REQUEST FOR APPLICATION

Application Guidelines

General and Fiscal Guidelines
Revised October 2012

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Introduction to the Request for Application

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

TEA may periodically issue written guidelines concerning the management of grants approved in this application or clarifying previously issued grant guidelines. Any guidance issued after the initial approval of the application is to be incorporated with these instructions. (See the Errata Notices section.)

Parts of the Request for Application

The request for application (RFA) consists of the following parts.

General and Fiscal Guidelines

The General and Fiscal Guidelines apply to all grants administered by TEA. This part of the RFA describes the application process and submission procedures and provides general directions regarding the process to be used for distribution and management of grant funds. Always refer to the Program Guidelines for detailed information about the specific grant program. The Program Guidelines will, as necessary, refer the applicant back to the General and Fiscal Guidelines for general information.

Program Guidelines

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

Program-specific information in the Program Guidelines supplements the more general and comprehensive grant-related information in the General and Fiscal Guidelines. Applicants are reminded to refer to the General and Fiscal Guidelines for guidance as they complete and prepare to submit their applications.

Standard Application System (SAS) and Instructions

The SAS contains the schedules that must be completed for the applicant to be eligible for grant funding. Included are schedules requiring input in response to the requirements defined for the program as well as budget schedules, hyperlinks to the provisions and assurances associated with the grant program, and hyperlinks to the instructions for each schedule.

Standard instructions may be accessed by selecting (clicking) each schedule title. These instructions contain general and comprehensive information necessary to complete the schedules. Additional detailed information is also provided, as applicable, that is specific to the particular grant program.

TEA does not have the resources to provide technical assistance to those who experience difficulty accessing and using these schedules. Currently, there is no electronic submission of this paper-based application. Any eligible entity submitting an application is responsible for ensuring that the printed schedules maintain TEA's format.

Provisions and Assurances

All the legal provisions and assurances that apply to the grant program are posted on the Division of Grants Administration Grants Management Resources page of the TEA website and linked in Schedule #2—Required Attachments and Provisions and Assurances, Part 2, for paper grants and on Schedule CS7000—Provision, Assurances, and Certifications for eGrants. By signing Schedule #1 or certifying the CS7000 and submitting the grant application, the grantee indicates that the authorized official (or designee) has read and agrees to comply with all the terms outlined on the applicable schedules.

The following sections describe the various provisions and assurances and how they apply to grant applicants.

General Provisions and Assurances

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

Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion—Lower Tier Covered Transactions

This set of provisions and assurances applies to all applicants for federally funded programs.

By signing Schedule #1 and submitting the application, the applicant certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.

Lobbying Certification

This set of provisions and assurances applies to federal grants in excess of $100,000 or in which a subgrant/subcontract to another organization exceeds $100,000.

By signing Schedule #1, the applicant certifies that no federally appropriated funds have been used to lobby Congress in connection with the making of any federal grant, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal grant or cooperative agreement.

No Child Left Behind Act of 2001 Provisions and Assurances

This set of provisions and assurances applies to all applicants for federally funded grants funded under the Elementary and Secondary Education Act of 1965, as amended by P.L. 107-110, No Child Left Behind Act of 2001 (NCLB).

Program-Specific Provisions and Assurances

Particular attention should be paid to the requirements contained in the program-specific provisions and assurances. The signature of the authorized official indicates that the grantee has read and will comply with these requirements. Please review each of these assurances carefully as you will be required to implement them and document their implementation. These activities may be monitored or audited.

Terms of Contract

In addition to the terms specified in the provisions and assurances, the following also apply to all grantees.

Preparation and Submittal of Application

TEA will not be liable for any costs incurred in the preparation and submittal of the application.

The applicant shall furnish such additional information as TEA may reasonably require.

Scope of Work

The applicant agrees to complete the scope of work described in the approved application at the contracted funding amount.

Rejection and Negotiation

TEA reserves the right to reject any and all applications and to negotiate portions thereof.

Selection of Applications

TEA reserves the right to select the applications containing the best offer considering the outcomes desired.

Awarding of Funds

Project funding is based on appropriation by the authorized governmental body and on general budget approval by the commissioner of education, the state legislature, or US Congress, as applicable. It should be clearly understood that the applicant will not necessarily receive the amount requested if a lesser amount is determined to be appropriate.

Right to Reduce Funding

TEA reserves the right to reduce funding if the initial funding projections are determined not to have been realistic based upon the number of actual applicants or other factors. Should additional funds become available for distribution, the commissioner of education or his or her designee will determine how these funds will be distributed.

Commencement and Performance of Project Activities

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

Competitive Bid Process

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

Right to Revoke

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

- Noncompliance with application's provisions and assurances
- Failure to implement the grant program or to use grant funds and any required cost share or matching funds in accordance with the RFA, program rules and guidelines, the authorizing program statute, or the application approved by TEA
- Lack of program success as evidenced by progress reports and program data
- Failure to provide program data to TEA or its subcontractors
- Failure to account for grant funds in accordance with standards for financial management, to retain proper documentation for grant expenditures, or to provide information to auditors and monitors
- Identification by TEA as a high-risk grantee during the grant period, in which case TEA reserves the right to begin procedures immediately to terminate the grant. The grantee will be reimbursed for allowable expenditures up through the date of notification of high-risk status.
- Failure to meet performance measures or standards as specified in the RFA
- Failure to provide accurate, timely, and complete information as required by TEA to evaluate the effectiveness of the grant program

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

Continuation Funding

Project funding in subsequent project periods will be based on satisfactory progress on the first-period objectives and activities, general budget approval by the commissioner of education or his or her designee, and appropriations by the state legislature or the US Congress, if the grant is federally funded.

Review and Approval of Grant Products

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

Sole Property of TEA

All materials, conceptions, and products created or conceived by the grantee, its employees, agents, consultants, or subcontractors arising out of this grant shall be the sole property of TEA. TEA, and/or the federal government for a federally funded project, shall hold the copyright and trademark to all materials, conceptions, and products created or conceived under this grant. The grantee shall so bind all concerned through written agreements with subcontractors and consultants.

Applicant Assistance

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

TEA assumes no responsibility and holds all applicants solely responsible for obtaining all information, errata notices, or changes to applications.

Navigating the TEA Grant Opportunities Page

All materials related to the RFA are published on the web via the TEA Grant Opportunities page. To navigate to the page and locate materials there, follow these steps:

1. From the TEA home page, select the Funding link from the left navigation bar.
2. From the left navigation bar, select Grant Opportunities.
3. From the Application Name drop-down list, select the application name.
    - The grant start and end dates are listed in the Funding Information section.
    - The RFA and associated materials, such as frequently asked questions (FAQ) or errata notices are posted in the Application and Support Information section.
    - Due dates for progress reports, expenditure reports, and the last amendment due date are listed in the Critical Events section.
    - The names, telephone numbers, and email addresses of TEA program and funding contacts are listed in the Contact Information section.

TEA Contacts

With questions about the content of the General and Fiscal Guidelines, email the Division of Grants Administration at GAFPC@tea.state.tx.us.

With questions about any program-specific information contained in the Program Guidelines, contact the TEA program manager listed in the Program Guidelines, Contact for Clarifying Information.

Frequently Asked Questions

For competitive grants, to assure that no prospective applicant obtains a competitive advantage because of acquisition of information unknown to other prospective applicants, any and all questions about the RFA must be submitted in writing to the TEA contact person listed in the Program Guidelines, Contact for Clarifying Information. The name of the RFA and the RFA number, located at the bottom of each page of the Program Guidelines, must be included in the written request for information.

Applicants must submit their written questions no later than 5:00 p.m. Central Time on the date specified in the Program Guidelines, Grant Timeline. The questions and their answers (in the form

of FAQs) will be published on the TEA Grant Opportunities page on or before the date specified in the Program Guidelines, Grant Timeline. To provide all applicants with equal opportunity to review all FAQs prior to submitting the grant application, any questions received after that date will not be answered by TEA.

The FAQ document becomes incorporated into the RFA by reference.

Applicants' Conference

Prospective applicants for competitive grants will be provided an opportunity to receive general and clarifying information from TEA about the scope of the RFA. The applicants' conference will generally take the form of a webinar. The webinar will be the single opportunity, in a group setting, for applicants for competitive grants to ask questions of TEA personnel in order to clarify their understanding of the scope and nature of the work required for this application. The conference will be open to all potential applicants, and all questions will be asked and answered in the presence of all attending. Each person who attends will be required to register with his or her name and the name, address, and telephone number of the organization he or she represents.

Questions relevant to the RFA may be sent to the program manager listed in the Program Guidelines, Contact for Clarifying Information, no later than the deadline date listed in the Program Guidelines, Grant Timeline. These questions, along with other information, will be addressed in the presentation.

The system requirements for PC users are Windows 2000, XP Home, XP Pro, 2003 Server, or Vista. The requirements for Macintosh users are Mac OS X 10.4 (Tiger) or later. Questions related to webinar access should also be directed to the program manager listed in the Program Guidelines, Contact for Clarifying Information.

Errata Notices

If an error is found in the RFA, TEA will publish a correction through an errata notice. Errata notices are posted to the TEA Grant Opportunities page and also may be publicized through the Division of Grants Administration listserv. It is the applicant's responsibility to periodically check the TEA Grant Opportunities page for any posting of errata notices.

