaques, ribbons, small trophies, or instructionally-related items to be used in the classroom, such as pens/pencils are acceptable awards for recognition or incentives for participation in program activities. Gifts or items that appear to be gifts are not *allowable*. Souvenirs, memorabilia, or promotional items, such as T-shirts, caps, tote bags, etc., are *not allowable*. "Door prizes," movie tickets, gift certificates, passes to amusement parks, etc., may be donated by others but may not be purchased with grant funds. Food, snacks, beverages, refreshments, meals, etc., are not allowable incentives/awards.

**33. Can grant funds be used to purchase a school bus?**

Generally, no, especially if the bus is used for day-to-day school routes or regular school business. Depending on the RFA, purchase of school buses may be allowed if necessary to conduct program activities (special routes, after-school programs, etc.). The purchase or lease of any school bus must be approved in the applicable grant application.

**34. Is playground equipment an allowable cost?**

Yes. Costs associated with playground equipment *as related to and necessary for a specific grant program* are allowable. Depending on the amount and local capitalization policies, costs for playground equipment can be listed on either Supplies and Materials 6300 or Capital Outlay 6600.

**35. Can automatic chair lifts to be used with students with disabilities be paid with grant funds?**

Yes, these costs are allowable, provided that a particular grant program serves students with disabilities, and to permit the student(s) to participate, the automatic chair lift must be provided. However, the school district should check to see if it is more appropriate to pay for the automatic chair lift from their IDEA-B formula funds before using other particular grant funds to pay for it.

**36. We'd like to use grant funds to purchase some small gifts to thank some volunteers who really helped us with our program. Is this allowable?**

No. Grant funds may not be used to purchase "gifts" under any circumstances. A "thank-you" note or certificate of appreciation would be an acceptable way to show thanks.

**37. We'd like to use grant funds to purchase some "Give-aways" for a conference we are sponsoring. Is this allowable?**

No. "Give-aways" are defined as gifts, promotional items, souvenirs, or memorabilia. These items are strictly prohibited under the federal cost principles to be purchased with grant funds.

**38. We'd like to provide "door prizes" purchased with grant funds at a parent meeting. Is this allowable?**

No. "Door prizes" are considered gifts and are not allowable to be paid from grant funds under any circumstances. TEA suggests that you solicit donations from local vendors for the door prizes.

**39. As part of our community service grant program, we want to develop a product, such as a cookbook, and sell it. Is this allowable? If so, what are we allowed to do with the money we make from selling the cookbooks?**

Yes, it is allowable to develop a product, such as a cookbook, provided that it is an allowable activity under the grant program and is necessary to meet the objectives of

the grant program. The activity must also be described and approved in your grant application.

The money that you earn from selling the cookbooks will be "program income". If the grantee organization wishes to keep the program income and use it toward the grant project, this must be specifically approved in your grant application to do so. In your grant application, you must explain the project and purpose, and request to keep the grant funds and use toward your grant project. You will be required to report program income when you file your final expenditure report to TEA.

If you do not receive specific approval from TEA to do so, you will not be able to keep the grant funds and use toward your project. Rather, you will be required to report the amount of program income to TEA and it will reduce the amount of expenditures TEA will be permitted to reimburse to you.

**40. What type of printing costs are allowed under the grant?**

Grantees may charge the grant for **reasonable** printing costs. Any multi-color printing must be reasonable in cost and must be necessary to carry out the objectives of the grant program. Documentation must be maintained that demonstrates any such costs are reasonable and necessary.

**41. If time and effort substantiates the direct services provided by an assistant principal for purposes of a grant, could a portion of that individual's salary be paid with grant funds?**

No, a portion of an assistant principal's **regular salary** cannot be paid from grant funds because the assistant principal will most likely be on the payroll anyway, even if you didn't have the grant. This would most likely constitute a "supplant" for the district. (See Section F of this FAQ.)

However, it may be appropriate to budget and pay "extra duty pay" for the assistant principal, where it is consistent with district policy to pay assistant principals such extra duty pay for performing duties specifically related to the grant during hours that are beyond the normal work hours specified in the contract, or for services that are in addition to the services required to be performed under their regular contract for assistant principal.

The extra duty pay can be paid in one of two ways. One method is to base the extra duty pay on the individual's hourly rate of pay. The number of extra hours worked each month would need to be documented, and the assistant principal would be paid extra duty pay based on the actual number of extra hours worked. Remember, it is only allowable to pay extra duty pay for hours worked beyond the work hours specified in the employee's contract.

Another method is to pay the assistant principal a specific supplemental amount each month or each year for performing grant duties that are in addition to their regular duties as assistant principal. This must be consistent with district policy and the supplemental amount must be appropriate for the duties performed.

**42. If an assistant principal position was added specifically to coordinate or manage the grant program on the affected campus, could that individual's salary be paid with grant funds?**

In most instances, no. The title "assistant principal" implies the individual will be performing other duties that an assistant principal might typically perform. If the position was indeed added to specifically coordinate or manage a grant program, then, to avoid an audit exception or misperception, the TEA recommends that the title of the person more appropriately reflect the duties of the position, such as "grant coordinator". To be able to pay the salary from the grant, the position must be properly budgeted and approved in the grant application, and the duties must coincide with that of a grant coordinator, and not of an assistant principal.

If the position was added to perform the duties of an assistant principal as well as grant duties, see the answer to section K, question 41.

**L. Indirect Costs/Cost Share Requirements**

**1. Can indirect costs be charged to state-funded grants?**

No, except as specified in the SAS instructions for indirect costs for colleges/universities.

**2. Can we charge indirect costs to a federal grant if we do not have an indirect cost rate?**

No. A grantee must have a current indirect rate agreement to charge indirect costs to a grant. In most instances, an indirect cost rate is approved annually.

**3. How do I get an indirect cost rate for my organization?**

School districts should contact the TEA Division of Financial Audits at 512-463-9095. ESCs should contact the Division of Education Services at 512-463-9371.

Nonprofit organizations and colleges/universities should contact their cognizant agency for the procedures for requesting an indirect cost rate.

**4. Who approves the indirect cost rate?**

For public school districts and regional education service centers (ESCs), TEA, as a state educational agency, is authorized in 34 CFR Part 75 and Part 76 to approve and issue the indirect cost rate. Information is submitted by the school district or ESC, as applicable, to TEA as part of their annual audit. The indirect cost rate is derived from part of this information.

For nonprofit organizations and colleges/universities, the cognizant agency issues the indirect cost rate.

**5. What is a "cognizant agency"?**

A "cognizant agency" is the Federal agency responsible for negotiating and approving indirect cost rates for an organization on behalf of all federal agencies. It is usually the federal agency that awards the most federal dollars to an organization.

Once a rate is established by the cognizant agency, it will be honored by other federal agencies and grantor agencies. However, many federal programs have limitations on the amount of indirect costs that may be claimed on a grant, so the actual indirect cost rate may not always be able to be used. (See section L, question 9 or limitations on rates used.)

**6. Am I required to exclude any costs when I am charging indirect costs to a grant?**

Yes. For each group of applicants, the applicable set of federal cost principles guides the exclusions for indirect costs.

**School Districts, Education Service Centers, and Charter Schools Operated by an LEA**

Compute the amount of 'indirect cost' to be claimed by deducting the following 'cost exclusions' from 'total direct costs':

- Subgrants (6290)
- Debt Service (6500)
- Capital Outlay (6600)
- Building Purchase, Construction, or Improvements (6620)

**Colleges/Universities and Charter Schools Operated by a College/University**

Calculate the modified total direct cost base by deducting:

- Tuition remission (6100)
- Rental or Lease of Buildings, Space in Buildings, or Land (6269) does not include rental of temporary meeting room space)
- Scholarships and Fellowships (6200)
- The portion of each subcontract in excess of \$25,000 (6219)
- Subgrants (6290), regardless of dollar amounts
- Debt Service (6500)
- Capital Outlay (6600)
- Building Purchase, Construction, or Improvements (6620)

**Nonprofit Organizations and Charter Schools Operated by a Nonprofit Organization**

Calculate the modified total direct cost base by deducting:

- Rental or Lease of Buildings, Space in Buildings, or Land (6269) (does not include rental of temporary meeting room space)
- The portion of each subcontract in excess of \$25,000 (6219)
- Subgrants (6290), regardless of dollar amounts

- Debt Service (6500)
- Capital Outlay (6600)
- Building Purchase, Construction, or Improvements (6620)

**7. Do indirect costs have to be budgeted and approved in my TEA grant application to be able to take indirect costs?**

No. Indirect costs do not have to be budgeted and approved in your TEA grant application to be able to take indirect costs. For discretionary grants, however, the amount charged to indirect costs must be provided in the final expenditure report. TEA will verify whether or not the appropriate rate was used.

**8. Can I "round up" to the nearest dollar the amount charged to indirect costs?**

No. Grantees must use the **actual** indirect cost rate when charging indirect costs to a grant. Therefore, the actual indirect costs charged to a grant may not exceed the approved rate. This means the charges to indirect costs cannot be rounded up to the nearest dollar.

**9. Our organization's indirect cost rate is higher than 8%. However, TEA often limits the amount of indirect costs we can charge to a federal grant to 8%. Why is this?**

The uniform administrative grant requirements for education grants (specifically 34 CFR 76.563 and .564) limits the amount of indirect costs that may be charged to a grant to 8%, or the approved rate, whichever is **less**, for grant programs that contain the supplement, not supplant requirement. The majority of the federal grant programs that TEA manages contains the supplement, not supplant requirement.

**10. Can other federal funds be used to meet matching or cost share requirements?**

No, not unless otherwise permitted in the authorizing program statute.

**11. Can costs used to count toward cost share or match be used to count toward cost share or match of another federal program?**

No.

**12. What can be used as match or cost share?**

- a. Allowable costs borne by non-federal grants, unless specifically authorized in the program statute
- b. Costs not used to count toward cost-sharing for another program
- c. Cash donations
- d. Third party in-kind contributions
- e. Costs must be allowable under the grant program to count as cost share toward the program.

## **M. Equipment**

### **1. What kind of property records must a grantee maintain for equipment purchased with grant funds?**

Property records must include:

- A description of the equipment
- Serial number or other ID
- Funding source
- Who holds title
- Original acquisition date
- Original cost
- Percent of federal participation
- Location
- Use and condition
- Disposition

### **2. What happens to equipment which is no longer needed for the original project or for another federally funded project?**

- Grantee uses equipment as long as needed for the original grant project, whether or not the project continues to be federally funded.
- Grantee shall make equipment available for other projects as long as it doesn't interfere with the project under which it was originally acquired (it may be appropriate to split or share the costs of the equipment with other fund sources so that each program bears its fair share).
- When no longer needed for the original grant project, equipment may be used in other federally supported activities (if purchased with state funds, would be used in another state program).

### **3. What happens to equipment and computers that are no longer needed?**

When equipment is no longer needed for the original project or another federally funded project, the grantee shall dispose of equipment in the following manner:

- Equipment with current fair market value of less than \$5,000 may be retained, sold, or otherwise disposed of with no further obligations to TEA.
- Equipment with current fair market value of \$5,000 or more may be retained or sold but TEA shall have right to the proceeds.
- TEA reserves the right to transfer title to another grantee for noncompliance or as needed after the project ends (regardless of how equipment is classified).

At the conclusion of a local grant project, TEA may request a list of equipment purchased with grant funds. The grantee must request disposition instructions from TEA. For most TEA discretionary grants, if a local project is ending and the grantee no longer needs equipment purchased with grant funds, and if the equipment is relatively up-to-date and in good working order, TEA, at its discretion, may instruct the grantee to transfer the equipment to another viable grantee.

## **N. Retaining Grant Records**

### **1. How long should a grantee retain supporting documentation for an awarded grant?**

Financial records, supporting documents, statistical records, program records, and all other records pertinent to an award must be retained for a period of five years from the ending date of the grant.

### **2. What kind of fiscal/accounting records should be maintained?**

All fiscal/accounting records should be maintained and should include at a minimum a general ledger of all expenditures, time and effort records for employees, charges made to payroll as documented in a payroll ledger, purchase orders, invoices, receipts, travel vouchers showing actual travel expenditures reimbursed to employees, expense vouchers showing actual other expenses reimbursed to employees, cancelled checks, bank statements, and any other documentation that supports the financial transaction.

