

FEDERAL FUNDS OVERVIEW

All federal funds shall follow District procedures found in the District's Business Services Procedures Manual and **the District's State and Federal Grants Manual** as found on the GISD website at <https://www.georgetownisd.org/Page/22807>. Procedures in the GISD Employee Handbook are to be followed for personnel. In addition, this supplement is provided to reiterate requirements related to the use of Federal funds.

General information provided in this document is based on multiple sources. For more specific information, consult the grant application and regulations and OMB Circular A-87 for federal cost principles.

For more information on rules and regulations governing grants, please visit Electronic Code of Federal Regulations, Title 2, Subtitle A, Chapter II, Part 200 at www.ECFR.gov. This is a secure site that will require CAPTCHA verification before you are allowed to view regulations.

9.01 Budget

District and campus administrators shall conduct comprehensive needs assessments and special education student needs assessments each school year to gather data and information about current campus and district needs. This information should be used in concert with federal fund entitlement planning amounts published by federal and state agencies. Federal fund program applications are prepared based on these identified needs. Campus and district administrators will then write appropriate campus and district improvement plans reflecting the intended use of the federal funds to meet students' needs.

Grant budgets are to be reviewed regularly by Program Directors to monitor account code expenditures and to determine if an amendment will be needed.

For purchases with federal funds, the expenditure justification process will be followed by the District's Directors for Federal Programs, Special Education and CTE in order to determine appropriate purpose and intent of federal purchases. Capital outlay purchases with federal funds will follow the District's purchasing procedures. In order to optimize the use of federal funds, the District will take advantage of any discounts allowed by combining the purchase of equipment with federal and non-federal funds.

Supplement Not Supplant Procedures

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

9.02 Federal Expenditure Reporting and Cash Management

All Federal Expenditure reports via the TEA E-grants system shall be prepared by the Business Services at the direction of the Director of Finance or the CFO. These reports shall be completed

on a monthly basis. All data used to complete all federal expenditure reports shall be from the District's monthly financial reports. The District's Directors for Federal Programs, Special Education and CTE shall review all federal expenditures periodically to ensure they comply with the federal application expenditure budgets.

All requests for payment from the E-grants system are made on a reimbursement basis. General Fund cash is used during the month to pay for grant expenditures and is replenished upon draw down of the grant. If the District's financial position changes substantially and the General Fund is not able to provide the cash needed for monthly grant operations, the District shall implement additional procedures pursuant to the requirements of 34 CFR 80.20 and 80.21 and TEA guidelines for cash management.

9.03 Timekeeping Requirements for Federally Funded Personnel

Staff 100% funded from a single federal grant will be required to certify semi-annually that they have worked exclusively on the grant objectives. At the end of each 6-month period of the grant, the employee will receive a Semi-Annual Certification Form from the Program Director. The employee and his/her supervisor will sign the form and return it to the Program Director.

Source: OMB Circular A-87

Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee.

Staff funded from both local and federal sources or from more than one federal source will be required to keep detailed time and effort reports to reflect actual time spent on each program objective. The template for time and effort reports specific to the job duties performed will be provided by the Program Director. The reports will be completed at least monthly. These documents will be retained in accordance with grant requirements in the appropriate department.

Source: OMB Circular A-87

Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

- (a) More than one Federal award,*
- (b) A Federal award and a non-Federal award,*
- (c) An indirect cost activity and a direct cost activity,*
- (d) Two or more indirect activities which are allocated using different allocation bases, or*
- (e) An unallowable activity and a direct or indirect cost activity.*

9.04 Travel Costs

The need for travel tied to the goals of a grant program must be determined prior to travel. In order for travel costs to be paid or reimbursed, the employee must complete a travel form and have Supervisor and Program Director approval. Campus administrative assistant completes the required documents for the requisition of a check and attaches to travel form for Program Director for final approval and review of grant budget code. Once final approval is completed and the requisition is submitted to Accounts Payable, a check will be issued.

All itemized receipts for costs incurred must be attached to original travel form with check requisition prepared for reimbursement. Expenses are verified by the Program Director as part of approval process. After attending a conference/training/meeting, verification of completion of the event must be submitted. Travel costs will comply with OMB Circular A-87 and district travel policy. The Program Director shall review and ensure that the costs expended to federal/state funds do not exceed allowed rates as indicated by the State of Texas Travel Guidelines or GISD Travel Guidelines (whichever is lower).

<https://fmx.cpa.state.tx.us/fmx/travel/texttravel/index.php>

9.05 Grant Records Retention

Federal regulations require that all records (financial and programmatic) pertaining to federally-funded programs and/or grant regulations remain available for audit for 7 years after the date of submission of the single or last expenditure report to the grantor. If an audit is pending, then all records affecting the outcome of the audit must be retained until the audit is settled.