Listserv Messages

The Division of Grants Administration publicizes a variety of grant-related information via the Grants Administration and Federal Program Compliance (GAFPC) listserv, including the following:

- RFA announcement letters
- Summaries of errata notices
- Grant deadlines
- Grant information

To subscribe to this list, go to http://list.tetn.net/, choose **Grants Administration and Federal Program Compliance (GAFPC)** from the drop-down list, and click the **Join or Leave** button.

Shared Services Arrangements

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

All listed members of the SSA must positively certify their agreement to the listed requirements and conditions by signing Schedule #3—Certification of Shared Services. Each participant should carefully review the certification statement before signing. Only after all participants have approved the contents of the application can the fiscal agent perform a final certification and submission of the SSA grant application to TEA.

Excluded Entities

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

- Colleges/universities
- Community-based organizations
- Councils of governments
- Other local governments, such as cities and counties

These other entities may contract with the SSA's fiscal agent to provide services or enter into a collaborative partnership with the fiscal agent to conduct grant activities. Such contractors or partners will not be members of the SSA.

Fiscal Agent Responsibility

The designated fiscal agent of an SSA is the applicant that completes and submits a composite application with input from and on behalf of its members.

The fiscal agent is responsible for the following:

- Ensuring that funds are used in accordance with grant provisions
- Maintaining all SSA financial and personnel records required for TEA, in accordance with Financial Accounting and Reporting (FAR)

The fiscal agent may be responsible for financial consequences concerning the following:

- SSA instances of noncompliance
- Any SSA member unable to repay respective portion of misappropriated funds in question

Written SSA Agreement

When two or more school districts, open-enrollment charter schools, or ESCs enter into an SSA, a formal written agreement is required that defines the composite entity and describes the responsibilities of its fiscal agent and of each SSA member. At a minimum, this agreement contains the following information.

- Legal requirements:
  - Organization of the shared services arrangement
  - Ownership of assets
  - Policies and procedures addressing disposition of assets if the SSA is terminated by one or all members
  - Liabilities, including legal fees due to complaint, grievance, litigation, refund from onsite monitoring, audit, etc.
  - Basis for allocation of costs of the fiscal agent
  - Uncontrollable costs that impact the fiscal agent
- Responsibilities of the designated fiscal agent:
  - Services to be provided to SSA members
  - Employment of personnel
  - Budgeting and accounting
  - Reporting
- Responsibilities of each SSA member:
  - Employment of personnel
  - Budgeting and accounting
  - Reporting

The written agreement must be on file by the fiscal agent for audit and monitoring purposes.

eGrants Application Designation Form for Shared Services Arrangements

To facilitate the automation process, TEA has developed an “Applicant Designation and Certification” form for use with eGrants applications that permit an SSA. All applicants applying for a grant in eGrants that permits an SSA are required to complete the “Applicant Designation and Certification” form and submit it through eGrants before being allowed access to the automated application. On this form, you must indicate how you will apply for that grant: apply as an independent project, apply as the fiscal agent for a SSA (Consortium), apply as a member of an SSA, or not apply at all. A response to this form is required to set up your application in the eGrants system. The response eliminates the required signature of each member on the Shared Services Arrangement (Certification for Consortium Projects) schedule in the application and the need to complete a Notice of Intent to Apply. The response to this form is binding for the entire project period. You are advised to complete the process of obtaining local board approval, as appropriate, before submitting this form.

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

Application Completion and Submission

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

Coordination with the Business Office

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

Supplement, Not Supplant

Unless otherwise specified in the Program Guidelines, Supplement, Not Supplant, funds for this program must be used to *supplement* (increase the level of services) and *not supplant* (replace) funds from federal, state, and local funds for similar activities. Any program activity required by state law, State Board of Education (SBOE) rules, or local board policy may not be paid for with these funds. State or local funds may not be decreased or diverted for other uses merely because of the availability of these funds. Grantees must maintain documentation that clearly demonstrates the supplementary nature of these funds.

Submitting an eGrants Application

This section describes the process of completing and submitting an application online in eGrants.

Applicants for an application available on the TEA web-based eGrants system must use eGrants to apply for the funds. Paper applications will not be accepted. You must provide the requested information complete and according to the instructions. For competitive grants, applicants will not be permitted to add further information past the due date for submission. Incomplete applications will not be considered for funding.

All applications must include any requested attachments, in addition to contact information, program forms, budget forms and provisions, assurances and certifications.

Grant Writer Designation Form (Competitive Campus/Site-Based Applications)

This form identifies users who will have access to view and complete grant applications on behalf of your organization. Because of the competition among campuses or sites for some grants, users must be designated access to a campus or site grant application by the superintendent or the organization's authorized official. Only the superintendent or the organization's authorized official may complete the Grant Writer Designation form. This form must designate up to three individuals who will be granted access to each campus or site grant application being submitted on behalf of the

organization. The information submitted on this form is considered to be binding. Only the users identified on this form will have access to this grant application.

Submitting a Paper Application

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

Completing the Competitive Application

All schedules must be complete and included in the application. Competitive applications will be disqualified if schedules are missing, blank, or missing required attachments. Also, no additions (including any required attachments) or replacements to the application will be accepted after the closing date for receiving the application. To be considered for funding, the required number of copies of the application must be received by 5:00 p.m. on the deadline date published in the Program Guidelines, Grant Timeline.

It is the applicant's responsibility to ensure that all copies of the application are complete before submitting the application to TEA. All schedules must be included and completed, and all required attachments must be appended to the back of each copy of the application at the time it is submitted.

TEA staff cannot make photocopies to complete an application. TEA does not provide facilities, equipment, or supplies for applicants to use in completing an application.

Application Format

Each copy of the application should be clipped in the upper left corner. Do not staple or bind the application in a notebook or folder. Do not include a cover sheet, table of contents, or divider pages. *Do not include unsolicited attachments*. Applicants are responsible for ensuring that each copy of the application is complete and is in the proper order.

All narrative schedules must be completed in Arial with a font size no smaller than 10 points and must be on the schedules provided by TEA with no alterations. Any pages altered will be removed prior to scoring. Handwritten schedules will not be reviewed and will receive a score of zero. Any pages that exceed the specified page limitation for narrative schedules will be removed prior to review and scoring.

Required Schedules

For competitive applications, all required schedules are indicated in Schedule #1—General Information, Part 3, Schedules Required for New or Amended Application. All required schedules must be included to be eligible for review and scoring. Applications that are missing one or more required schedules will be disqualified.

Blank Schedules

Applications containing any required schedules that are completely blank will be disqualified.

Incomplete Schedules

During the competitive review process, blank fields on a program schedule will affect how the application is scored. Each blank field on a program schedule will receive a one-point deduction, with a maximum of 10 points deducted per application. This point deduction takes place after the reader review and before the addition of any priority points.

If the field that is left blank is intended for the applicant to address a statutory requirement, rather than being given a point deduction, the application will be deemed ineligible for funding and cannot be negotiated to approval.

Requirements Common to Both Paper and eGrants Applications

The following sections describe requirements that apply to all TEA grant applications.

Statutory Requirements

All statutory requirements defined in an application must be addressed before it will be considered for funding.

For competitive grants, applications that do not address all of the statutory requirements for the grant program will not be eligible or considered for funding and are not eligible to be corrected or negotiated. Only applications that address all statutory requirements at the time of submittal are eligible to be negotiated and funded, regardless of their final score or ranking.

TEA Program Requirements

Applicants must address all TEA program requirements to be eligible for grant funding. If any TEA program requirements are not addressed, the application will need to be corrected during negotiations before TEA can award the grant to the applicant. Although the application may be eligible to be funded, sections of the application with missing TEA program requirements may receive a score of zero from reviewers.

Fiscal-Related Documentation Required to Be on File

The following types of applicants are required to have the listed documentation on file with TEA.

Local Educational Agencies: ISDs, Open-Enrollment Charter Schools, and ESCs

Independent school districts (ISDs), open-enrollment charter schools, and regional education service centers (ESCs) must have on file with the TEA Division of Financial Audits the annual financial report (audit report) for the immediate prior fiscal year and for all previous fiscal years. If the audit report for the immediate prior fiscal year is past due (i.e., delinquent) as of the deadline date for submitting applications in response to this RFA, the application (state or federal discretionary) may be disqualified and not be considered for funding. Any decision to disqualify an application for this reason is final and may not be appealed.

Other applicants are required to attach the audit report to the application. See the Required Fiscal-Related Attachments section for details.

Open-Enrollment Charter Schools

Open-enrollment charter schools operated by a nonprofit organization must have the proper proof of nonprofit status on file with the TEA Division of Charter School Administration.

Other nonprofit applicants are required to attach proof of their nonprofit status to the application. See the Required Fiscal-Related Documents section for details.

Required Fiscal-Related Attachments

The following sections list the fiscal-related documents that the different applicant types are required to submit with their grant application. For competitive applications, all required attachments must be attached to each copy of the application at the time the application is submitted for it to be eligible for funding. Applications that are missing any required attachments will not be eligible for review and scoring.

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

Institutions of Higher Education

An institution of higher education (IHE) must submit one of the following:

- A printed copy of the respective section of a statewide single audit report
- A copy of the IHE's most recent annual financial audit (i.e., Single Audit under OMB Circular A-133) for the immediate prior fiscal year *if the audit disclosed any material findings or material weaknesses.*
- *If no material findings or weaknesses are identified in the audit,* the IHE must submit along with the application a letter, signed by the authorized official, stating there were no material findings or weaknesses for the period covered by the audit or the prior fiscal year.