### **3. What kind of program records should be maintained?**

Program records would be any documentation which provides evidence that program activities as described in the application and in the applicable authorizing program statute actually occurred. Program records might include: class rosters, attendance rosters, sign-in sheets, teachers' lesson plans, student test scores, agendas of meetings and training events, copies of materials, handouts, supplementary instructional materials, minutes from meetings, etc.

## **O. Identification of High Risk Grantees (34 CFR 74.14 and 80.12)**

### **1. What conditions can exist to indicate a grantee may be considered high risk?**

- History of unsatisfactory performance
- Financially unstable
- Financial management system does not meet standards
- Noncompliance with terms and conditions of award
- Otherwise not responsible

### **2. If a grantee is deemed to be high risk, may TEA impose special conditions?**

Yes. Special conditions may include:

- Payment on reimbursement basis only
- Withhold authority to proceed to the next phase until evidence of acceptable performance is shown
- Require additional, more detailed financial reports
- Impose additional monitoring
- Require the grantee obtain technical assistance
- Establish additional prior requirements

## **P. Noncompliance**

### **1. When is a grantee in noncompliance?**

A grantee is in noncompliance when it is found to not be meeting one or more conditions, requirements, provisions, or assurances of the grant program.

### **2. What specifically might cause a grantee to be in noncompliance?**

A grantee may be found to be in noncompliance for the following reasons, not limited to but including:

- Delinquent progress/activity reports
- Delinquent final evaluation report
- Delinquent expenditure reports
- Refund due to TEA
- Failure to maintain a proper accounting/financial management system or to account for funds in accordance with a proper system
- Failure to properly implement the grant program according to the approved application and/or timeline
- Failure to comply with the grant program requirements
- Failure to comply with any applicable statutes, regulations, rules, or guidelines

### **3. A grantee is found to be in noncompliance. What sanctions are available to the state to remedy the situation?**

- Payment can temporarily be withheld
- All or part of costs for the service or item can be disallowed
- The current award can be wholly or partly suspended or terminated
- Further awards can be withheld
- Other legally available remedies can be pursued

Federally funded grants will be provided an opportunity to request hearing if one of these sanctions is implemented. State funded grants will be provided an opportunity to request an informal review if one of these sanctions is implemented.

### **4. Will final payments be withheld if the final evaluation report is not provided?**

Yes. Final payment will usually be withheld pending receipt of the report. The grantee is in noncompliance with grant requirements until such time as the final evaluation report is submitted to TEA. Eligibility of the grantee to receive future grants, including continuation grants, from TEA may be impacted by such noncompliance.

## **Q. Documentation for Charges to Payroll**

### **1. We are a nonprofit grantee receiving a federal grant. Do we need to maintain time and effort for our employees who work on the grant?**

Yes. OMB Circular A-122 applies to nonprofit organizations receiving federal funds. Attachment B, section 7.m. describes charges to federal grants for personnel. In summary, this section requires that each individual working on the grant must maintain time and effort records to support charges to the grant. This includes individuals working on the grant 100 percent of the time, as well as individuals working on the grant only part of the time.

**2. Can we base charges to payroll on the percent budgeted for each position, so that we submit the same percentages to the payroll department each month?**

No. The federal cost principles do not permit charges to payroll to be based on budgeted amounts.

**3. We have added one or more positions to the payroll that are not budgeted in our grant application. Are we required to amend the grant to add these positions prior to paying them from the grant?**

Yes. All positions in the application require specific approval prior to incurring any charges to the grant. An amendment is effective on the day it is received in TEA. Therefore, prior to adding a position to the grant payroll, you must obtain approval from TEA through a proper amendment. Charges to the grant for these additional positions can be made only after receiving approval from TEA.

**4. What must be included in "time and effort" reports?**

Time and effort reports must be completed "after-the-fact," must be prepared contemporaneously (as you work), and must include each of the three following elements:

- Grant program name/funding source
- The activity worked on
- The amount of time spent on the activity

**5. Does TEA provide a sample "time and effort" report format?**

No. This is a local decision. The time and effort should conform to the format established by the grantee organization. The same or similar form should be used consistently among all personnel/divisions reporting time and effort.

**6. Where can I find the requirements for time and effort, and what are they?**

The requirements are derived from the federal cost principles and are as follows.

**Documentation Required for LEAs, ESCs, and Open-Enrollment Charter Schools Operated by a Governmental Entity (OMB Circular A-87, Attachment B, Section 8. Compensation for personal services, h., Support of Salaries and Wages)**

All charges to payroll for grant-funded personnel must be based on one of the following:

- Semi-annual certification
- Time and effort records
- Substitute system

Refer to the section "Compensation for personal services" in OMB Circular A-87 for more detailed information pertaining to charges to payroll.

### **Semi-Annual Certification**

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

- Work 100% of their time under a single grant program
- Work 100% of their time under a single cost objective

Cost objective means a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred. A Title I, Part A, school wide program funded from multiple funding sources is considered a "single cost objective."

These employees are not required to maintain time and effort records. However, all employees must certify in writing, at least semi-annually, that they worked solely on the program for the period covered by the certification. The certification must be signed by the employee or by the supervisor having first-hand knowledge of the work performed. Charges to the grant must be supported by these semi-annual certifications.

The exception is for formula programs covered under Ed-Flex. For programs covered under Ed-Flex, employees working on a single grant program or cost objective are not required to complete the semi-annual certification as long as the employee's job description clearly states that the employee is assigned 100 percent to the program or single cost objective.

### **Time and Effort**

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

- Do not work 100% of their time in a single grant program
- Work under multiple grant programs
- Work under multiple cost objectives

These employees are required to maintain time and effort records or to account for their time under a substitute system. See Substitute Systems in Lieu of Time and Effort Reports. Employees must prepare time and effort reports at least monthly to coincide with pay periods. Such reports must reflect an after-the-fact distribution of 100 percent of the actual time spent on each activity and must be signed by the employee. Charges to payroll must be adjusted to coincide with preparation and submittal of the interim expenditure report required for TEA discretionary grants.

Here are a couple of examples:

Employees who work partially on administering Perkins programs and work partially on administering other programs must maintain time and effort or account for their time under a substitute system.

Employees who work partially on administrative activities (paid from administrative funds) and work partially on program activities (paid from program funds) must maintain time and effort or account for their time under a substitute system because "administrative activities" and "program activities" constitute two different cost objectives.

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

Substitute systems for allocating salaries and wages may be used in place of time and effort reports. Substitute systems may include but are not limited to random-moment sampling, case counts, or other quantifiable measures of employee effort. Substitute systems that use sampling methods must meet acceptable statistical sampling standards. Refer to OMB Circular A-87 for detailed requirements.

Documentation of rationale and calculations for allocating salaries and wages must be maintained for audit purposes. It is recommended that a copy of a Certified Public Accountant's approval of a substitute system be kept on file for documentation. An unacceptable or invalid substitute system could result in an audit finding and the return of grant dollars to TEA.

### **Documentation Required Under OMB Circular A-122 for Nonprofit Organizations and Open-Enrollment Charter Schools Operated by a Nonprofit Organization**

All charges to payroll for grant-funded staff must be based on distribution of activity reports. This requirement includes professionals and nonprofessionals whose compensation is charged, in whole or in part, directly to awards. Therefore, all grant-funded personnel, whether 100 percent funded or partially funded, must maintain time and effort records.

Employees must prepare time and effort reports at least monthly, to coincide with pay periods. Such reports must reflect an after-the-fact distribution of 100 percent of the actual time spent on each activity and must be signed by the employee. Charges to payroll must be adjusted based on time and effort records.

Charges for salaries and wages of nonprofessional employees must also be supported by records indicating the total number of hours worked each day maintained in conformance with the Department of Labor regulations implementing the Fair Labor Standards Act (FLSA). For this purpose, nonprofessional employee shall have the same meaning as nonexempt employee under FLSA.

Refer to the section "Compensation for personal services" in OMB Circular A-122 for more detailed information about charges to payroll.

### **Documentation Required Under OMB Circular A-21 for Colleges and Universities and Open-Enrollment Charter Schools Operated by an HE**

All charges must be based on payrolls documented in accordance with the generally accepted practices of colleges and universities. The method must provide for after-the-fact confirmation or determination by responsible persons with suitable means of verifying that the work was performed.

The payroll distribution system must reflect categories of activities expressed as a percentage distribution of total activities. Charges may be **initially** based on estimates made before services are performed. Significant changes in the work activity must be identified and entered into the payroll distribution system.

Following are examples of acceptable methods:

- **Plan-Confirmation:** The distribution of salaries and wages is based on budgeted, planned, or assigned work activity, updated to reflect any significant changes in work distribution. Certain standards must be met, as outlined in OMB Circular A-21, including an annual statement signed by the employee certifying that the work was performed.
- **After-the-Fact Activity Records:** Distribution of salaries and wages is supported by activity reports that reflect an after-the-fact description of the activity expended by employees. Charges may be made initially on the basis of estimates, provided that such charges are promptly adjusted if significant differences are indicated by activity records.
- **Multiple Confirmation Records:** The distribution of salaries and wages is supported by records that certify separately for direct costs and facilities and administration (synonymous with indirect) cost activities.

Activity reports must be prepared for each academic term, but no less frequently than every six months, and must be signed by the employee or a person having direct knowledge of the work performed. Charges may be made **initially** on the basis of estimates, provided that such charges are promptly adjusted if significant differences are indicated by activity records.

Refer to "Compensation for personal services" in OMB Circular A-21 for more detailed information about charges to payroll.

Last Updated January 5, 2009

Some of the content on this page may require one of the following

Plug-ins:

Adobe Acrobat Reader | Readers for Microsoft Word, Excel, or PowerPoint | Windows Media Player

ESCs | Educator Certification (SBEC) | TRAIL | State of Texas |  
 Contact/Comments | TEA Jobs | Procurement Opportunities at TEA | Texas  
 Legislature | Web Policy and Accessibility | Public Information |  
 Complaints | Compact With Texans | Assistance for Military Families |  
 Governor's Committee on People with Disabilities | Equal Educational  
 Opportunity | Encrypted Email Instructions

By using this site and its products, you agree to the Copyright and terms of service.

# **APPENDIX C**

# **FEDERAL COST PRINCIPLES**

## **SIDE BY SIDE**

OMB Circular A-87  
OMB Circular A-122  
OMB Circular A-21

FOR GENERAL INFORMATION PURPOSES ONLY

REFER TO SPECIFIC APPLICABLE SET OF FEDERAL COST PRINCIPLES FOR ENTIRE TEXT

Developed by the

Texas Education Agency  
Division of Discretionary Grants  
For Grants Administered by the Texas Education Agency

The following summary is provided for your convenience and as a "guide" only. TEA accepts no responsibility for the interpretation of the cost principles as outlined below. Grantees should consult the complete set of applicable cost principles to determine allowability and unallowability of costs prior to expending funds. All costs must be budgeted and approved in the Budget Summary in the applicable grant application prior to expenditure. Some costs require specific prior approval in the application, in which case the line item must be specifically budgeted and approved by TEA prior to expenditure.

<b>COST PRINCIPLES</b>			
<b>Items of Cost</b>	<b>OMB Circular A-87 State and Local Governments (i.e., school districts, ESCs, and open enrollment charter schools operated by a governmental entity)</b>	<b>OMB Circular A-122 Non-Profit Organizations (i.e., includes open enrollment charter schools operated by a non-profit organization)</b>	<b>OMB Circular A-21 Educational Institutions (i.e., institutions of higher education—includes open enrollment charter schools operated by a college/university)</b>
Accounting	<u>Not Addressed</u>	<u>Not Addressed</u>	<u>Not Addressed</u>
Advertising (See Public Relations)	<p><u>Allowable</u> Recruitment of grant personnel; procurement of goods and services; and disposal of surplus materials except when disposal cost is reimbursed. (OMB A-87, Attachment B, section 1c)</p> <p><u>Unallowable</u> Other advertising costs not specified in section 1c, 1d., 1e.; cost of meetings and related activities including, displays, demonstrations, exhibits; cost of space rental; salaries/wages for employees doing set up, demonstrations, and briefings; cost for promotional material and gifts; costs for solely promoting the governmental unit.</p>	<p><u>Allowable</u> Recruitment of grant personnel; procurement of goods and services; and disposal of surplus materials except when disposal cost is reimbursed. (OMB A-122, Attachment B, section 1c)</p> <p><u>Unallowable</u> 1. Other advertising costs not specified in section 1c, 1d., 1e.; cost of meetings and related activities including, displays, demonstrations, exhibits; cost of space rental; salaries/wages for employees doing set up, demonstrations, and briefings; cost for promotional material and gifts; costs for solely promoting grant 2. Costs of help wanted advertising that includes color, advertising material for other than recruitment purposes, or is excessive in size (OMB A-122, section 44b).</p>	<p><u>Allowable</u> Recruitment of grant personnel; procurement of goods and services; and disposal of surplus materials except when non-Federal entities are reimbursed for disposal costs. (OMB A-21, section 1c)</p> <p><u>Unallowable</u> 1. Other advertising costs not specified in section 1c, 1d., 1e.; cost of meetings and related activities including, displays, demonstrations, exhibits; cost of space rental; salaries/wages for employees doing set up, demonstrations, and briefings; cost for promotional material and gifts; costs for solely promoting the institution 2. Costs of help wanted advertising that includes color, advertising material for other than recruitment purposes, or is excessive in size (OMB A-21, section 42b).</p>

Items of Cost	<u>OMB Circular A-87</u>	<u>OMB Circular A-122</u>	<u>OMB Circular A-21</u>
Advertising cont.		3. Costs of help wanted advertising, special emoluments, fringe benefits, and salary allowances that are not reasonable and do not conform with established practices of the organization (OMB A-122, section 44c).	3. Costs of help wanted advertising, special emoluments, fringe benefits, and salary allowances that are not reasonable and do not conform with established practices of the organization (OMB A-21, section 42c).
Advisory Councils or Committees	<u>Allowable</u> with prior specific approval from TEA NOTE: <u>Ed-Flex</u> programs do not require specific approval from TEA. <u>For all other grant programs</u> , these costs must be specifically budgeted and approved in the applicable grant application prior to expending funds.	<u>Not Addressed</u>	<u>Allowable</u> as a direct cost with specific approval by TEA or as an indirect cost
Alcoholic Beverages	<u>Unallowable</u>	<u>Unallowable</u>	<u>Unallowable</u>
Alumni/ae Activities	<u>Not Addressed</u>	<u>Not Addressed</u>	<u>Unallowable</u>
Audit Costs and Related Services  (Audit fees/expenses may not be charged to state-funded grants)	<u>Allowable</u> : audits required by and conducted in accordance with the Single Audit Act (OMB Circular A-133).  Other audit costs are allowable if included in a cost allocation plan or indirect cost proposal; or with prior specific approval of TEA as a direct cost.	<u>Not Addressed</u> , but allowable for audits required by and conducted in accordance with the Single Audit Act (OMB Circular A-133).  Other audit costs require prior specific approval of TEA.	<u>Allowable</u> : audits required by and conducted in accordance with the Single Audit Act (OMB Circular A-133).  Other audit costs are allowable if included in an indirect cost proposal or with prior specific approval of TEA as a direct cost.
Automatic Electronic Data Processing	<u>Not Addressed</u>	<u>Not Addressed</u>	<u>Not Addressed</u>
Awards for Recognition or Incentives for Participation	Although not specifically addressed in OMB A-87, allowable when reasonable in cost and when necessary to accomplish program objectives. Acceptable awards and incentives include certificates, plaques, ribbons, and small trophies nominal in cost, or	Although not specifically addressed in OMB A-122, allowable when reasonable in cost and when necessary to accomplish program objectives. Acceptable awards and incentives include certificates, plaques, ribbons, and small trophies nominal in cost, or	Although not specifically addressed in OMB A-21, allowable when reasonable in cost and when necessary to accomplish program objectives. Acceptable awards and incentives include certificates, plaques, ribbons, and small trophies nominal in cost, or

<b>Items of Cost</b>	<b>OMB Circular A-87</b>	<b>OMB Circular A-122</b>	<b>OMB Circular A-21</b>
Awards for Recognition or Incentives for Participation cont.	inexpensive instructionally-related items such as pens/pencils to be used in the classroom.	inexpensive instructionally related items such as pens/pencils to be used in the classroom.	inexpensive instructionally related items such as pens/pencils to be used in the classroom.
Award Ceremonies	<u>Unallowable</u>	<u>Unallowable</u>	<u>Unallowable</u>
Bad Debts	<u>Unallowable</u>	<u>Unallowable</u>	<u>Unallowable</u>
Bonding Costs	<u>Allowable</u> : costs required by terms of the award; costs required by the agency to conduct business in accordance with sound business practice and rates/premiums are reasonable.	<u>Allowable</u> : costs required by terms of the award; costs required by the agency to conduct business in accordance with sound business practice and rates/premiums are reasonable.	<u>Allowable</u> : costs required by terms of the award; costs required by the agency to conduct business in accordance with sound business practice and rates/premiums are reasonable.
Budgeting	<u>Not Addressed</u>	<u>Not Addressed</u>	<u>Not Addressed</u>
Building Purchase	<u>Allowable</u> only with prior specific approval from TEA	<u>Allowable</u> only with prior specific approval from TEA	<u>Allowable</u> only with prior specific approval from TEA
Capital Outlay	All capital outlay except for library books and media requires prior specific approval from TEA	All capital outlay except for library books and media requires prior specific approval from TEA	All capital outlay except for library books and media requires prior specific approval from TEA
Civil Defense	<u>Not Addressed</u>	<u>Not Addressed</u>	<u>Not Addressed</u>
Commencement & Convocation Costs	<u>Unallowable</u> : see section 1f(2)	<u>Not Addressed</u>	<u>Unallowable</u> except as specified in OMB A-21, section F9.
Communication Costs (includes telephone services, local and long distance telephone calls, telegrams, postage, messenger, electronic or computer transmittal services, personal communication devices, etc.)	<u>Allowable</u> <u>Unallowable</u> 1. Communication devices such as Cellular phones, calendaring systems such as personal digital assistants (PDAs), electronic or software calendars for personal use 2. Cellular phone calls for personal use are not allowable.	<u>Allowable</u> <u>Unallowable</u> 1. Communication devices such as Cellular phones, calendaring systems such as personal digital assistants (PDAs), electronic or software calendars 2. Cellular phone calls for personal use are not allowable.	<u>Allowable</u> <u>Unallowable</u> 1. Communication devices such as Cellular phones, calendaring systems such as personal digital assistants (PDAs), electronic or software calendars 2. Cellular phone calls for personal use are not allowable.
Compensation for Personnel Services (includes salaries, wages, and fringe benefits) (Refer to Instructions to Schedule 3B to "Documentation Required for Charges to Payroll for additional information.)	<u>Allowable</u> if costs are reasonable, comparable for similar work, and charges are supported with time distribution records or other documentation as stipulated in OMB A-87.	<u>Allowable</u> if costs are reasonable, comparable for similar work, and charges are supported with time distribution records or other documentation as stipulated in OMB A-122.	<u>Allowable</u> if total compensation to employees conforms to the established policies of the institution, are consistently applied, and work performed directly on sponsored agreements are determined and

			supported. See OMB A-21, section 10a for specifics.
<b>Items of Cost</b>	<b><u>OMB Circular A-87</u></b>	<b><u>OMB Circular A-122</u></b>	<b><u>OMB Circular A-21</u></b>
Compensation for Personnel Services cont.	<u>Unallowable</u> costs which are unallowable under other paragraphs of this attachment shall not be allowable under this paragraph solely on the basis that they constitute personal compensation.	<u>Unallowable</u> costs which are unallowable under other paragraphs of this attachment shall not be allowable under this paragraph solely on the basis that they constitute personal compensation.	
Conferences and Meetings	<u>Allowable</u> Cost of meetings and conferences including transportation, room rental charges, speakers' fees, and items incidental to these meetings/conferences. (section 27) See Attachment B, section 14, Entertainment costs, which are not allowable.  Also see "Food Costs" with regard to <u>meals</u> for conferences and meetings.	<u>Allowable</u> Cost of meetings and conferences including transportation, room rental charges, speakers' fees, and items incidental to these meetings/conferences. (section 29) See section 14, Entertainment costs, which are not allowable, and section 34 Participant support costs)  Also see "Food Costs" with regard to <u>meals</u> for conferences and meetings.	<u>Allowable</u> Cost of meetings and conferences including transportation, room rental charges, speakers' fees, and items incidental to these meetings/conferences. (section 32) See section J.17, Entertainment costs, which are not allowable.  Also see "Food Costs" with regard to <u>meals</u> for conferences and meetings.
Construction, Remodeling, or Alterations	<u>Allowable</u> only with prior specific approval from TEA and only if permitted under the authorizing statute.	<u>Allowable</u> only with prior specific approval from TEA and only if permitted under the authorizing statute.	<u>Allowable</u> only with prior specific approval from TEA and only if permitted under the authorizing statute.
Contingencies	<u>Unallowable</u> Exclusion: self-insurance reserves, pension plan reserves, post-retirement health and other benefit reserves (section 9)	<u>Unallowable</u> Exclusion: self-insurance reserves, pension plan reserves, post-retirement health and other benefit reserves (section 8)	<u>Unallowable</u> Exclusion: self-insurance reserves, pension plan reserves, post-retirement health and other benefit reserves (section 11)
Contributions and Donations (See Donations and Contributions)	<u>Unallowable</u> (section 12)	<u>Unallowable</u> (section 9)	<u>Unallowable</u> (section 15)
Deans of Faculty and Graduate Schools	<u>Not Addressed</u>	<u>Not Addressed</u>	<u>Allowable</u> Salaries and expenses of deans of faculty and graduate schools, or their equivalents, and their staffs
Debt Service	<u>Unallowable</u> for TEA discretionary grants	<u>Unallowable</u> for TEA discretionary grants	<u>Unallowable</u> for TEA discretionary grants

Items of Cost	<u>OMB Circular A-87</u>	<u>OMB Circular A-122</u>	<u>OMB Circular A-21</u>
Defense and Prosecution of Criminal and Civil Proceedings, and Claims	<p><u>Allowable</u> Legal expenses required in the administration of Federal programs</p> <p><u>Unallowable</u> In defense of any civil or criminal fraud proceeding where the contractor is found liable or has pleaded nolo contendere to fraud; by a contractor in connection with any criminal, civil or administrative proceedings; prosecution of claims against the federal government</p>	<p><u>Generally Unallowable; unallowable</u> in defense of antitrust suit or prosecution of claims against federal/state government.</p> <p>Other costs allowable or unallowable as stipulated in OMB A-122, section 10.</p>	<p><u>Generally Unallowable</u></p> <p>For costs allowable and unallowable see OMB A-21, section 10</p>
Depreciation and Use Allowances of Building Space	<u>Allowable</u> at 2% of original acquisition cost as stipulated in OMB A-87.	<u>Allowable</u> at 2% of original acquisition cost as stipulated in OMB A-122.	<u>Allowable</u> at 2% of original acquisition cost as stipulated in OMB A-21, section 11
Depreciation and Use Allowances of Equipment	<u>Allowable</u> at 6 2/3% of original acquisition cost	<u>Allowable</u> at 6 2/3% of original acquisition cost	<u>Allowable</u> at 6 2/3% of original acquisition cost
Disbursing Service	<u>Not Addressed</u>	<u>Not Addressed</u>	<u>Not Addressed</u>
Displays, Demonstrations, and Exhibits	<u>Unallowable</u> : section 1f(2)(a)	<u>Unallowable</u> section 1f(2)(i)	<u>Unallowable</u> section 1f(2)(i)
Donations and Contributions	<u>Unallowable</u>	<u>Unallowable</u>	<u>Unallowable</u>
Employee Morale, Health, and Welfare	<u>Allowable</u> as stipulated in OMB A-87, section 13	<u>Allowable</u> as stipulated in OMB A-122, section 13	<u>Allowable</u> as stipulated in OMB A-21, section 13
Employee Service Awards	<u>Unallowable</u>	<u>Unallowable</u>	<u>Unallowable</u>
Entertainment (including amusement, diversion, social activities, and related costs)	<u>Unallowable</u>	<u>Unallowable</u>	<u>Unallowable</u>
Equipment and Other Capital Expenditures (May include ancillary charges such as taxes, duty, protective in transit insurance, freight, and	<u>Allowable</u> : All capitalized furniture and equipment requires prior specific approval from TEA regardless of the cost.	<u>Allowable</u> : All capitalized furniture and equipment requires prior specific approval from TEA regardless of the cost.	<u>Allowable</u> : All capitalized furniture and equipment requires prior specific approval from TEA regardless of the cost.