Nonprofit Organizations, Excluding ISDs and Open-Enrollment Charter Schools

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

All other nonprofit organizations must submit the following documents with the application:

- The audit report for the immediate prior fiscal year (at a minimum within the last two years prior to the date the application in response to this RFA is submitted to TEA), including a statement of financial position, statement of activities (income statement), statement of cash flows, and note disclosures. An audit report for any fiscal year other than the immediate prior fiscal year will not be accepted as proof of financial reliability and will disqualify the applicant from consideration for funding.
- Independent auditor's opinion (standard report)
- Proof of nonprofit status, including any of the following:
  - Copy of a letter from the Internal Revenue Service recognizing that contributions to the organization are tax deductible under Section 501(c)(3) of the Internal Revenue Code
  - 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
  - Certified copy of the applicant's certificate of incorporation or similar document if it clearly establishes the nonprofit status of the applicant
  - Any item described above if that item applies to a state or national parent organization, together with a statement by the parent organization that the applicant is a local nonprofit affiliate

Any of the above documentation submitted must be in the name of the applicant to be eligible for consideration. A grant will not be awarded to a nonprofit organization that cannot demonstrate nonprofit status at the time of application submittal.

For-Profit Entities

A for-profit entity must submit the following documents with the application:

- The audit report for the immediate prior fiscal year (at a minimum within the last two years prior to the date the application in response to this RFA is submitted to TEA), including a statement of financial position, statement of activities (income statement), statement of cash flows, and note disclosures
- Independent auditor's opinion (standard report)

Governmental Entities

A governmental entity, such as a council of government, must submit a copy of the most recent audit or compilation report and independent auditor's opinion with the application.

New (First-Time) Grantees

New grantees are defined as grantees who receive a grant and are issued a NOGA for the first time from TEA.

TEA is responsible for ensuring that grantees properly account for and expend grant funds. In doing so, the agency has determined that historically, many new grantees make significant documentation errors that later lead to large audit exceptions and required repayment of grant funds. New grantees may not have the documentation, listed above based on type of entity or FIRST ratings, or be able to demonstrate that they are financially reliable or otherwise financially responsible. Due to new grantees' lack of experience with federal grant accounting requirements and with the ER system, TEA has a policy to identify new grantees as high-risk grantees for up to 12 months and provide additional support and assistance. See the High-Risk Identification section below for further information.

Required Program-Related Attachments

In addition to any required fiscal-related attachments, TEA may require program-related documentation to be submitted with the application. For competitive applications, all required attachments must be attached to each required copy of the application for it to be eligible for funding. Applications that are missing any required attachments will not be eligible for review and scoring.

See the Program Guidelines, Required Program-Related Attachments, for a description of any program-related documentation required to be submitted with the application for the grant program.

Submitting the Application

The following sections describe the procedures related to proper submission of the application.

eGrants Applications

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

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

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

Paper Applications

Number of Copies

To be eligible to be considered for funding, the following number of copies of the application must be received by 5:00 p.m. on the deadline date listed in the Program Guidelines, Grant Timeline:

- Three copies for noncompetitive grants
- Four copies for competitive grants (unless specifically stated otherwise in the Program Guidelines, Number of Copies)

Original Signature

At least three copies of the application must have an original signature (blue ink preferred) of the person authorized to bind the applicant in a contract.

Applications submitted by ISDs must be signed by the superintendent of the ISD or a designee. Applications submitted by regional ESCs must be signed by the executive director or a designee. Applications submitted by open-enrollment charter schools must be signed by the chief operating officer of the school. Campuses and campus charter schools must apply through their ISD, and the application must be signed by the superintendent or a designee.

Where to Submit the Application

TEA will not accept applications by email. Applicants delivering a grant application in person should take their materials to the TEA visitors' reception area on the second floor of the William B. Travis Building, 1701 North Congress (at 17th Street and North Congress, two blocks north of the Capitol), Austin, Texas, 78701.

For applicants shipping or mailing the application, the address is:

Document Control Center
Division of Grants Administration
Texas Education Agency
1701 N. Congress Avenue
Austin TX 78701-1494

Competitive Application Due Date

Applications will only be accepted and considered for funding if received by 5:00 p.m. Central Time on the deadline date listed in the Program Guidelines, Grant Timeline. TEA assumes no responsibility, due to any circumstances, for the receipt of an application after the deadline time and date listed in the Program Guidelines, Grant Timeline. TEA accepts no responsibility for delays caused by mail, shipping, or courier services. You are strongly advised to allow for and anticipate any such delays by sending your application as early as possible. Applications not received by the deadline time and date are ineligible for review and will be returned to the applicant.

TEA will neither accept nor consider for funding any late applications for competitive grants. Accepting one late application for any reason could invalidate the entire competition and require the publication of a new RFA and resubmittal of applications by all applicants on a new deadline date. Acceptance of late applications would create an undue burden for applicants who did meet the deadline and cause significant delays in the implementation of the grant program.

In establishing the time and date of receipt, the commissioner of education will rely solely on the time and date stamped on the application upon its receipt at TEA. The following are **not** acceptable proofs of receipt:

- US Postal Service postmark or round validation stamp
- Mail receipt with the date of mailing stamped by the US Postal Service
- Dated shipping label, invoice, or receipt from a commercial carrier such as UPS, Federal Express, Airborne Express, or Express Mail
- Any other documentation as proof of receipt of any application

Eligibility for Funding

To qualify for grant funding, the applicant must meet all eligibility criteria defined in the Program Guidelines, Eligibility. The following requirements also apply.

Submitting the Annual Audit

The applicant must be in compliance with submitting the annual audit to TEA, as described in the Audit Report Requirements section.

Financial Reliability

All applicants for federally funded discretionary grants must be financially reliable at the initial time of preliminary selection for funding in order to receive a grant award. Financial reliability is not a consideration for state-funded grants.

TEA reserves the right not to award a federal competitive grant to an entity that is not financially reliable, regardless of the final score or ranking of the application. This determination may be made based upon the financial and other information disclosed in the audit report on file with TEA or submitted with the original grant application, as applicable, and as described above. Financial reliability, which includes an assessment of audit opinions and audit findings, may be considered before a federal grant award is issued and may be a precondition for award.

A school district or open-enrollment charter school may demonstrate financial reliability if the organization's Financial Integrity Rating System of Texas (FIRST) rating for at least one of the two most recent years rated is Standard Achievement, Above Standard, or Superior Achievement. . Nonprofit organizations and for-profit entities must submit the most recent audit or compilation report and independent auditor's opinion with the application. New grantees will be identified as a high-risk grantee for up to 12 months.

TEA may use information contained within the annual audit report to determine financial reliability of the entity for federal discretionary grants. TEA reserves the right not to award a federal competitive or continuation grant to an entity that is not financially reliable at the time the determination is made by TEA.

See the High-Risk Identification section below for more information regarding new grantees.

See the Audit Report Requirements section for more information about audit requirements.

High-Risk Identification

TEA reserves the right not to award a grant to a district or charter school that is identified by TEA as a high-risk grantee. Moreover, TEA reserves the right not to award a federal competitive grant (including a continuation grant that was originally competitive) to a grantee that is identified by TEA as high risk between the time the application is submitted to TEA and the time the application is approved and the NOGA is awarded.

A new (first-time) grantee with TEA will automatically be placed on high-risk grantee status for up to 12months of receiving a grant from TEA, or until such time the grantee has ensured that it implements proper grant accounting and reporting methods. TEA will monitor the high-risk grantee status through various special conditions or administrative actions deemed necessary and placed on the grant award. The grantee agrees to any such special conditions or administrative actions required by TEA.

The new grantee will be determined to be high risk under 34 CFR §80.12 based on the agency's observations and conclusion that first-time grantees are inexperienced with federal grant accounting and the ER system. The following special conditions, appropriate for the new grantee and the type of grant awarded, will be placed on the new grantee's NOGA.

(1) The purchase and implementation of an appropriate grant accounting system that meets state and federal requirements will be required.

(2) The grantee must receive training on federal grant accounting systems and ER system.

(3) A soft hold will be placed and random sampling conducted of expenditure documentation, with technical assistance from Division of Federal Program Compliance staff.

If the new grantee sufficiently implements the special conditions within the twelve-month period, TEA will remove the high-risk designation. The twelve-month period allows for the new grantee to purchase the appropriate grant accounting system, receive training on the system, and receive

technical assistance from TEA staff on coding expenditures and the ER system. Once the grantee has fully implemented a grant program successfully for two to three months using an adequate accounting system and no longer needs staff technical assistance, the high-risk status will be removed.

If the special conditions are not implemented sufficiently, TEA reserves the right to terminate the grant or extend the high-risk grantee designation and impose additional special conditions or to implement enforcement actions as permitted under 34 CFR 80.43 of federal regulations.

See the High-Risk Status, Special Conditions, and Enforcement Actions section below for further information.