installation)			
Items of Cost	<u>OMB Circular A-87</u>	<u>OMB Circular A-122</u>	<u>OMB Circular A-21</u>
<p>Equipment and Other Capital Expenditures cont.</p> <p>Equipment is defined as an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the <u>lesser</u> of the capitalization level established by the governmental unit, or \$5,000.</p>	<p><u>Unallowable</u></p> <ol style="list-style-type: none"> <li>Improvements to land, buildings, or equipment which materially increase their value or useful life EXCEPT with prior specific approval from TEA.</li> <li>Equipment and other capital expenditures are unallowable as indirect costs.</li> </ol> <p>See section 11, Depreciation and use allowance, and section 37, Rental costs, for rules of allowability for depreciation and rental costs.</p> <p>Items requiring specific approval from TEA must be specifically budgeted and approved in the applicable grant application prior to expending funds</p>	<p><u>Unallowable</u></p> <ol style="list-style-type: none"> <li>Capital expenditures for general purpose equipment, land or buildings, improvement to land, buildings, or equipment are unallowable as a direct cost <b>except with prior specific approval from TEA.</b></li> <li>Equipment and other capital expenditures are unallowable as indirect costs.</li> </ol> <p>See section 11 for allowability of use allowances or depreciation on buildings, capital improvements, and equipment. Also see section 46 for allowability of rental costs for land, buildings, and equipment.</p> <p>Items requiring specific approval from TEA must be specifically budgeted and approved in the applicable grant application prior to expending funds.</p>	<p><u>Unallowable</u></p> <ol style="list-style-type: none"> <li>Capital expenditures for general purpose equipment, land or buildings, improvement to land, buildings, or equipment are unallowable as a direct cost <b>except with prior specific approval from TEA.</b></li> <li>Equipment and other capital expenditures are unallowable as indirect costs.</li> </ol> <p>See section 11 for allowability of use allowances or depreciation on buildings, capital improvements, and equipment. Also see section 46 for allowability of rental costs for land, buildings, and equipment.</p> <p>Items requiring specific approval from TEA must be specifically budgeted and approved in the applicable grant application prior to expending funds.</p>
Executive Lobbying Costs	<u>Unallowable</u>	<u>Unallowable</u> (Not specifically addressed in OMB A-122—closest was section 25(3)(II))	<u>Unallowable</u>
Field Trips	<p>Not specifically addressed in OMB A-87. See TEA <i>Guidelines Related to Specific Costs</i> for clarification of allowable field trips.</p> <p><u>Unallowable</u>: Field trips for <u>social, entertainment</u> or <u>recreational purposes</u></p>	<p>Not specifically addressed in OMB A-122. See TEA <i>Guidelines Related to Specific Costs</i> for clarification of allowable field trips.</p> <p><u>Unallowable</u>: Field trips for <u>social, entertainment</u> or <u>recreational purposes</u></p>	<p>Not specifically addressed in OMB A-21. See TEA <i>Guidelines Related to Specific Costs</i> for clarification of allowable field trips.</p> <p><u>Unallowable</u>: Field trips for <u>social, entertainment</u> or <u>recreational purposes</u></p>
Fines and Penalties	<u>Unallowable</u> , except when incurred as a result of compliance with specific federal award provisions	<u>Unallowable</u> , except when incurred as a result of compliance with specific federal award provisions	<u>Unallowable</u> , except when incurred as a result of compliance with specific federal award provisions or with prior specific approval of TEA

Items of Cost	<u>OMB Circular A-87</u>	<u>OMB Circular A-122</u>	<u>OMB Circular A-21</u>
Food Costs	<p><u>Allowable (specific to TEA grants)</u></p> <ol style="list-style-type: none"> <li>1. Light lunch during an all-day meeting or training session: Light lunch for <b>participants</b> who are cloistered in an all-day (i.e., at least six-hour) meeting or training session. The grantee must document that it was impractical for participants to obtain lunch on their own (e.g., due to isolated location and/or distance to eateries) and that their attendance at the meeting/training session was essential to accomplishing the objectives of the grant. The grantee must maintain an agenda that clearly identifies the topics discussed during the meeting/training session and the time allotted to each topic, including the lunch period. Only a nominal amount of grant funds may be used per participant.</li> <li>2. Working lunch during an all-day meeting or training session: Light meals during a "working lunch." A working lunch is defined as an activity in which <b>staff or participants</b> are engaged in exercises/activities during the normal meal time as stated on an agenda and in which no other opportunity for a meal is provided. The grantee must maintain an agenda that clearly identifies the exercise or activity that the participants are engaged in and should retain a representative sample of the work product, if any, that was generated as a result of the working session. Only a nominal amount of grant funds may be used per staff/participant.</li> </ol>	<p><u>Allowable (specific to TEA grants)</u></p> <ol style="list-style-type: none"> <li>1. Light lunch during an all-day meeting or training session: Light lunch for <b>participants</b> who are cloistered in an all-day (i.e., at least six-hour) meeting or training session. The grantee must document that it was impractical for participants to obtain lunch on their own (e.g., due to isolated location and/or distance to eateries) and that their attendance at the meeting/training session was essential to accomplishing the objectives of the grant. The grantee must maintain an agenda that clearly identifies the topics discussed during the meeting/training session and the time allotted to each topic, including the lunch period. Only a nominal amount of grant funds may be used per participant.</li> <li>2. Working lunch during an all-day meeting or training session: Light meals during a "working lunch." A working lunch is defined as an activity in which <b>staff or participants</b> are engaged in exercises/activities during the normal meal time as stated on an agenda and in which no other opportunity for a meal is provided. The grantee must maintain an agenda that clearly identifies the exercise or activity that the participants are engaged in and should retain a representative sample of the work product, if any, that was generated as a result of the working session. Only a nominal</li> </ol>	<p><u>Allowable (specific to TEA grants)</u></p> <ol style="list-style-type: none"> <li>1. Light lunch during an all-day meeting or training session: Light lunch for <b>participants</b> who are cloistered in an all-day (i.e., at least six-hour) meeting or training session. The grantee must document that it was impractical for participants to obtain lunch on their own (e.g., due to isolated location and/or distance to eateries) and that their attendance at the meeting/training session was essential to accomplishing the objectives of the grant. The grantee must maintain an agenda that clearly identifies the topics discussed during the meeting/training session and the time allotted to each topic, including the lunch period. Only a nominal amount of grant funds may be used per participant.</li> <li>2. Working lunch during an all-day meeting or training session: Light meals during a "working lunch." A working lunch is defined as an activity in which <b>staff or participants</b> are engaged in exercises/activities during the normal meal time as stated on an agenda and in which no other opportunity for a meal is provided. The grantee must maintain an agenda that clearly identifies the exercise or activity that the participants are engaged in and should retain a representative sample of the work product, if any, that was generated as a result of the working session. Only a nominal amount of grant funds may be used</li> </ol>

Items of Cost	<u>OMB Circular A-87</u>	amount of grant funds may be used <u>OMB Circular A-122</u>	per staff/participant. <u>OMB Circular A-21</u>
Food Costs cont.	<p>3. Nutritional snacks for students in extended day (i.e., after-school) programs.</p> <p>4. Nutritional snacks for children in child care while parents are participating in grant activities.</p> <p>5. Food necessary to conduct <u>nutrition education</u> programs for parents.</p> <p>6. Parent involvement activities where refreshments are necessary to encourage participation/attendance by parents, such as in low-income areas, and thus meet program activities.</p> <p><b>Full meals for parents and/or students are not allowable for these purposes under any circumstances.</b> Expenditures must be <u>reasonable</u>, in cost, <u>necessary</u> to accomplish program objectives, <u>and an integral part of the instructional program</u>.</p> <p><b>No other food costs, including beverages and other refreshments, breaks, or snacks, are permitted.</b></p> <p><u>Unallowable</u></p> <p>1. Refreshments of any kind, including beverages, breaks, and snack foods except as described above for parent involvement activities and nutritional snacks for children</p> <p>2. Refreshments or meals at an awards banquet/function</p> <p>3. Any food costs not necessary to accomplish the objectives of the grant program</p> <p>4. Any event in which a "guest speaker" or other individual</p>	<p>per staff/participant.</p> <p>3. Nutritional snacks for students in extended day (i.e., after-school) programs.</p> <p>4. Nutritional snacks for children in child care while parents are participating in grant activities.</p> <p>5. Food necessary to conduct <u>nutrition education</u> programs for parents.</p> <p>6. Parent involvement activities where refreshments are necessary to encourage participation/attendance by parents, such as in low-income areas, and thus meet program activities.</p> <p><b>Full meals for parents and/or students are not allowable for these purposes under any circumstances.</b> Expenditures must be <u>reasonable</u>, in cost, <u>necessary</u> to accomplish program objectives, <u>and an integral part of the instructional program</u>.</p> <p><b>No other food costs, including beverages and other refreshments, breaks, or snacks, are permitted.</b></p> <p><u>Unallowable</u></p> <p>1. Refreshments of any kind, including beverages, breaks, and snack foods, for staff meetings/staff training</p> <p>2. Refreshments or meals at an awards banquet/function</p> <p>3. Any food costs not necessary to accomplish the objectives of the grant program</p> <p>4. Any event in which a "guest speaker" or other individual</p>	<p>3. Nutritional snacks for students in extended day (i.e., after-school) programs.</p> <p>4. Nutritional snacks for children in child care while parents are participating in grant activities.</p> <p>5. Food necessary to conduct <u>nutrition education</u> programs for parents.</p> <p>6. Parent involvement activities where refreshments are necessary to encourage participation/attendance by parents, such as in low-income areas, and thus meet program activities.</p> <p><b>Full meals for parents and/or students are not allowable for these purposes under any circumstances.</b> Expenditures must be <u>reasonable</u>, in cost, <u>necessary</u> to accomplish program objectives, <u>and an integral part of the instructional program</u>.</p> <p><b>No other food costs, including beverages and other refreshments, breaks, or snacks, are permitted.</b></p> <p><u>Unallowable</u></p> <p>1. Refreshments of any kind, including beverages, breaks, and snack foods, for staff meetings/staff training</p> <p>2. Refreshments or meals at an awards banquet/function</p> <p>3. Any food costs not necessary to accomplish the objectives of the grant program</p> <p>4. Any event in which a "guest speaker" or other individual conducts a presentation</p> <p>5. Breakfast</p>

5. conducts a presentation  
Breakfast

5. conducts a presentation  
Breakfast

Items of Cost	<u>OMB Circular A-87</u>	<u>OMB Circular A-122</u>	<u>OMB Circular A-21</u>
Food Costs cont.	TEA reserves the right to restrict a grantee from expending any funds on food costs or to disallow expenditures on food costs should the TEA determine that the grantee expended grant funds on food costs that are not reasonable or necessary to meet the intent and objective(s) of the grant.	TEA reserves the right to restrict a grantee from expending any funds on food costs or to disallow expenditures on food costs should the TEA determine that the grantee expended grant funds on food costs that are not reasonable or necessary to meet the intent and objective(s) of the grant.	TEA reserves the right to restrict a grantee from expending any funds on food costs or to disallow expenditures on food costs should the TEA determine that the grantee expended grant funds on food costs that are not reasonable or necessary to meet the intent and objective(s) of the grant.
Fringe Benefits	<u>Allowable</u>	<u>Allowable</u>  <u>Unallowable</u> Costs of insurance when the organization is named as the beneficiary	<u>Allowable</u>  <u>Unallowable</u> Tuition benefits for family members other than the employee are unallowable for fiscal years beginning after September 30, 1998.
Fundraising and Investment Management Costs (Including financial campaigns and solicitation of gifts, donations, contributions, etc.)	<u>Allowable</u> Costs associated with investments covering pension, self insurance, or other funds which include Federal participation  <u>Unallowable</u> 1. Costs of organized fund raising and similar expenses incurred to raise capital or obtain contributions 2. Training on fund raising	<u>Unallowable</u>	<u>Allowable</u> Costs related to the physical custody and control of monies and securities  <u>Unallowable</u> 1. Costs of organized fund raising and similar expenses incurred solely to raise capital or obtain contributions 2. 2. Costs of investment counsel and staff and expenses incurred to enhance income
Gains and Losses on Disposition of Depreciable Property and Other Capital Assets and Substantial Relocation of Federal Programs	<u>Allowable</u> as stipulated in OMB A-87, section 18	<u>Allowable</u> as stipulated in OMB A-122, section 40	<u>Allowable</u> as stipulated in OMB A-21, section 21
General Government Expenses	<u>Unallowable</u>	<u>Not Addressed</u>	<u>Not Addressed</u>
Gifts or Items that appear to be Gifts	<u>Unallowable</u>	<u>Unallowable</u>	<u>Unallowable</u>
Goods or Services for	<u>Unallowable</u>	<u>Unallowable</u>	<u>Unallowable</u>