Revoked or Closed Charters

An open-enrollment charter school shall become ineligible for grant funding (or, if a campus has applied for and received funding for this grant, will have its grant funding placed on hold) if the commissioner notifies the campus's charter holder of his intent to (1) revoke or nonrenew such charter under TEC Chapter 12, or (2) close the campus under TEC Chapter 39, for any of the reasons set forth in either statutory provision. If the commissioner ultimately revokes or denies renewal of an open-enrollment charter of a charter holder or closes a campus that has been awarded funds under this grant program, grant funding shall be discontinued.

Use of Funds

Funds expended through this grant program must be used for the purposes described in the following sections of the Program Guidelines:

- Purpose of Program
- Program Description
- Statutory Requirements
- TEA Program Requirements

Applicants may elect to use additional resources and other sources of financial support to help maximize the effectiveness of the program goals and objectives. So long as they do not violate the supplement, not supplant provision, applicants are strongly encouraged to coordinate their participation in federal, state, and local programs to eliminate duplication of resources.

Obligation of Funds

Program funds shall not be obligated for expenditure before the beginning date of the grant or after the ending date of the grant unless pre-award costs are expressly permitted for the individual grant program. Funds may be requested only for those items that are reasonable and necessary for accomplishing the objectives of the program as defined in this RFA and for implementing activities as described. All goods, materials, and equipment must be received and all services must be provided, delivered, and/or installed in time to substantially benefit the population being served in the current grant period, generally considered to be within 30 days of the ending date of the grant and in no case after the ending date.

In most instances, goods or services delivered near the end of the grant period are viewed by TEA as not necessary to accomplish the objectives of the current grant program, and TEA or an auditor may disallow those expenditures.

An obligation occurs depending upon the expenditure, as follows:

- Services by an employee: When the services are performed by the employee
- Services by a contractor: The date of a binding written commitment, such as a contract or other written agreement, to obtain services from the contractor
- Utility services: When the services are received
- Travel: When the travel is actually taken. All travel must occur by the ending date of the grant.
- Rental or lease of property: When the property is actually used or occupied
- Real or personal property (including purchase of supplies and equipment): The date of a binding written commitment, such as a purchase order, invoice, or receipt, to acquire the property

Grant Period

All encumbrances, expenditures, and obligations of funds for this program must occur on or after the effective date of the application (the date the application was received or the first day of the grant availability period, whichever is later) and within the grant beginning and ending dates listed on the NOGA. The terms *encumbrance*, *accounts payable*, and *expenditure*, as with all other project accounting terms, are used here as defined in the Financial Accountability System Resource Guide (FASRG).

All goods, materials, and equipment must be received and all services must be provided or delivered in time to substantially benefit the population being served between the beginning and ending dates of the project as specified in the Program Guidelines, Grant Timeline. In most instances, goods or services delivered near the end of the grant period are viewed by TEA as not necessary to accomplish the objectives of the grant program, and TEA or an auditor may disallow the expenditures.

Reasonable and Necessary

Pursuant to the Uniform Grants Management Standard (UGMS) adopted by the Governor's Office, TEA applies the federal cost principles to both state and federal grants. Funds requested must be only for those items that are *reasonable* and *necessary* for accomplishing the objectives of the program and for implementing activities as described in the application. All costs must be budgeted in the approved application to be eligible to be charged to the grant.

TEA program staff will determine, during grant negotiations, if costs budgeted in the application are reasonable and necessary for the grant program and size of the campus/LEA. Costs determined by TEA staff to be unallowable or not reasonable and necessary will be removed from the application during negotiations and may be reduced from the grant year budget, depending on the specific grant program. Requested funds may or may not be reallocated to other activities, depending on the specific grant program, after being determined unallowable or not reasonable and necessary by TEA staff.

Definition of Reasonable and Necessary

Costs that are r*easonable* are defined as those costs that are consistent with prudent business practice and comparable to current market value. Costs that are *necessary* are those costs that are essential to accomplish the objectives of the grant project. All items requested must be allowable expenditures under the authorizing program statutes, regulations, and rules.

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

- Project costs are reasonable in relation to expected outcomes:
  - The amount requested would realistically be expected to have an impact on the stated needs.
  - The expected outcomes are sufficient to justify the amounts requested.
- The program identifies and coordinates funding from several sources.
- All expenditures are pertinent to and appropriate for the objectives and activities stated.

Reasonable Costs

A cost can be considered reasonable if it meets the following standards:

- The cost is of a type generally recognized as ordinary and necessary for the operation of the organization or grant performance.
- Restrictions or requirements are imposed for generally accepted, sound business practices, arms-length bargaining, federal or state laws and regulations, and grant award terms and conditions.
- Individuals are acting with prudence in the circumstances of responsibility to the organization, its members, employees, clients, the public, and federal or state government.
- There are no significant deviations from established practices of the organization that may unjustifiably increase grant costs.

Allocable Costs

The following guidelines apply to allocable costs:

- A cost is allocable to a particular grant in accordance with the relative benefits received if it is treated consistently with other costs incurred for the same purposes in like circumstances and if it meets the following:
  - Is incurred specifically for the grant
  - Benefits both the grant and other work and can be distributed in reasonable proportion to the benefits received
  - 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 (or state awards, if state-funded) to overcome funding deficiencies or to avoid restrictions imposed by law or by the terms of the grant award.

Allowable Costs

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

To be allowable to be charged to a grant, costs must meet the following criteria:

- Be reasonable for the performance of the grant and be allocable under the applicable cost principles
- Conform to limitations or exclusions set forth in applicable cost principles or the grant agreement as to types or amount of costs
- Be consistent with policies and procedures that apply uniformly to federally or state-funded activities and activities funded from other sources
- Be accorded consistent treatment among all grant programs, regardless of funding source
- Be determined in accordance with generally accepted accounting principles (GAAP)
- Not be included as a cost or used to meet cost-sharing or matching requirements of any other federally or state-funded program in the current or a prior period
- Not be used for lease-purchases (i.e., debt service) if for discretionary grants

Refer to the instructions for the specific SAS schedules for additional guidance pertaining to allowable and unallowable costs. Also refer to the TEA Guidelines Related to Specific Costs for a summary of certain unallowable costs.

Space Utilization Charges

Space utilization recovery charges for any grantee must be at a rate no greater than 2% of the acquisition cost in accordance with the provisions in the applicable Office of Management and Budget (OMB) Circular. The charge must be prorated based on actual space utilized. For audit purposes, grantees must maintain sufficient documentation to support the charges incurred. Space utilization charges may not include charges for the use of hallways, restrooms, reception areas, or other common use areas.

Cost of Equipment Insurance

Equipment purchased with federal funds must be insured. The actual cost of insurance for equipment purchased with funds from this grant program may be charged as a direct cost to the grant so long as the insurance costs are not contained in any other comprehensive casualty insurance that may be held by the grantee.

Use and Disposition of Equipment Purchased with Grant Funds

Equipment purchased with state or federal grant funds must be used in the grant project for which it was acquired for as long as the equipment is needed, whether or not the grant continues to be funded by state or federal funds. Unless TEA indicates otherwise, once the equipment is no longer needed, its use may be transferred to support another state- or federally funded grant. In this situation, equipment purchased with federal funds must be used in another federally funded program, and equipment purchased with state funds must be used in another state-funded program. Use for the original grant should always take priority over other uses.

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

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

- Items of equipment with a current per-unit fair market value of $5,000 or less may be retained, sold, or otherwise disposed of with no further obligation to TEA.
- After receiving written authorization from TEA, items of equipment with a current per-unit fair market value in excess of $5,000 may be retained or sold. The grant must be credited and a refund must be submitted to TEA for the fair market value of the equipment.

Reasons for removal may include that the equipment is no longer operable, was destroyed, was stolen, or is no longer needed

Permission to remove equipment purchased with federal or state funds from a grantee's inventory may be requested from TEA by emailing TEA's chief grants administrator at GAFPC@tea.state.tx.us. TEA will provide an equipment disposition form to be submitted for approval by TEA's chief grants administrator.

If the grantee purchases capital outlay (furniture or equipment) to accomplish the objectives of the grant project, the title will remain with the grantee organization throughout the grant period. TEA reserves the right to transfer capital outlay items during the grant period or as needed after the ending date of the grant from grantees that fail to comply with grant requirements. This provision applies to any furniture or equipment regardless of unit price and item classification in the grantee's accounting records.

Technology Purchases

Applicants should be thoughtful and deliberate in the planning phase of the application process when budgeting grant funds to purchase technology equipment, in particular items such as tablet computers and laptops. Because different types of technology equipment are used in different ways, they offer different benefits to the intended beneficiaries of the grant. The grant application must specify what type of technology is planned to be purchased and must demonstrate how the planned purchase aligns with the purpose and goals of the grant.

After grant funds are awarded, they must be expended in accordance with the approved budget. For instance, if the grantee budgeted for laptops and decides that tablet computers would be a more cost-effective means of serving the same need, the grantee must submit an amendment to the application, which must be approved before tablet computers may be purchased using grant funds.

The following sections define various technology items.

Smartphone

A smartphone is a cellular telephone that incorporates the function of a mobile operating system (OS). A cellular telephone that does not incorporate the function of an OS is known as a feature phone. Feature phones are generally operated from the keypad, and functionality is limited to placing phone calls, sending text messages, and performance of basic computing functions such as calculator, alarm, or calendar.

A smartphone is generally operated via a touchscreen, and the OS permits a much wider range of computing functions, including full Internet connectivity. Smartphones are capable of running software applications (known as "apps") developed specifically for use with the smartphone's OS.