Personal Use			
--------------	--	--	--

<b>Items of Cost</b>	<b><u>OMB Circular A-87</u></b>	<b><u>OMB Circular A-122</u></b>	<b><u>OMB Circular A-21</u></b>
Gratuities or Tips	<u>Unallowable</u>	<u>Unallowable</u>	<u>Unallowable</u>
Honorariums	<u>Not allowable in Texas.</u> The term “fee” must be used in lieu of honorarium in all accounting records and consultant agreements.	<u>Not allowable in Texas.</u> The term “fee” must be used in lieu of honorarium in all accounting records and consultant agreements.	<u>Not allowable in Texas.</u> The term “fee” must be used in lieu of honorarium in all accounting records and consultant agreements.
Hospitality Rooms	<u>Unallowable</u>	<u>Unallowable</u>	<u>Unallowable</u>
Housing and Personal Living Expenses	<u>Unallowable</u>	<u>Allowable</u> as direct costs for organization's officers when necessary for performance of grant award with specific approval by TEA. <u>Unallowable</u> as fringe benefit or indirect costs regardless of whether the cost is reported as taxable income to employees.	<u>Unallowable</u>
Idle Facilities and Capacity	<u>Unallowable</u> except to the extent that they are normal costs of doing business and are a factor in the normal fluctuations of usage and indirect cost rates, are for a reasonable period of time, are necessary because of changes in program requirements; and capacity is reasonably anticipated to be necessary. (See section 21)	<u>Unallowable</u> except to the extent that they are normal costs of doing business and are a factor in the normal fluctuations of usage and indirect cost rates, are for a reasonable period of time, are necessary because of changes in program requirements; and capacity is reasonably anticipated to be necessary. (See section 20)	<u>Unallowable</u> except to the extent that they are normal costs of doing business and are a factor in the normal fluctuations of usage and indirect cost rates, are for a reasonable period of time, are necessary because of changes in program requirements; and capacity is reasonably anticipated to be necessary. (See section 24)
Insurance and Indemnity	<b>Insurance</b> <u>Allowable:</u> 1. Insurance required or approved and maintained pursuant to the Federal award. 2. Insurance in connection with general conduct of activities (type, extent and cost of coverage are in accordance with policy and sound business practice) 3. Costs incurred because of losses	<b>Insurance</b> <u>Allowable:</u> 1. Insurance required or approved and maintained pursuant to the Federal award. 2. Insurance in connection with general conduct of activities (type, extent and cost of coverage are in accordance with policy and sound business practice; business interruption or other similar insurance limited to	<b>Insurance</b> <u>Allowable:</u> 1. Insurance required or approved and maintained pursuant to the Federal award. 2. Insurance in connection with general conduct of activities (type, extent and cost of coverage are in accordance with policy and sound business practice) 3. Contributions to a reserve for self-

	not covered under nominal deductible insurance and minor	exclude coverage of management fees)	insurance are allowable as specified in OMB A-21, section 25.
<b>Items of Cost</b>	<b><u>OMB Circular A-87</u></b>	<b><u>OMB Circular A-122</u></b>	<b><u>OMB Circular A-21</u></b>
Insurance and Indemnity cont.	<p>losses not covered by insurance</p> <p>4. Contributions to a reserve for certain self-insurance programs</p> <p>5. Actual claims paid for workers' compensation, unemployment compensation, severance pay, and similar employee benefits</p> <p>NOTE: <u>Ed-Flex</u> programs do not require prior approval from TEA. <u>For all other grant programs</u>, these costs must be specifically budgeted and approved in the applicable grant application prior to expending funds.</p> <p><u>Unallowable</u></p> <p>1. Actual losses which could have been covered by permissible insurance unless provided for in OMB A-87 (See section 22) <b>except with specific approval or requirement from TEA.</b></p> <p>2. Commercial insurance protecting against the contractor for correction of contractor's own defects in materials or workmanship.</p> <p>NOTE: <u>Ed-Flex</u> programs do not require prior approval from TEA. <u>For all other grant programs</u>, these costs must be specifically budgeted and approved in the applicable grant application prior to expending funds.</p> <p><b>Indemnification</b> Includes securing the LEA against liabilities to third persons and other losses not compensated by insurance or otherwise. The federal government is obligated to indemnify the LEA only to</p>	<p>3. Costs for insurance or other reserve covering the risk of loss or damage to Federal property only to the extent the organization is liable for such loss or damage.</p> <p>4. Provisions for a reserve under a self-insurance program to the extent that types of coverage, extent of coverage, rates, and premiums would have been allowed.</p> <p>5. Losses not covered under nominal deductible insurance coverage</p> <p>6. Minor losses not covered by insurance, which occur in the ordinary course of operations</p> <p>NOTE: <u>Ed-Flex</u> programs do not require prior approval from TEA. <u>For all other grant programs</u>, these costs must be specifically budgeted and approved in the applicable grant application prior to expending funds.</p> <p><u>Unallowable</u></p> <p>1. Insurance when the organization is identified as the beneficiary</p> <p>2. Insurance against defects</p> <p>3. Actual losses which could have been covered by permissible insurance <b>except with specific approval or requirement from TEA.</b></p> <p><b>Indemnification</b> Includes securing the LEA against liabilities to third persons and other losses not compensated by insurance or otherwise. The federal government is obligated to indemnify the LEA only to the extent expressly provided for in the</p>	<p>4. Losses not covered under nominal deductible insurance coverage</p> <p>5. Medical liability (malpractice) insurance is an allowable cost of research programs only to the extent that research involves human subjects.</p> <p>NOTE: <u>Ed-Flex</u> programs do not require prior approval from TEA. <u>For all other grant programs</u>, these costs must be specifically budgeted and approved in the applicable grant application prior to expending funds.</p> <p><u>Unallowable</u></p> <p>1. Actual losses which could have been covered by permissible insurance <b>except with specific approval or requirement from TEA.</b></p> <p>2. Insurance against defects.</p> <p><b>Indemnification</b> The Federal Government is obligated to indemnify the institution only to the extent expressly provided for in the sponsored agreement, except as provided in section 25d.</p>

	the extent expressly provided for in the	award, except as provided in the award.	
--	--	---	--

Items of Cost	<u>OMB Circular A-87</u>	<u>OMB Circular A-122</u>	<u>OMB Circular A-21</u>
Insurance and Indemnity cont.	award, except as provided in section 22d.  NOTE: <u>Ed-Flex</u> programs do not require prior approval from TEA. <u>For all other grant programs</u> , these costs must be specifically budgeted and approved in the applicable grant application prior to expending funds.		
Interest	<p><u>Allowable</u></p> <ol style="list-style-type: none"> <li>Financing costs (including interest) paid or incurred which are associated with the allowable costs of building purchase, construction, or remodeling completed on or after October 1, 1980, as specifically outlined in OMB A-87, section 23b(1)-(4).</li> <li>Financing costs (including interest) paid or incurred on or after September 1, 1995, for land or associated with otherwise allowable costs of equipment, as specifically outlined in OMB A-87, section 23b(1)-(4).</li> </ol> <p><u>Unallowable</u></p> <ol style="list-style-type: none"> <li>Costs incurred for interest on borrowed capital or the use of the governmental unit's own funds, except as specifically provided for in OMB A-87, section 23b.</li> <li>Interest attributable to fully depreciated assets.</li> </ol>	<p><u>Allowable</u></p> <ol style="list-style-type: none"> <li>Interest on debt incurred to acquire or replace capital assets (including renovations, alterations, equipment, land, and capital assets acquired through capital leases) as specified in OMB A-122, section 23.</li> <li>Nor non-profit organizations subject to full coverage under the Cost Accounting Standards, the interest allowability provisions in OMB A-122, section 23(a) do not apply but are subject to CAS 414 (48 CFR 9903.414) and CAS 417 (48 CFR 9903.417).</li> </ol> <p><u>Unallowable</u></p> <p>Costs incurred for interest on borrowed capital or temporary use of endowment funds, however represented.</p>	<p><u>Allowable</u></p> <p>Interest on debt incurred after July 1, 1982 to acquire buildings, major reconstruction and remodeling, or the acquisition or fabrication of capital equipment costing \$10,000 or more, is allowable.</p> <p><u>Unallowable</u></p> <ol style="list-style-type: none"> <li>Costs incurred for interest on borrowed capital or temporary use of endowment funds, however represented.</li> <li>Interest on debt incurred to finance or refinance assets re-acquired after the applicable effective dates stipulated in section 26b.</li> <li>Interest attributable to fully depreciated assets</li> </ol>
Investment Management Costs	<p><u>Allowable</u> if for pensions and self-insurance funds.</p> <p><u>Unallowable</u> if solely to enhance income.</p>	<p><u>Allowable</u> if for pensions or self-insurance funds.</p> <p><u>Unallowable</u></p> <p>Costs of investment counsel and staff</p>	<p><u>Allowable</u></p> <p>Costs related to the physical custody and control of monies and securities</p> <p><u>Unallowable</u></p>

		and similar expenses incurred solely to enhance income from investments	Costs of investment counsel and staff and similar expenses incurred solely to enhance income from investments
--	--	---	---

<b>Items of Cost</b>	<b><u>OMB Circular A-87</u></b>	<b><u>OMB Circular A-122</u></b>	<b><u>OMB Circular A-21</u></b>
Labor Relations	<u>Not Addressed</u>	<u>Allowable</u> as specified in OMB A-122, section 24.	<u>Allowable</u> s specified in OMB A-21, section 27.
Lease-Purchases (i.e., debt service)	<u>Unallowable</u> for TEA discretionary grants	<u>Unallowable</u> for TEA discretionary grants	<u>Unallowable</u> for TEA discretionary grants
Legal Expenses	<u>Allowable</u> when required for the administration of the grant program.  <u>Unallowable</u> for legal expenses for claims against the federal or state government and retainer fees.	<u>Allowable</u> when required for the administration of the grant program.  <u>Unallowable</u> for legal expenses for claims against the federal or state government.	<u>Allowable</u> when required for the administration of the grant program.  <u>Unallowable</u> for legal expenses for claims against the federal or state government.
Legislative Expenses and expenses for similar governmental bodies (such as school boards)	<u>Unallowable</u>	<u>Unallowable</u>	<u>Unallowable</u>
Lobbying	<u>Unallowable</u>	<u>Unallowable</u>	<u>Unallowable</u> For exceptions see section 28b.
Losses on Other Awards	<u>Unallowable</u>	<u>Unallowable</u>	<u>Unallowable</u>
Losses which could have been covered by permissible insurance	<u>Allowable</u> only with prior specific approval from TEA	<u>Allowable</u> only with prior specific approval from TEA	<u>Allowable</u> only with prior specific approval from TEA
Maintenance, Operations, and Repairs	<u>Allowable</u> Unless prohibited by law, utilities, insurance, security, janitorial services, elevator service, upkeep of grounds, necessary maintenance, normal repairs and alterations, and the like to the extent that: property is kept in efficient operating condition; do not add to the permanent value of the property and are not included in rental or other charges for space.  Costs which add to the permanent value	<u>Allowable</u> Costs incurred for necessary maintenance, repair, or upkeep of buildings and equipment which neither add to the permanent value of the property nor appreciably prolong its intended life, but keep it in an efficient operating condition.  Costs for improvements which add to the permanent value of buildings or equipment appreciably prolong its intended life shall be treated as capital	<u>Allowable</u> Costs incurred for necessary maintenance, repair, or upkeep of buildings and equipment which neither add to the permanent value of the property nor appreciably prolong its intended life, but keep it in an efficient operating condition.  Costs for improvements which add to the permanent value of buildings or equipment appreciably prolong its intended life shall be treated as capital