Tablet Computer

A tablet computer, or tablet, is a very light, relatively small, easily portable computer that consists of a touchscreen and, optionally, a keyboard that connects to the screen via a wireless link or a USB cable. The main differences between tablets and laptops are screen size (with tablets being smaller) and the tablet's lack of an integrated keyboard. A secondary difference has to do with the functionality of the devices in terms of the software applications they are designed to run.

Although tablets are capable of running software applications, the applications tend to be limited in functionality (similar to the "apps" developed for smartphones). Most tablets run operating systems that were originally developed for smartphones, rather than operating systems designed for actual computers. Tablets are ideal for Internet browsing, email, creation and editing of digital photos and videos, E-book access, and very basic document creation and editing. They are designed with limited processing power and less memory than most laptops.

It should be noted that with every new generation, tablet computer functionality is increased, and the gap between the tablet and the laptop is closing quickly. At present, however, the tablet computer is not designed to run software applications with complex functionality.

Netbook

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

With the evolution of the tablet computer, and as smaller, lighter, less expensive laptops begin to be produced, the term "netbook" has ceased to be used to describe a category of technology items. Today, a grantee interested in what used to be called a netbook might choose either to purchase a full-featured tablet computer or one of the cheaper laptops.

Laptop Computer

A laptop computer is portable computer running a computer operating system and consisting of an integrated keyboard, trackpad (with the option of adding a mouse, either via wireless link or USB cable), and screen. The computer is operated via the keyboard, trackpad, and/or mouse, and the screen is for display only. Laptop computers do not incorporate touchscreen functionality.

A laptop computer is built using the same components found in a full-sized desktop computer, except that the components are smaller and sometimes less powerful to make the computer portable. As a result, laptops can run software designed to perform complex functions, something tablets in general are not yet able to do.

Desktop Computer

A desktop computer is a computer that is not designed to be portable and that must be connected to an external power source (rather than running on an internal battery). Desktop computers may be designed so that the central processing unit, monitor, and keyboard are all separate components (as

in a tower unit, often association with PCs) or in a unit that incorporates the monitor and processor (as with many Apple desktops, such as the iMac).

Because size and weight are not as important considerations in desktop computers as they are in laptops, desktops are often more powerful, with more installed memory and bigger monitors with higher resolution than what is found on a laptop.

Resources

Always consult the original applicable circular pertaining to cost principles for the full text. All OMB circulars are published online at http://www.whitehouse.gov/omb/circulars_default. Applicable OMB cost principle circulars include the following, listed by type of entity:

Type of Entity	Applicable Cost Principles
■ Public school districts ■ Regional education service centers (ESCs) ■ Open-enrollment charter schools operated by a governmental entity ■ Local governments (e.g., cities, counties)	OMB Circular A-87, Cost Principles for State and Local Governments
■ Open enrollment charter schools operated by a nonprofit organization ■ Nonprofit organizations, including community-based organizations and faith-based organizations	OMB Circular A-122, Cost Principles for Non-Profit Organizations
■ Open-enrollment charter schools operated by an IHE (i.e., college or university) ■ IHEs	OMB Circular A-21, Cost Principles for Educational Institutions

Application Review and Selection for Competitive Funding

This section describes the process for reviewing and scoring applications for selection for funding.

Application Review

Applications for competitive grants that are received by the established deadline date and time and that meet all requirements will be reviewed by a committee composed of educators, parents (when appropriate), members of the business and college or university community who represent broad and diverse backgrounds, and, as applicable, TEA staff. Review of applications will begin as soon as practical after they are received. The review committee will use the review criteria described in the Standard Review Criteria section.

Oral Interviews

The applicants receiving the most favorable ratings in the application review may be asked to send a representative to Austin, Texas, or conduct an electronic meeting or conference call, at a time and place to be arranged, for an oral presentation of the application. Applications may be rated again and re-ranked following the oral presentations.

Final Recommendations

The final recommendations of the review panel will be assembled and presented to the commissioner of education or his designee who will, as authorized by the State Board of Education, do one of the following:

- Approve the application in whole or in part
- Disapprove the application
- Defer action on the application for further review

TEA notifies each applicant in writing of the commissioner's decision. For an application that is preliminarily selected for funding, notification to the applicant will include the contractual conditions that the applicant must accept in accordance with federal and/or state law. Agency staff will thoroughly review each application to confirm that it is in compliance with all applicable rules and regulations and that the identified program goals and activities meet the intent of the RFA. Once it is determined that the application is indeed eligible to be funded, agency staff may contact the designated program contact person to negotiate necessary fiscal and programmatic changes to the application. Agency staff will review the budget and activities to determine if the requested amounts are allowable, reasonable, and necessary to meet the intent of the RFA.

Only after the applicant has accepted these conditions and negotiated a fully approvable application will a NOGA be issued.

Standard Review Criteria

The following standard review criteria are used in scoring the application. Please note that more specific, detailed review criteria customized for the grant program may be used in combination with the standard criteria.

Each competitive application is reviewed to determine the capability of the applicant to implement its proposed program. In reviewing the information submitted and in recommending competitive applications for funding, the review committee and TEA staff consider the following criteria: Clearly Outstanding, Exceeds Expectations, Meets Standard, Needs Improvement, or Not Addressed. When rating each indicator, the review committee members select a criterion rating which has an appropriate point value assigned.

Need for the Proposed Project

For this indicator, 20 points are possible.

- The magnitude or severity of the problem to be addressed by the proposed project is significant in nature. (10 points)
- Specific gaps, barriers, or weaknesses related to the severity of the problem have been identified. (10 points)

Quality of the Project Design

For this indicator, 20 points are possible.

- The proposed project is appropriate to and will successfully address the needs of the target population or other identified needs. (8 points)
- The program activities relate directly to the program goals, local objectives, and strategies, as well as to the program description and project requirements. (4 points)
- The objectives, strategies, activities, and desired results of the project are clearly specified and are measurable. (4 points)
- The design of the proposed project reflects up-to-date knowledge from scientifically based research and effective practice. (4 points)

Quality of Project Services

For this indicator, 10 points are possible.

- Strategies and activities are of sufficient quality and scope to ensure equitable access and participation among all eligible program participants. (5 points)
- Strategies and activities are of sufficient quality and depth to ensure accomplishment of the goals and objectives of the project according to the relevant statute. (5 points)

Quality of Management Plan

For this indicator, 20 points are possible.

- Qualifications, experience, and certifications of project personnel and external consultants are of sufficient quality and depth to ensure successful implementation. (5 points)
- The management plan is designed to achieve the objectives of the proposed project on time and within budget, with appropriate timelines and milestones for accomplishing project tasks. (5 points)
- The procedures ensure feedback and continuous improvement in the operation of the proposed project through ongoing monitoring and adjustments as needed. (3 points)
- The proposed project will be coordinated with similar or related efforts using existing resources and facilities and with other appropriate community, state, and federal resources to maximize the effectiveness of grant funds. (3 points)
- The level of involvement and commitment to the project of all participants, including management, staff, collaborators and partners, is sufficient to ensure the successful implementation of the project goals, objectives, and activities. (4 points)

Quality of Project Evaluation

For this indicator, 10 points are possible.

- The methods of evaluation provide for examining the effectiveness of project strategies. (2 points)
- The methods of evaluation include the use of objective performance measures and indicators of program accomplishment that are clearly related to the intended results of the project and will produce quantitative and qualitative data to the extent possible. (3 points)

- The evaluation design includes processes for collecting data, including program-level data (such as program activities and the number of participants served) and student-level academic data (such as achievement results and attendance data). (3 points)
- The formative evaluation processes outlined in the application provide for the identification and correction of problems throughout the duration of the grant project. (2 points)

Appropriateness of Budget

For this indicator, 20 points are possible.

- The cost per participant (total grant request divided by the total number of participants served) is appropriate for the results expected. (7 points)
- The budget, including personnel, materials, and other identified expenses, adequately supports the activities outlined in the proposed project. (10 points)
- Expenditures and activities are supplemental to and do not supplant or duplicate services currently provided. (3 points)

In addition, the review committee and TEA staff will consider the ability of the applicant to follow written directions, as follows:

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

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

Specific Review Criteria

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

Priorities for Funding

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

Selection for Funding

See the Eligibility for Funding section for information regarding requirements applicants must meet before becoming eligible to receive funds.

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

continuing to the next highest-scoring application until funds are exhausted or until the applications with the minimum percentage score or higher are funded, whichever is the case.

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

- Meet the intent and purposes of the authorizing statute
- Are cost-effective (i.e., the total grant amount divided by the total number of students served equals the cost per student)
- May be replicated in districts with similar demographics
- Are diverse with respect to size of districts (include districts with small, medium, and large enrollment)
- Are diverse with respect to geographic location in Texas (include different ESC regions or quadrants of the state)
- Demonstrate greatest need
- Meet any additional criteria identified in the Program Guidelines

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

Notice of Grant Award

Upon successful completion of application negotiation with TEA staff, the grant application is eligible to be funded through the issuance of the NOGA. The NOGA will incorporate this RFA, the instructions for each form, and the approved application as negotiated by TEA and will constitute the binding agreement between the parties.

To be eligible to receive an approved application, NOGA, and subsequent funding, applicants must not be on warrant hold by the Texas comptroller of public accounts, and must not owe TEA a refund for any discretionary grant.

Amending the Application

If selected for funding, grantees must submit any amendments to the approved application in accordance with the instructions for submitting amendments (see the SAS: Schedule #4—Request for Amendment and the associated instructions for paper grants or Schedule GS2300 for eGrants).. Amendments may be submitted by any of the following means:

- By fax to (512) 463-9811 or (512) 463-7915
- By mail to the Document Control Center, Division of Grants Administration, Texas Education Agency, 1701 N. Congress Ave., Austin TX 78701-1494

- In person to the second-floor visitor reception desk at the William B. Travis Building in downtown Austin (1701 N. Congress Ave., Austin TX 78701-1494)

The last day to submit an amendment to TEA is listed in the Program Guidelines, Grant Timeline. TEA will not process or approve an amendment received after the date shown there. Grantees may not amend the grant application in a way that alters the basic program intent, goals, or objectives to the extent that the program would no longer be the program that received the application score and was subsequently recommended for funding.

Regardless of how a grantee distributes the funds among the class/object codes, the grantee is still responsible for carrying out the scope and objectives of the grant as described in the approved application.

TEA reserves the right to reject unnecessary amendments without reviewing and approving them.

Amendment Justification

Grantees are permitted to rebudget within the approved direct cost budget (as established on Schedule #6—Program Budget Summary for paper grants or the Schedule BS60XX—Program Budget Summary and Support for eGrants) to meet unanticipated requirements and to make certain changes to the approved budget without written amendment. However, some changes do require the prior written approval of TEA through an amendment.

Regardless of whether an amendment is required, grantees must comply with any requirements for maximum or minimum expenditures for certain categories or activities. For example, if the grant requires that no more than 25% of the funds may be used for a certain activity, such as planning, the grantee must comply with this 25% maximum requirement.

Amendment Effective Date

An amendment, after being approved by TEA, is considered effective on the date it was received by TEA in substantially approvable form. All amendments are subject to negotiation.

An amendment must be approved by TEA before any activities occur, such as purchase orders issued, funds encumbered or expended, goods received, or services rendered that are affected by the amendment. If the grantee chooses to implement such changes prior to the amendment being approved by TEA, the grantee will be responsible for paying, from other fund sources, any costs not approved during negotiations.

Refer to the TEA Grant Opportunities page for the last day an amendment may be submitted for a particular grant.

When to Amend the Application

For guidance on when to amend the application, refer to "When to Amend the Application," on the Grant Management Guidance section of the Division of Grants Administration Grant Management Resources page.

Amendment Deadline

The Program Guidelines, Grant Timeline, lists the last day on which an amendment may be submitted. Amendments submitted after this date will not be accepted without specific approval from the TEA program staff.

Submitting an Amendment

Schedules #1 and 4 are required to be submitted with all amendment requests. Schedule #6 is required if any supporting budget schedules are being amended. Any other schedules affected by the amendment must be submitted, with any additions indicated with underlining and deletions indicated with strikethrough.

Amendments may be submitted either by mail or via fax, as described in Schedule #4—Request for Amendment for paper grants or Schedule GS2300 for eGrants. Do not submit the same amendment by both methods. Amendments submitted via email will not be accepted.

Fund Management

Grantees must maintain a proper general ledger that complies with GAAP and with federal financial management standards. Grantees must account for grant funds on a fund accounting basis (i.e., by grant funding source).

Administrative Costs

Administrative funds include both direct and indirect costs.

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

Direct Administrative Costs

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

- Accounting and other fiscal activities, including reporting expenditures to TEA
- Auditing
- Overall program administration
- Evaluating and reporting on the progress and results of the grant program
- Monitoring compliance with the program requirements
- Salaries and benefits for staff who supervise activities of program staff
- Insurance that protects the grantee
- Direct administrative costs included in an approved direct cost allocation plan

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

Indirect Costs

For guidance on indirect costs, including a worksheet for calculating the maximum indirect costs that may be claimed for the grant, refer to “Indirect Cost Instructions, Guidance, and Worksheet,”

posted in the Grant Management Guidance section of the Division of Grants Administration Grant Management Resources page.

Financial Management Requirements

Fiscal control and accounting procedures must permit the tracing of funds to a level of expenditure adequate to establish that funds have been used in accordance with the approved grant application. The applicant must maintain effective control over and accountability for all funds, property, and other assets.

Budgeted expenditures are shown by class/object code. ISDs, open-enrollment charter schools, and ESCs are required to maintain records on all expenditures by budget function, class/object code, and year of entitlement (appropriation), in accordance with the provisions of the Financial Accountability System Resource Guide (FASRG).

All nonprofit and for-profit applicants for federally funded grants must demonstrate financial stability and the capability to comply with federal financial management and accounting standards.

TEA reserves the right to conduct a pre-award audit or post-award audit to determine if a grantee maintains a proper financial management system and to deny or terminate the award if it is determined that the grantee does not maintain a proper financial management system.

Failure to comply with federal financial management standards will result in audit exceptions and the disallowance of all expenditures paid from the grant.

Financial Accounting System

The applicant's financial management system must meet federal financial management standards and must provide for accurate, current, and complete disclosure of the financial results of each grant project. The financial management system records must adequately identify the funding source and use of funds and must contain information pertaining to grant awards, authorizations, obligations, unobligated balances, assets, outlays (expenditures), income, and interest. Refer to the Desk Monitoring page of the TEA website for sample general ledgers that demonstrate accounting in accordance with the mandatory account code structure required in Financial Accounting and Reporting (FAR).

Pursuant to Education Department General Administrative Regulations (EDGAR) 34 CFR 80.20 and FASRG, TEA will verify whether grantees that are ISDs, charter schools, or ESCs use a software application capable of providing adequate financial accounting to administer TEA grant funds. Adequacy of grantees' financial accounting-system software application is determined by whether the software application has the ability to do all of the following:

- Accommodate the minimum 15-digit account code mandated by the FASRG
- Generate information needed for Public Education Information Management System (PEIMS) reporting
- Ensure adequate accountability of state and federal funds

Failure of an ISD, charter school, or ESC to account for funds in accordance with FASRG will result in audit exceptions and the disallowance of all expenditures paid from the grant.

All other grantees must have a financial accounting system that meets the standards specified in the this section, in accordance with 34 CFR 80.20 (or, for nonprofit grantees, 34 CFR 74.21).

Written Agreements and Contracts

You must maintain a contract administration system to ensure that contractors or consultants perform in accordance with the terms, conditions, and specifications of their contracts and written agreements.

The dates for services to be performed in contracts and other written agreements must be within the grant period. Multi-year contracts are not appropriate for discretionary grants. TEA is not liable for reimbursing grantees for a contract beyond the current grant period.

The contract administration system must be in compliance with requirements stated in Title 34 of the Code of Federal Regulations, Section 80.36, Procurement, including the following:

- Maintain a copy of the signed contract, agreement, or purchase order for services to be performed and the rationale or procedure for selecting a particular contractor.
- For contracts or agreements in excess of $10,000, describe conditions under which the contract may be terminated for cause or for convenience and include the basis for settlement.
- If the contract is to develop materials, concepts, or products, ensure that the agreement or contract contains provisions that protect and retain ownership of such materials, concepts, or products by TEA, the State of Texas, and the federal government as applicable (including copyright, patent, trademark).
- Maintain evidence that awards were made only to contractors or consultants possessing the ability to perform successfully under the terms and conditions of the proposed contract or procurement.
- Select consultants based on demonstrated competence, qualifications, experience, and reasonableness of costs. Consideration must be given to contractor integrity, compliance with public policy, past performance, and financial and technical resources.
- Contract only with persons not employed by your organization.
- Do not participate in selection or award of a contract if a conflict of interest is involved.
- Maintain records on services performed—date of service, purpose of service—ensuring that services are consistent and satisfactory as described in the signed contract or purchase order.
- Make payment only after the service is performed and not before, according to state and federal law. Advance payment to contractors is prohibited.

Requesting Payment through the Expenditure Reporting (ER) System

Grantees in good standing are required to use the expenditure reporting (ER) system to record expenditures and request payment. Grantees may generally enter cumulative expenditures into the ER system up to 30 days following the ending date of the grant.

Accessing ER

To access ER, all individuals reporting and certifying expenditures are required to have an individual TEASE username and password. For security purposes, the TEASE username and password are not to be shared with any other user. Each user will have a unique username and

password. If you have not yet applied for a TEASE username and password, you can access the application form and instructions online at http://ritter.tea.state.tx.us/forms/tease/er_ext.htm. The username and password will be emailed to you.

You can access ER in one of three ways:

- Go to TEA's ER information page at http://www.tea.state.tx.us/opge/grantdev/er.html. Click on **Enter Web ER**, which will take you to the TEASE logon screen.
- From the TEA homepage (http://www.tea.state.tx.us/) click on the **Funding** link in the left column. Scroll down to click on the **Grants** link. Then, click on **TEASE Account Login**, which will take you to the TEASE logon screen.
- Go directly to the TEASE login page at http://seguin.tea.state.tx.us/apps/logon.asp.

In all cases, you will be directed to the TEASE logon screen. Enter your TEASE username and password and click the **Continue** button. Then click on **Expenditure Reporting** from the application list.