	of property or appreciably prolong its intended life shall be treated as capital expenditures. (OMB A-87, Sections 11 and 15)	expenditures. (OMB A-122, Section 15)	expenditures. (OMB A-21, Section 30)
<b>Items of Cost</b>	<b><u>OMB Circular A-87</u></b>	<b><u>OMB Circular A-122</u></b>	<b><u>OMB Circular A-21</u></b>
Materials and Supplies	<u>Allowable</u>	<u>Allowable</u>	<u>Allowable</u>
Meetings and conferences (Includes rental of meeting space and equipment; supplies/materials/ consultant fees, etc.)  See "Conferences and Meetings"	<u>Allowable</u> Costs for the dissemination of technical information, including costs of meals, transportation, rental of facilities, speakers' fees, and other items incidental to such meetings or conferences.  <u>Unallowable</u> Grant funds may not be used to pay for souvenirs, memorabilia, promotional items, (i.e., give-aways) or gifts	<u>Allowable</u> 1. Costs associated with the conduct of meetings and conferences, including renting facilities, meals, speakers' fees, and the like. 2. Meetings and conferences held to conduct the general administration of the organization.  <u>Unallowable</u> Grant funds may not be used to pay for souvenirs, memorabilia, promotional items, (i.e., give-aways) or gifts	<u>Allowable</u> Costs for the dissemination of technical information, including costs of meals, transportation, rental of facilities, speakers' fees, and other items incidental to such meetings or conferences.  <u>Unallowable</u> Grant funds may not be used to pay for souvenirs, memorabilia, promotional items, (i.e., give-aways) or gifts
Memberships	<u>Allowable</u> 1. Membership in business, technical, and professional organizations related to the grant program. Membership must be in the name of the grantee organization and not in the name of an individual. 2. Membership in civic and community organizations are allowable with prior specific approval from TEA.  NOTE: <u>Ed-Flex</u> programs do not require prior approval from TEA. <u>For all other grant programs</u> , these costs must be specifically budgeted and approved in the applicable grant application prior to expending funds.  <u>Unallowable</u> Membership in any social organization or organizations substantially engaged	<u>Allowable</u> 1. Membership in business, technical, and professional organizations related to the grant program. Membership must be in the name of the grantee organization and not in the name of an individual. 2. Membership in civic and community organizations are allowable with prior specific approval from TEA.  NOTE: <u>Ed-Flex</u> programs do not require prior approval from TEA. <u>For all other grant programs</u> , these costs must be specifically budgeted and approved in the applicable grant application prior to expending funds.  <u>Unallowable</u> Membership in any country club or	<u>Allowable</u> 1. Membership in business, technical, and professional organizations related to the grant program. Membership must be in the name of the grantee organization and not in the name of an individual.  <u>Unallowable</u> Membership in any civic or community organization, country club or social or dining club or organization.

	in lobbying	social or dining club or organization.	
Memorabilia	<u>Unallowable</u>	<u>Unallowable</u>	<u>Unallowable</u>

<b>Items of Cost</b>	<b><u>OMB Circular A-87</u></b>	<b><u>OMB Circular A-122</u></b>	<b><u>OMB Circular A-21</u></b>
Motor Pools	<u>Not Addressed</u>	<u>Not Addressed</u>	<u>Not Addressed</u>
Organization Costs (Related to the establishment or reorganization of an organization such as management consultants, accountants, attorneys, or investment consultants)	<u>Not Addressed</u>	<u>Unallowable</u> EXCEPT with prior specific approval of TEA to establish or reorganize the organization.  These costs must be specifically budgeted and approved in the applicable grant application prior to expending funds.	<u>Not Addressed</u>
Participant Support Costs (such as stipends, travel, registration fees, etc.)	<u>Not addressed</u> in OMB A-87. TEA allows participant support costs which are reasonable and necessary to accomplish the objectives of the project.	<u>Allowable</u> with prior specific approval from TEA.  NOTE: <u>Ed-Flex</u> programs do not require prior approval from TEA. <u>For all other grant programs</u> , these costs must be specifically budgeted and approved in the applicable grant application prior to expending funds.	<u>Not Addressed</u> in OMB A-217. TEA allows participant support costs which are reasonable and necessary to accomplish the objectives of the project.
Patents	<u>Allowable</u> 1. Preparation of disclosures, reports, and other documents required by the grant. 2. Preparation of documents and other patent costs in connection with filing and prosecution of the U.S. patent application where title and royalty-free license is required by the federal government to be conveyed to the federal government. 3. General counseling related to patent and copyright matters, such as advice on patent and copyright laws, regulation clauses, and employee	<u>Allowable</u> 1. Preparation of disclosures, reports, and other documents required by the grant. 2. Preparation of documents and other patent costs in connection with filing and prosecution of the U.S. patent application where title and royalty-free license is required by the federal government to be conveyed to the federal government. 3. General counseling related to patent and copyright matters, such as advice on patent and copyright laws, regulation clauses, and employee	<u>Allowable</u> 1. Preparation of disclosures, reports, and other documents required by the grant. 2. Preparation of documents and other patent costs in connection with filing and prosecution of the U.S. patent application where title and royalty-free license is required by the federal government to be conveyed to the federal government. 3. General counseling related to patent and copyright matters, such as advice on patent and copyright laws, regulation clauses, and employee

	<p>agreements.</p> <p><u>Unallowable</u></p> <p>1. Preparation of disclosures, reports, and other documents not required by the grant.</p>	<p>agreements.</p> <p><u>Unallowable</u></p> <p>1. Preparation of disclosures, reports, and other documents not required by the grant.</p>	<p>agreements.</p> <p><u>Unallowable</u></p> <p>1. Preparation of disclosures, reports, and other documents not required by the grant.</p>
<b>Items of Cost</b>	<b><u>OMB Circular A-87</u></b>	<b><u>OMB Circular A-122</u></b>	<b><u>OMB Circular A-21</u></b>
Patents cont.	<p>2. Costs associated with filing and prosecuting foreign patent applications or any U.S. patent application where conveyance of title or royalty-free license is not required by the award.</p>	<p>2. Costs associated with filing and prosecuting foreign patent applications or any U.S. patent application where conveyance of title or royalty-free license is not required by the award.</p>	<p>2. Costs associated with filing and prosecuting foreign patent applications or any U.S. patent application where conveyance of title or royalty-free license is not required by the award.</p>
Plant and Homeland Security Costs	<p><u>Allowable</u></p> <p>Necessary and reasonable expenses incurred for routine and homeland security to protect facilities, personnel, and work products.</p>	<p><u>Allowable</u></p> <p>Necessary expenses incurred to comply with Federal security requirements or for facilities protection.</p>	<p><u>Allowable</u></p> <p>Necessary expenses incurred to comply with Federal security requirements or for facilities protection</p>
Pre-Award (pre-agreement) costs	<p><u>Allowable</u> only to the extent that they would have been allowable if incurred after the effective date of the award. Any pre-award costs must be specifically approved by TEA.</p> <p>NOTE: <u>Ed-Flex</u> programs do not require specific approval from TEA. <u>For all other grant programs</u>, these costs must be specifically budgeted and approved in the applicable grant application prior to expending funds.</p> <p><u>Unallowable</u> unless specific approval is given by TEA.</p>	<p><u>Allowable</u> only to the extent that they would have been allowable if incurred after the effective date of the award. Any pre-award costs must be specifically approved by TEA.</p> <p>NOTE: <u>Ed-Flex</u> programs do not require specific approval from TEA. <u>For all other grant programs</u>, these costs must be specifically budgeted and approved in the applicable grant application prior to expending funds.</p> <p><u>Unallowable</u> unless specific approval is given by TEA.</p>	<p><u>Allowable</u> only to the extent that they would have been allowable if incurred after the effective date of the award. Any pre-award costs must be specifically approved by TEA.</p> <p>NOTE: <u>Ed-Flex</u> programs do not require specific approval from TEA. <u>For all other grant programs</u>, these costs must be specifically budgeted and approved in the applicable grant application prior to expending funds.</p> <p><u>Unallowable</u> unless specific approval is given by TEA.</p>
<p>Professional and Consultant Services</p> <p>Professional/consulting services are delivered by an independent contractor (individual, entity, or firm) on a fee basis for specialized services that are usually considered to be temporary or short-term in</p>	<p><u>Allowable</u> with prior specific approval from TEA. Professional and consultant services are allowable only when provided by non-employees and when the grantee organization does not possess the expertise. See OMB A-87, section 32b for specifications of allowability.</p>	<p><u>Allowable</u> with prior specific approval from TEA. Professional and consultant services are allowable only when provided by non-employees and when the grantee organization does not possess the expertise. See OMB A-122, section 39b for specifications of allowability.</p>	<p><u>Allowable</u> with specific approval from TEA. Professional and consultant services are allowable only when provided by non-employees and when the grantee organization does not possess the expertise. See OMB A-21, section 37b for specifications of allowability.</p>

<p>nature, normally in areas that supplement the expertise of the grantee. Includes evaluation, professional development/training, management services, legal services, etc.</p>	<p>"Honorariums" are not allowable costs in Texas. The term "fee" must be used in lieu of honorarium in all accounting records and consultant agreements.</p>	<p>"Honorariums" are not allowable costs in Texas. The term "fee" must be used in lieu of honorarium in all accounting records and consultant agreements.</p>	<p>"Honorariums" are not allowable costs in Texas. The term "fee" must be used in lieu of honorarium in all accounting records and consultant agreements.</p>
--	---	---	---

Items of Cost	OMB Circular A-87	OMB Circular A-122	OMB Circular A-21
Promotional Items, such as T-shirts, caps, tote bags, key chains, imprinted pens, etc.	<u>Unallowable</u>	<u>Unallowable</u>	<u>Unallowable</u>
Proposal Costs (i.e., preparing grant applications/proposals)	<p><u>Allowable</u> Cost for preparation of grant applications for <u>continuing formula entitlement grant programs</u> is allowable as a pre-award cost requiring prior specific approval by TEA.</p> <p>NOTE: <u>Ed-Flex</u> programs do not require prior approval from TEA. <u>For all other grant programs</u>, these costs must be specifically budgeted and approved in the applicable grant application prior to expending funds.</p> <p><u>Unallowable</u></p> <ol style="list-style-type: none"> <li>1. TEA does not allow costs for preparation of grant applications/proposals for competitive discretionary grants.</li> <li>2. Costs for preparation of applications/proposals to obtain OTHER grant monies.</li> </ol>	<p><u>Not Addressed</u></p> <p>NOTE: <u>Ed-Flex</u> programs do not require prior approval from TEA. <u>For all other grant programs</u>, these costs must be specifically budgeted and approved in the applicable grant application prior to expending funds.</p> <p><u>Unallowable</u></p> <ol style="list-style-type: none"> <li>1. TEA does not allow costs for preparation of grant applications/proposals for competitive discretionary grants.</li> <li>2. Costs for preparation of applications/proposals to obtain OTHER grant monies.</li> </ol>	<p>NOTE: <u>Ed-Flex</u> programs do not require prior approval from TEA. <u>For all other grant programs</u>, these costs must be specifically budgeted and approved in the applicable grant application prior to expending funds.</p> <p><u>Unallowable</u></p> <ol style="list-style-type: none"> <li>1. TEA does not allow costs for preparation of grant applications/proposals for competitive discretionary grants.</li> <li>2. Costs for preparation of applications/proposals to obtain OTHER grant monies.</li> </ol>
Public Relations	<p><u>Allowable</u></p> <ol style="list-style-type: none"> <li>1. Costs specifically required by the award</li> <li>2. Costs of communicating with the public and press regarding specific activities</li> <li>3. Costs related to keeping the public informed on matters of public concern and as specified in OMB A-87, Attachment B, section 1d.</li> <li>4. Costs identified in OMB A-87, Attachment B, sections c. and d. incurred for more than one award or for both sponsored work and other</li> </ol>	<p><u>Allowable</u></p> <ol style="list-style-type: none"> <li>1. Costs specifically required by the award</li> <li>2. Costs of communicating with the public and press regarding specific activities</li> <li>3. Costs related to keeping the public informed on matters of public concern and as specified in OMB A-122, Attachment B, section 1d.</li> <li>4. Costs identified in OMB A-122, Attachment B, sections c. and d. incurred for more than one award or for both sponsored work and other</li> </ol>	<p><u>Allowable</u></p> <ol style="list-style-type: none"> <li>1. Costs specifically required by the award</li> <li>2. Costs of communicating with the public and press regarding specific activities</li> <li>3. Costs related to keeping the public informed on matters of public concern and as specified in OMB A-21, section 1d.</li> <li>4. Costs identified in OMB A-21, sections c and d incurred for more than one award or for both sponsored work and other work of</li> </ol>