Denial of Expenditure Reports

When reporting expenditures by class/object code, TEA will automatically deny any expenditure report *as follows*:

- Where the grantee is claiming expenditures in a class/object code not budgeted in the approved application
- When the total amount exceeds the total amount of the grant

Supporting Documentation

TEA reserves the right to require supporting documentation (such as an accounting ledger) that lists the individual expenditures by object code, as well as invoices, receipts, travel vouchers, and other expenditure documents at any time during or after the grant period for as long as the records are retained according to requirements for record retention. The grantee will be required to reimburse any expenditures that are unsupported by appropriate documentation or found to be unallowable under the grant. Depending upon the severity of noncompliance with allowable cost principles, TEA may impose certain sanctions up to and including termination of the grant and refund of all unallowable costs.

Expenditure Reimbursement Requests Requiring Manual Approval

In order to comply with federal regulations (Office of Management and Budget [OMB] Circulars A-21, A-87, and A-122), the Texas Education Agency (TEA) monitors expenditure reimbursement requests through a manual review and approval process. If a reimbursement request requires manual approval, TEA staff contacts the grantee and asks for a narrative justification for the request. Based on the narrative justification provided, TEA staff may approve the reimbursement; request additional supporting documentation; or refer the reimbursement to the Division of Federal Program Compliance for an expedited review, including but not limited to the general ledger, payroll ledger, and copies of payroll checks, invoices, receipts, and travel vouchers.

For more detailed information on the manual approval process, refer to "Expenditure Reimbursement Requests Requiring Manual Approval," posted in the Grant Management Guidance section of the Division of Grants Administration Grant Management Resources page.

Cash Management

Administrative requirements for grants stipulate that grantees must request cash (i.e., grant payments) as close as possible to the time of making disbursements. Pursuant to the requirements in 34 CFR 74.21 and .22 and 80.20 and .21, payment requests must be timed in accordance with the actual, immediate cash requirements of the grantee.

Grantees should not have more cash on hand than is necessary to meet three days' cash needs. Therefore, grantees should request only that amount that will be paid out within three business days once the payment is received from TEA. Grantees may request payment only for obligations incurred during the grant period.

Payments through ER should be deposited into your depository bank by the state comptroller's office within six to seven business days of the request (provided TEA receives any supporting documentation requested in a timely manner and there are no other complications with the automated system). Therefore, grantees must request cash no earlier than six working days before actual disbursement of funds.

Grantees must have written procedures and internal controls for cash management to ensure that only the actual amount of cash needed will be requested, and that the cash received will be paid out within three days of receiving it. Procedures should show that the grantee plans carefully for cash flows for grant projects and reviews cash requirements before each request for payment. Cash management procedures are monitored during on-site monitoring visits and during the annual independent audit.

Grantees are not required to maintain separate bank accounts for federal grants. However, grantees must comply with the applicable standards for financial management in maintaining accounting records by fund source. (See the Financial Accounting System section.) Grantees receiving federal grant payments may be required to return interest earned to the appropriate federal agency, as described in the following sections.

Return of Interest Earned from Excess Cash on Hand

If a grantee draws excess cash and keeps cash on hand for more than three days, the grantee may be required to return to the federal government any interest earned on payments drawn down through ER.

The following federal statutory requirements apply, depending on the grantee's entity type:

- Nongovernmental entities such as IHEs, nonprofit organizations, and open-enrollment charter schools operated by an IHE or nonprofit organization are subject to Title 34 of the Code of Federal Regulations Part 74 (34 CFR Part 74).
- Governmental entities such as ISDs, ESCs, open-enrollment charter schools operated by a governmental entity, cities, and counties are subject to 34 CFR Part 80.

Return of Interest Earned from Payments to IHEs, Nonprofit Organizations, and Open-Enrollment Charter Schools Operated by an IHE or Nonprofit Organization

In accordance with the requirements of 34 CFR 74.22(k), IHEs, nonprofit organizations, and open-enrollment charter schools operated by an IHE or nonprofit organization must deposit grant payments into an interest-bearing account. For each grant award, the grantee may retain up to $250 annually in interest earned to pay the cost of maintaining the interest-bearing account.

Any funds that are not paid out within three business days of receipt of funds are considered an advance of funds (i.e., excess cash on hand) and must be returned to TEA immediately as a refund. Refunds that are a result of excess cash must be sent to the following address:

Texas Education Agency—MSC
P. O. Box 13717
Austin TX 78711-3717

Write the name of the grant program and the NOGA ID number on the refund check. The refund will be credited to the NOGA ID from which the excess funds were drawn down.

In addition, on at least an annual basis, any such advances of federal grant funds that earn an excess of $250 in interest annually per grant award must be returned to the US Department of Health and Human Services at the following address:

US Department of Health and Human Services
P.O. Box 6120
Suite 1133
Rockville MD 20852

The remittance should be accompanied by a letter stating that the remittance is for "interest earned on federal funds" and should include the grantee's Data Universal Numbering System (DUNS) number and any other identifiable information specific to the award and the grantee, such as the Catalog of Federal Domestic Assistance (CFDA) number and the grantee organization name.

Please do *not* remit the interest earned to TEA. 34 CFR Part 74 specifically states that grantees covered by Part 74 must send the interest earned directly to the US Department of Health and Human Services.

Exception to 34 CFR 74.22(k) Requirements

For IHEs, nonprofit organizations, and open-enrollment charter schools operated by an IHE or nonprofit organization, the requirements of 34 CFR 74.22(k) are waived if any of the following conditions applies:

- The grantee receives less than $120,000 in total federal awards per fiscal year.
- The best reasonably available interest-bearing account would not be expected to earn interest in excess of $250 per fiscal year on total federal cash balances.
- The average or minimum balance required by the depository bank is too high for the grantee to meet with expected federal and non-federal cash resources.

Return of Interest Earned from Payments to ISDs, Open-Enrollment Charter Schools Operated by a Governmental Entity, and Other Governmental Entities, Including Cities and Counties

Governmental entities such as ISDs, ESCs, open-enrollment charter schools operated by a governmental entity, cities, and counties are encouraged to deposit grant payments into an interest-bearing account. In accordance with the requirements of 34 CFR 80.21(i), for each grant award, the grantee may retain up to $100 annually in interest earned to pay the cost of maintaining the interest-bearing account.

Any funds that are not paid out within three business days of receipt of funds are considered an advance of funds (i.e., excess cash on hand) and must be returned to TEA immediately as a refund. Refunds that are a result of excess cash must be sent to the following address:

Texas Education Agency—MSC
P. O. Box 13717
Austin TX 78711-3717

Write the name of the grant program and the NOGA ID number on the refund check. The refund will be credited to the NOGA ID from which the excess funds were drawn down.

In addition, excess cash on hand of federal grant funds that earns an excess of $100 in interest annually per grant award must be returned to the US Department of Education (USDE) promptly but at least quarterly. Do *not* remit the interest to TEA. 34 CFR Part 80 specifically states that grantees covered by Part 80 must send the interest directly to the US Department of Education.

Remittances should be mailed to the USDE at the following address:

US Department of Education
P.O. Box 979053
St. Louis MO 63197-9000

The remittance should be accompanied by a letter stating that the remittance is for "interest earned on federal funds" and should include the DUNS number and any other identifiable information specific to the award and the grantee, such as the CFDA number and the grantee organization name.

Noncompliance with Cash Management Requirements

Pursuant to the provisions of 34 CFR 74.62 and 80.43, grantees that fail to comply with cash management requirements, including the repayment of interest earned, may be subject to the following special conditions or enforcement actions:

- Identification as a high-risk grantee, pursuant to the provisions of 34 CFR 80.12 and 74.14, which may involve the imposition of special conditions and being placed on reimbursement basis only (grantee would not be able to draw down its own funds in the ER system without first submitting supporting documentation for expenditures)
- Temporarily withholding cash payments pending correction of the deficiency
- Disallowing all or part of a cost not in compliance
- Suspension or termination of the award
- Withholding further awards for future grants from TEA
- Debarment or suspension from receiving any future federal funds from any entity
- Other remedies that may be legally available

Cost Share/Match Requirement

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

In general, cost share/matching funds may be derived from three sources: cash contributions, grantee in-kind contributions, and third-party (i.e., other than the grantee) in-kind contributions.

Unless otherwise stated, federal funds may not be used to meet a cost-share/matching requirement; only local or state funding sources may be used.

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

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

Grantees are required to maintain the same auditable records for all expenditures relating to cost share/matching funds as for the regular grant funds. These records must be maintained by the business office in the same manner and for the same time period as the regular grant funds. TEA will be required to reduce the total amount of grant funds paid to the grantee if the cost share/matching funds are not provided in the required amount. Depending on the timeline that this determination is made, the grantee could be required to submit a refund to TEA.

Requirements for Applicable Federal Programs

These requirements apply to federally funded grant programs. If listed in the Program Guidelines, Program Elements, these requirements apply to the grant program.

Equitable Access and Participation

Provisions for equitable access and participation apply to all federally funded grants administered by the US Department of Education. As such, Schedule #18—Equitable Access and Participation for paper grants or Schedule PS3400—Equitable Access and Participation for eGrants is a required schedule in the application for any federally funded grant. The application will not be eligible to be considered for funding in the absence of this schedule.

In accordance with the General Education Provisions Act (GEPA), Section 427, applicants must develop and describe the procedures they will use to ensure equitable access to and equitable participation in the grant program. The barriers to such participation should be identified for all participants and potential participants during the needs assessment phase of the program planning and development.