	work of the LEA to the extent that	work of the LEA to the extent that	the LEA to the extent that the
Items of Cost	<u>OMB Circular A-87</u>	<u>OMB Circular A-122</u>	<u>OMB Circular A-21</u>
Public Relations cont.	the principles in Attachment A, sections E and F are observed.  <u>Unallowable</u> Costs of public relations designed solely to promote the grantee.	the principles in Attachment A, sections E and C are observed.  <u>Unallowable</u> Costs of public relations designed solely to promote the grantee.	principles in sections D and E are observed.  <u>Unallowable</u> Costs of public relations designed solely to promote the grantee.
Publication and Printing Costs (includes distribution and mailing of publications)	<u>Allowable</u>	<u>Allowable</u> as indirect costs  NOTE: <u>Ed-Flex</u> programs do not require specific approval from TEA. For all other grant programs, these costs must be specifically budgeted and approved in the applicable grant application prior to expending funds.  <u>Unallowable</u> as direct costs EXCEPT with prior specific approval from TEA.	<u>Allowable</u> For specifics with regard to professional journal publications, see section 39c(1) and (2).
Rearrangements and Alterations	<u>Allowable</u> only with prior specific approval from TEA	<u>Allowable</u> only with prior specific approval from TEA	<u>Allowable</u> only with prior specific approval from TEA
Reconversion Costs	<u>Allowable</u> to restore facility to condition existing immediately prior to the grant award (less costs related to normal wear and tear).	<u>Allowable</u> to restore or rehabilitate a facility to approximately the same condition existing immediately prior to the grant award (less costs related to fair wear and tear).	<u>Allowable</u> to restore or rehabilitate a facility to approximately the same condition existing immediately prior to the grant award (less costs related to fair wear and tear).
Recruiting and Relocation Costs	<u>Not Addressed</u>	<u>Allowable</u> as specified in OMB A-122, sections 44 and 45.  <u>Unallowable</u> 1. Costs of help wanted advertising that includes color, advertising material for other than recruitment purposes, or is excessive in size 2. Costs of help wanted advertising, special emoluments, fringe benefits, and salary allowances that are not reasonable and do not conform with	<u>Allowable</u> as specified in section 42.  <u>Unallowable</u> 1. Costs of help wanted advertising that includes color, advertising material for other than recruitment purposes, or is excessive in size 2. Costs of help wanted advertising, special emoluments, fringe benefits, and salary allowances that are not reasonable and do not conform with

		established practices of the organization	established practices of the organization.
--	--	---	--

<b>Items of Cost</b>	<b><u>OMB Circular A-87</u></b>	<b><u>OMB Circular A-122</u></b>	<b><u>OMB Circular A-21</u></b>
Recruiting and Relocation Costs cont.		3. Fees and other costs associated with acquiring a new home. 4. Loss on a sale of a former home. 5. Continuing mortgage principal and interest payments on a home being sold. 6. Income taxes paid by the employee related to reimbursed relocation costs.	
Reference Materials	Not specifically addressed, but allowable when related to the grant program	Not specifically addressed, but allowable when related to the grant program	Not specifically addressed, but allowable when related to the grant program
Refreshments See "Food Costs"	<u>Unallowable</u> except for parent involvement activities to encourage parents in low-income areas to attend	<u>Unallowable</u> except for parent involvement activities to encourage parents in low-income areas to attend	<u>Unallowable</u> except for parent involvement activities to encourage parents in low-income areas to attend
Remodeling or Renovation	<u>Allowable</u> only with prior specific approval	<u>Allowable</u> only with prior specific approval	<u>Allowable</u> only with prior specific approval
Rental Costs of Buildings and Equipment	<u>Allowable</u> to the extent that the rates are comparable to that of other rental property in the locale and as specified in OMB A-87, section 37.  <u>Unallowable</u> Amounts paid for profit, management fees, and taxes that would not have been incurred had the LEA purchased the facility.	<u>Allowable</u> to the extent that the rates are comparable to that of other rental property in the locale and as specified in OMB A-122, section 46.  <u>Unallowable</u> Amounts paid for profit, management fees, and taxes that would not have been incurred had the organization purchased the facility.	<u>Allowable</u> to the extent that the rates are comparable to that of other rental property in the locale and as specified in OMB A-21, section 43.  <u>Unallowable</u> Costs include amounts paid for profit, management fees, and taxes that would not have been incurred had the institution purchased the facility.
Royalties and Other Costs for the Use of Patents	<u>Allowable</u> as specified in OMB A-87, section 38	<u>Allowable</u> as specified in OMB A-122, section 47.	<u>Allowable</u> as specified in OMB A-21, section 44
Sabbatical Leave	<u>Not Addressed</u>	<u>Not Addressed</u>	<u>Allowable</u> provided the institution has uniform policy
Scholarships, Fellowships, and Other Student Aid Costs	<u>Not Addressed</u>	<u>Unallowable</u>	<u>Allowable</u> only when the purpose of the grant is to provide training to selected

			participants and with prior specific approval from TEA as specified in OMB A-21, section 45
--	--	--	---

<b>Items of Cost</b>	<b><u>OMB Circular A-87</u></b>	<b><u>OMB Circular A-122</u></b>	<b><u>OMB Circular A-21</u></b>
Selling and Marketing	<u>Unallowable</u> unless allowed under Attachment B, section 1 as allowable public relations costs or under Attachment B, section 33, as allowable proposal costs.	<u>Unallowable</u> unless allowed under section 1, as allowable public relations costs or allowable as direct costs with prior specific approval from TEA when they are necessary for the performance of Federal programs.	<u>Unallowable</u> unless allowed under J.1 as allowable public relations costs or under J 38 as allowable proposal costs.
Severance Pay	<u>Allowable</u> <ol style="list-style-type: none"> <li>1. If required by law, employer-employee agreement, or established written policy</li> <li>2. Associated with normal turnover</li> <li>3. Abnormal or mass severance pay considered on a case-by-case basis and ONLY if approved by TEA.</li> </ol>	<u>Allowable</u> <ol style="list-style-type: none"> <li>1. If required by law, employer-employee agreement, or established written policy</li> <li>2. Associated with normal turnover</li> <li>3. Abnormal or mass severance pay considered on a case-by-case basis and ONLY if approved by TEA.</li> </ol> <u>Unallowable</u> <ol style="list-style-type: none"> <li>1. Severance packages in excess of normal payment paid to the employee contingent on change in management control over or ownership of the organization's assets.</li> <li>2. Payments to foreign nationals employed by the organization outside the U.S. to the extent the amount exceeds customary practices for the organization unless necessary for the performance of Federal programs and approved by TEA.</li> <li>3. Payments made to foreign nationals employed by the organization outside the US because of termination is a result of the closure or curtailment of activities unless they are necessary for the</li> </ol>	<u>Allowable</u> <ol style="list-style-type: none"> <li>1. If required by law, employer-employee agreement, or established written policy</li> <li>2. Associated with normal turnover</li> <li>3. Abnormal or mass severance pay considered on a case-by-case basis and ONLY if approved by TEA.</li> </ol> <u>Unallowable</u> Costs incurred in excess of the institution's normal severance pay policy applicable to all persons employed by the institution upon termination of employment.

		performance	
Social Activities	<u>Unallowable</u>	<u>Unallowable</u>	<u>Unallowable</u>

<b>Items of Cost</b>	<b><u>OMB Circular A-87</u></b>	<b><u>OMB Circular A-122</u></b>	<b><u>OMB Circular A-21</u></b>
Souvenirs	<u>Unallowable</u>	<u>Unallowable</u>	<u>Unallowable</u>
Specialized Service Facilities	<u>Not Addressed</u>	<u>Allowable</u> as specified in OMB A-122, section 50	<u>Allowable</u> as specified in OMB A-21, section 47.
Stipends for Non-Employees (i.e., participant support costs)	<u>Allowable</u>	<u>Allowable</u> with prior specific approval from TEA	<u>Allowable</u>
Student Activity Cost	<u>Not Addressed</u>	<u>Not Addressed</u>	<u>Unallowable</u> unless specifically approved by TEA as part of the grant agreement. These costs must be specifically budgeted and approved in the applicable application prior to expenditures.
Subscriptions	<u>Allowable</u> Costs of business, professional, and technical periodicals when related to the grant program. Subscriptions must be in the name of the grantee organization and not in the name of an individual.	<u>Allowable</u> for business, professional, and technical periodicals when related to the grant program. Subscriptions must be in the name of the grantee organization and not in the name of an individual.	<u>Allowable</u> for business, professional, and technical periodicals when related to the grant program. Subscriptions must be in the name of the grantee organization and not in the name of an individual.
Superintendent Salaries	<u>Unallowable</u>	<u>Unallowable</u>	<u>Not Applicable</u>
Taxes	<u>Allowable</u> except for self-assessed taxes.	<u>Allowable</u> as specified in OMB A-122, section 51.	<u>Allowable</u> as specified in OMB A-21, section 49.
Termination of Grant Award	<u>Generally Allowable</u> 1. If, despite all reasonable efforts by the LEA, certain costs cannot be discontinued immediately after the effective date of termination, such costs are generally allowable within the limitations in OMB A-87 2. Loss of useful value of special tooling, machinery, and equipment. (OMB A-87, section 41c.) 3. Rental costs under unexpired leases	<u>Generally Allowable</u> 1. If, despite all reasonable efforts by the LEA, certain costs cannot be discontinued immediately after the effective date of termination, such costs are generally allowable within the limitations in OMB A-122, section 52. 2. Loss of useful value of special tooling, machinery, and equipment. 3. Rental costs under unexpired leases	<u>Generally Allowable</u> 1. If, despite all reasonable efforts by the LEA, certain costs cannot be discontinued immediately after the effective date of termination, such costs are generally allowable within the limitations in OMB A-21, section 50. 2. Loss of useful value of special tooling, machinery, and equipment. 3. Rental costs under unexpired leases

	where clearly shown to have been reasonably necessary for the performance of the award. (OMB A-87, section 41d.)	where clearly shown to have been reasonably necessary for the performance of the award 4. Settlement expenses (OMB A- 122,	where clearly shown to have been reasonably necessary for the performance of the award 4. Settlement expenses (OMB A- 21,
--	--	---	--

Items of Cost	<u>OMB Circular A-87</u>	<u>OMB Circular A-122</u>	<u>OMB Circular A-21</u>
	<p>4. Settlement expenses (OMB A-87, section 41e for specifics)</p> <p>5. Claims under subawards, including allocable portion of claims which are common to the grant and other work of the LEA</p> <p><u>Unallowable</u> Costs continuing after the termination de to the negligent or willful failure of the LEA.</p>	<p>section 52 for specifics</p> <p>5, Claims under subawards, including allocable portion of claims which are common to the grant and other work of the LEA</p> <p><u>Unallowable</u> Items reasonably usable on the organization's other work unless the organization submits evidence that it would not retain such items at cost without sustaining a loss.</p>	<p>section 50 for specifics)</p> <p>5, Claims under subawards, including allocable portion of claims which are common to the grant and other work of the LEA</p> <p><u>Unallowable</u> Items reasonably usable on the organization's other work unless the organization submits evidence that it would not retain such items at cost without sustaining a loss.</p>
Tips or Gratuities	<u>Unallowable</u>	<u>Unallowable</u>	<u>Unallowable</u>
Training and Education	<p><u>Allowable</u> Training for employee development is allowable. Although college courses are not specifically addressed in OMB A-87, <b>TEA allows college level courses only when the course is directly related to the purposes of the grant program.</b></p>	<p><u>Allowable</u></p> <p>1. Training for employee development (See OMB A-122, section 53 for specifics)</p> <p>2. Although college level courses are allowable under the federal cost principles when the courses are relative to the field in which the employee is now working or may reasonably be expected to work, <b>TEA allows college level courses only when the course is directly related to the purposes of the grant program.</b> See 53b (1)-(6) and 53c for limitations.</p> <p>3. Attendance for specialized programs to enhance effectiveness of executives or managers or to prepare employees for such positions. See 53d for limitations</p> <p>4. Training and education costs in excess may be allowed with prior</p>	<p><u>Allowable</u> Training for employee development is allowable (section 51).</p>

		specific approval of TEA	
		<u>Unallowable</u> : Contributions or donations to educational or training institutions	

<b>Items of Cost</b>	<b><u>OMB Circular A-87</u></b>	<b><u>OMB Circular A-122</u></b>	<b><u>OMB Circular A-21</u></b>
Transportation Costs (See Field Trips in the TEA Guidelines Related to Specific Costs)	<u>Allowable</u> for transportation costs to or from grant activities.  <u>Unallowable</u> for transportation costs incurred for transporting students to and from the regular school day		
Transportation of goods	<u>Allowable</u> for transporting goods purchased with grant funds.	<u>Allowable</u> for transporting goods purchased with grant funds.	<u>Allowable</u> for transporting goods purchased with grant funds.
Travel Costs (employees) See Travel Costs in the TEA Guidelines Related to Specific Costs for further clarification and guidance related to allowable travel costs and for requirements for travel documentation.)	<u>Allowable</u> Travel costs are allowable for employees traveling on official business incidental to the grant program. For all travel, if local policy is less than the maximum allowable state rates, reimbursement may not exceed local policy. If local policy is more than the maximum allowable state rates, the difference must be paid from state or local sources. <b>Airfare</b> at lowest available airfare. <b>Car rental</b> (allowable only where rental car is more cost effective than other transportation such as taxi or shuttle). <b>Mileage—In State and Out of State Not to Exceed:</b> 7/1/08-12/31/08: 58.5 cents per mile 1/1/09-12/31/09: 55 cents per mile As of 1/1/10: 50 cents per mile <b>Registration fees</b> to attend conferences/seminars. <b>Meals and Lodging:</b> For <b>day trips</b> (i.e., no overnight stay), travel must be outside designated headquarters and must be more than six consecutive hours. Employee may be	<u>Allowable</u> Travel costs are allowable for employees traveling on official business incidental to the grant program. For all travel, if local policy is less than the maximum allowable state rates, reimbursement may not exceed local policy. If local policy is more than the maximum allowable state rates, the difference must be paid from state or local sources. <b>Airfare</b> at lowest available airfare. <b>Car rental</b> (allowable only where rental car is more cost effective than other transportation such as taxi or shuttle). <b>Mileage—In State and Out of State Not to Exceed:</b> 7/1/08-12/31/08: 58.5 cents per mile 1/1/09-12/31/09: 55 cents per mile As of 1/1/10: 50 cents per mile <b>Registration fees</b> to attend conferences/seminars. <b>Meals and Lodging</b> For <b>day trips</b> (i.e., no overnight stay), travel must be outside designated headquarters and must be more than six consecutive hours. Employee may be	<u>Allowable</u> Travel costs are allowable for employees traveling on official business incidental to the grant program. For all travel, if local policy is less than the maximum allowable state rates, reimbursement may not exceed local policy. If local policy is more than the maximum allowable state rates, the difference must be paid from state or local sources. <b>Airfare</b> at lowest available airfare. <b>Car rental</b> (allowable only where rental car is more cost effective than other transportation such as taxi or shuttle). <b>Mileage—In State and Out of State Not to Exceed:</b> 7/1/08-12/31/08: 58.5 cents per mile 1/1/09-12/31/09: 55 cents per mile As of 1/1/10: 50 cents per mile <b>Registration fees</b> to attend conferences/seminars. <b>Meals and Lodging</b> For <b>day trips</b> (i.e., no overnight stay), travel must be outside designated headquarters and must be more than six consecutive hours. Employee may be

	reimbursed for <b>actual cost of meals, not to exceed \$36.</b> <b>(Corporate) Credit Card Charges:</b> TEA will reimburse costs charged to the grant using corporate credit cards only	reimbursed for <b>actual cost of meals, not to exceed \$36.</b> <b>(Corporate) Credit Card Charges:</b> TEA will reimburse costs charged to the grant using corporate credit cards only	reimbursed for <b>actual cost of meals, not to exceed \$36.</b> <b>(Corporate) Credit Card Charges:</b> TEA will reimburse costs charged to the grant using corporate credit cards only
--	---	---	---

Items of Cost	<u>OMB Circular A-87</u>	<u>OMB Circular A-122</u>	<u>OMB Circular A-21</u>
	<p>when the accounting ledger reflects each individual charge on the credit card statement by:</p> <ul style="list-style-type: none"> <li>The individual vendor name (not just the credit card company name)</li> <li>The grant funding source/code</li> <li>The expense category (i.e., supplies, instructional materials, equipment, travel, etc.)</li> <li>The actual date of the charge (as opposed to the billing statement or the date the credit card bill was paid)</li> <li>The grantee must maintain the original itemized receipt that identifies each item purchased (and not just the credit card receipt). The grantee must also maintain all other appropriate internal accounting records, such as travel vouchers, expense reimbursement vouchers, purchase orders, etc.</li> </ul> <p><u>In-State Travel Prior to 9/1/09:</u> For <b>overnight trips</b>, actual cost of <b>lodging</b> not to exceed \$85 per night (effective 9/1/05-8/31/09).</p> <p>Actual cost of <b>meals</b> not to exceed \$36 per day (effective 9/1/05-8/31/09).</p>	<p>when the accounting ledger reflects each individual charge on the credit card statement by:</p> <ul style="list-style-type: none"> <li>The individual vendor name (not just the credit card company name)</li> <li>The grant funding source/code</li> <li>The expense category (i.e., supplies, instructional materials, equipment, travel, etc.)</li> <li>The actual date of the charge (as opposed to the billing statement or the date the credit card bill was paid)</li> <li>The grantee must maintain the original itemized receipt that identifies each item purchased (and not just the credit card receipt). The grantee must also maintain all other appropriate internal accounting records, such as travel vouchers, expense reimbursement vouchers, purchase orders, etc.</li> </ul> <p><u>In-State Travel Prior to 9/1/09:</u> For <b>overnight trips</b>, actual cost of <b>lodging</b> not to exceed \$85 per night (effective 9/1/05-8/31/09).</p> <p>Actual cost of <b>meals</b> not to exceed \$36 per day (effective 9/1/05-8/31/09).</p>	<p>when the accounting ledger reflects each individual charge on the credit card statement by:</p> <ul style="list-style-type: none"> <li>The individual vendor name (not just the credit card company name)</li> <li>The grant funding source/code</li> <li>The expense category (i.e., supplies, instructional materials, equipment, travel, etc.)</li> <li>The actual date of the charge (as opposed to the billing statement or the date the credit card bill was paid)</li> <li>The grantee must maintain the original itemized receipt that identifies each item purchased (and not just the credit card receipt). The grantee must also maintain all other appropriate internal accounting records, such as travel vouchers, expense reimbursement vouchers, purchase orders, etc.</li> </ul> <p><u>In-State Travel Prior to 9/1/09:</u> For <b>overnight trips</b>, actual cost of <b>lodging</b> not to exceed \$85 per night (effective 9/1/05).</p> <p>Actual cost of <b>meals</b> not to exceed \$36 per day (effective 9/1/05).</p>
Travel Costs (employees)	<p><u>In-State Travel As of 9/1/09 and All Out-of-State Travel:</u> For <b>overnight trips</b> (in state and out of state), the employee is reimbursed for the <b>actual cost</b> of lodging and meals,</p>	<p><u>In-State Travel As of 9/1/09 and All Out-of-State Travel:</u> For <b>overnight trips</b> (in state and out of state), the employee is reimbursed for the <b>actual cost</b> of lodging and meals,</p>	<p><u>In-State Travel As of 9/1/09 and All Out-of-State Travel:</u> For <b>overnight trips</b> (in state and out of state), the employee is reimbursed for the <b>actual cost</b> of lodging and meals,</p>

	not to exceed the maximum meals and lodging rates based on the <b>federal travel regulations for the locale.</b>  <b>Travel of Officials</b> Specific approval is required for travel of	not to exceed the maximum meals and lodging rates based on the <b>federal travel regulations for the locale.</b>  <b>Foreign Travel</b> Foreign travel is any travel outside	not to exceed the maximum meals and lodging rates based on the <b>federal travel regulations for the locale.</b>  <b>Foreign Travel</b> Foreign travel is any travel outside
--	---	---	---

Items of Cost	<u>OMB Circular A-87</u>	<u>OMB Circular A-122</u>	<u>OMB Circular A-21</u>
	<p><b>officials</b> (i.e., Supt., Exec. Dir., etc.). For all programs except for Ed-Flex programs, such costs must be budgeted in the applicable application and approved by TEA prior to expenditure of funds. <b>NOTE:</b> Ed-Flex programs do not require specific approval.</p> <p><b>Foreign Travel</b> Foreign travel is any travel outside Canada, Mexico, the United States, and any United States territories and possessions. Foreign travel is generally not permitted by TEA. However, direct charges are allowable only when foreign travel has received prior specific approval of TEA in the grant application. Each separate foreign trip must receive approval. Prior specific approval is applicable to all programs, including EdFlex programs, for foreign travel.</p> <p><u>Unallowable</u> The portion of costs for air travel by <b>other than commercial</b> travel that exceeds the cost of allowable commercial air travel is unallowable.</p> <p><b>Travel allowances, where the employee receives the per diem regardless of actual expenses, are unallowable in Texas.</b></p>	<p>Canada, Mexico, the United States, and any United States territories and possessions. Foreign travel is generally not permitted by TEA. However, direct charges are allowable only when foreign travel has received prior specific approval of TEA in the grant application. Each separate foreign trip must receive approval. Prior specific approval is applicable to Ed-Flex programs for foreign travel.</p> <p><u>Unallowable</u> The difference between first-class air accommodations and less than first-class air accommodations except when less than first-class air accommodations are not reasonably available to meet necessary mission requirements. (OMB A-122, section 55c for specifics)</p> <p><b>Travel allowances, where the employee receives the per diem regardless of actual expenses, are unallowable in Texas.</b></p>	<p>Canada, Mexico, the United States, and any United States territories and possessions. Foreign travel is generally not permitted by TEA. However, direct charges are allowable only when foreign travel has received prior specific approval of TEA in the grant application. Each separate foreign trip must receive approval. Prior specific approval is applicable to Ed-Flex programs for foreign travel.</p> <p><u>Unallowable</u> The difference between first-class air accommodations and less than first-class air accommodations except when less than first-class air accommodations are not reasonably available to meet necessary mission requirements. (OMB A-21, section 53c for specifics)</p> <p><b>Travel allowances, where the employee receives the per diem regardless of actual expenses, are unallowable in Texas.</b></p>
Travel (in-state or out-of-state) for Non-Employees or	<u>Allowable</u>	<u>Allowable</u> with prior specific approval from TEA	<u>Allowable</u>

for Students (does not include field trips)			
Trustees or Board of Directors	<u>Not Addressed</u>	<u>Allowable</u> costs for travel and subsistence subject to restrictions regarding lodging, subsistence and air travel costs provided in section 55. See "Travel Costs."	<u>Allowable</u> costs for travel and subsistence subject to restrictions regarding lodging, subsistence and air travel costs provided in section 54. See "Travel Costs."
<b>Items of Cost</b>	<b><u>OMB Circular A-87</u></b>	<b><u>OMB Circular A-122</u></b>	<b><u>OMB Circular A-21</u></b>
Tuition and Fees related to tuition	<u>Allowable</u> as it pertains specifically to the grant program	<u>Allowable</u> as it pertains specifically to the grant program	<u>Allowable</u> as it pertains to the grant program
Tuition Remission	<u>Not Applicable</u>	<u>Not Applicable</u>	<u>Allowable</u> when specifically approved as part of Payroll Costs as part of benefits for graduate students; must be excluded from indirect cost calculation.
Under-Recovery of Costs under Federal Agreements	<u>Not Addressed</u>	<u>Not Addressed</u>	<u>Not Addressed</u>
Utilities	<u>Allowable</u> for grant activities conducted before or after school, weekends, or during the summer.	<u>Not Addressed</u>	<u>Not Addressed</u>