All applicants must address the special needs of students, teachers, and other program beneficiaries to overcome barriers to equitable participation, including those based on gender, race, color, national origin, disability, and age.

Private Nonprofit School Participation

If the authorizing statute requires, the following private nonprofit school participation requirement shall apply to the federally funded grant program. Before completing and submitting the application, the applicant must contact the private nonprofit schools located within its boundaries, notifying them of the opportunity to participate in the program. Schedule #19—Private Nonprofit School Participation for paper grants or Schedule PS3500—Private Nonprofit School Participation for eGrants must be completed and submitted with the application.

Generally, in accordance with the specific program statute, private nonprofit schools must be consulted in the planning and development of the project. Both children and teachers from private nonprofit schools must be assured equitable participation in all services, materials, equipment, and teacher training.

Private Nonprofit School Initial Contact

Each year, in a manner that is "timely and meaningful" (generally, as described in NCLB, Title IX, Part E, Section 9503 [a] [4]), the applicant must contact the private nonprofit school officials located within its boundaries to determine if they wish their teachers or students to receive services. Only secular, neutral, and nonideological services, materials, and equipment may be provided to participants. Such participation usually includes training opportunities for teachers of private nonprofit school children but not for the hiring of any substitute teacher used in the classroom while the private school teacher attends the training. In all cases, the applicant makes the final decision with respect to the services to be provided to private school participants.

Before completing and submitting this application, the applicant must contact officials of private nonprofit schools located within its boundaries to ascertain if these officials would like teachers or children enrolled in their schools to participate in the purposes and benefits of this grant program. This initial contact may be carried out through a variety of communication forms, including documented phone calls, letters (preferably certified), fax, email, or meetings with the school officials.

Private Nonprofit School Consultation

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

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

- How the teachers' or children's needs will be identified
- What services will be offered
- How, where, and by whom the services will be provided
- How the services will be academically assessed, and how the results of that assessment will be used to improve those services
- What size and scope of the equitable services are to be provided to the eligible private nonprofit school children, and what proportion of funds is to be allocated for such services

- How and when the applicant will make decisions about the delivery of services to such children, including a thorough consideration of the views of the private nonprofit school officials on the provision of services through a contract with potential third-party providers
- How, if the applicant disagrees with the views of the private nonprofit school officials on the provision of services through a contract, the applicant will provide in writing to these officials an analysis of the reasons why the organization has chosen not to use a contractor

Equitable Services

Many program statute require equitable services to be provided to participating private nonprofit schools. When this is applicable, the services that a grantee provides to private nonprofit school participants must be equitable in comparison to the services and benefits provided to public school participants. Services are equitable if the grantee does the following:

- Addresses and assesses the needs and progress of private school participants on a comparable basis to public school participants
- Determines the number of participants to be served in an equitable manner
- Meets the equal expenditure requirements
- Provides private school participants with an opportunity to participate that
  - Is equitable in relation to the opportunity and benefits provided to public school participants
  - Provides them with reasonable promise of meeting challenging academic standards called for by the state's student performance standards and of private school teachers assisting their students in meeting high standards

Equal Expenditures/Fair Share

If expenditures for educational services and other benefits for private nonprofit school students, teachers, and other educational personnel are required by the authorizing statute, then the expenditures must be equal to those used for public school participants, taking into account the number and educational needs of the students to be served. Grantees should use the following method to calculate the fair share that should be expended upon private nonprofit schools. Grantees are responsible for maintaining documentation of the fair share calculations at the local level for monitoring and audit purposes. To calculate the equal expenditures/fair share:

1. Count the number of *public* school students (or teachers) *participating* in the federal program.
2. Count the number of *private* nonprofit school students (or teachers) *eligible* to receive benefits in the program.
3. Add them together to get total number of students (or teachers).
4. Divide the total dollar amount available by the total number of students (or teachers) to get a per student (or per teacher) amount (a reasonable amount may be set aside for administering the private nonprofit school program prior to doing this).
5. Multiply the per student (or per teacher) amount by the number of eligible private nonprofit school students (or teachers) to determine the private nonprofit school's fair share.

For example:

1. The number of participating public school students = 1000
2. The number of eligible private school students = 25
3. Total number of students = 1025 students
4. The total dollar amount available = $100,000
5. $100,000 ÷ 1025 = $97.56 per student
6. $97.56 (per student amount) × 25 (number of eligible private school students) = $2,439
7. The private nonprofit school's fair share is $2,439.

Maintenance of Effort

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

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

Reporting

By submitting the application, the applicant agrees to comply with any reporting requirements established by TEA and to submit the reports in the format requested by TEA.

Required Programmatic Reports

This section describes the required programmatic reports.

Activity, Progress, and Evaluation Reports

The applicant agrees to submit all required written activity/progress reports during the project in the format specified by TEA. Each activity/progress report is generally due to TEA within 15 days after the close of the reporting period. TEA uses these reports to determine if modifications or adjustments to the program are indicated. Refer to the Program Guidelines, Grant Timeline, for due dates of program progress reports.

Final Evaluation Report

The applicant must provide a final evaluation report in the format requested by TEA within 30 days of the end of the project. The grantee is not in compliance with grant conditions and requirements until this report is received by TEA in approvable form. Final payment may be withheld pending receipt of the report in approvable form. Failure to meet the reporting deadline may also affect the grantee's eligibility to receive future grants, including continuation grants, from TEA.

It is critical that the grantee submit the evaluation report on time. A late evaluation report could cause the grantee not to receive final payment.

Expenditure Reporting

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

Grantees in good standing may report expenditures at any time to receive payment, as long as the request for cash does not exceed three days' cash needs pursuant to cash-management requirements. (See the Cash Management section.) Grantees are strongly encouraged to request payment for legitimate expenditures regularly to indicate to TEA that funds are being spent and that activities are being carried out according to the established timelines, provided such payments conform to the rules pertaining to cash management.

The applicant agrees to report expenditures by class/object code in ER when it requests each payment. Final payment is contingent upon receipt of the final expenditure report in ER and all required programmatic reports or documents. TEA reserves the right to withhold a portion of the final payment until the required reports are received in approvable form.

Interim Expenditure Reports

As good grant management practice, semi-annual and other interim expenditure reports should be filed in ER within 15 days of the end of each reporting period as specified in the program guidelines. Grantees are encouraged to adhere to expenditure report due dates to ensure funds are being spent in a timely manner to benefit the program's intended beneficiaries according to the established timelines in the grant. TEA does not require interim expenditure reports on any certain schedule.

When reporting interim expenditures, grantees shall not request more than 90% of the total grant award. Once grantees file their final expenditure report, they may request up to 100% of the award amount.

Final Expenditure Report

Grantees reporting by class/object code in ER will enter the total of the final cumulative expenditures in ER, even if that total expended amount is less than 100% of the grant award. However, only 90% of final expenditures will be paid to the grantee pending verification that TEA has received the final program evaluation report, if applicable. Upon TEA's receipt of the final program evaluation report in approvable form, ER will automatically generate the final 10% payment to the grantee.

The final expenditure report must be filed in ER within 30 days after the ending date of the grant. (See the Program Guidelines, Grant Timeline.) The total project cumulative costs of the grant, as provided on the final expenditure report, should equal and in no case may exceed the total cumulative expenditures by class/object code recorded in the financial accounting records of the grantee organization.

If cost share or matching is required in accordance with the Program Guidelines, the grantee must report the total cost share or match expended on the final expenditure report. The grantee is reimbursed only for that portion or percentage of grant funds that meets cost share or match requirements.

Failure to meet reporting deadlines may result in loss of funds and could cause the grantee to be identified as "high risk." If a grantee fails to comply with the requirement to submit a final expenditure report within 30 days after the ending date of the grant, the last interim expenditure report filed will be the basis of the final expenditure report. (See the Request to Extend Reporting

Deadline section.) In the event that no interim or final expenditure reports have been submitted, TEA staff will enter the final expenditures as $0 total cumulative expenditures to allow for the grant closeout process. Depending on the specific grant, the grantee may or may not be able to access the funds as carryover.

Revised Final Expenditure Report

Grantees may, if timelines allow, have access to ER to record additional expenditures and request payment for 60 days following the ending date of the grant if such total cumulative expenditures need to be revised.

If the grantee discovers expenditures that are greater than the amount initially reported, it must file a revised final expenditure report in order to claim those expenditures. The revised report must be filed in ER within 60 days of the ending date of the grant. Revised final expenditure reports received after that date will not be approved, processed, or paid by TEA except as allowed by an approved request to extend the reporting deadline. (See the Request to Extend Reporting Deadline section.)

In the event that the ER system is closed, contact the Cash Management/Fund Control Unit in the Division of Grants Administration at (512) 463-8525 for further instructions.

If the grantee discovers expenditures that are less than the amount initially reported, it must submit a revised final expenditure report in ER immediately. Refunds must then be submitted to TEA within 30 days, as described in the following section.

Refund to TEA

If the final expenditure report indicates a refund is due to TEA, within 30 days of notification that a refund is due, the grantee must submit a refund check to the following address:

Texas Education Agency—MSC
P.O. Box 13717
Austin TX 78711-3717

Write the name of the grant program and the NOGA ID number on the refund check and note the reason for the refund (e.g., due to an internal audit or an annual audit).

Request to Extend Reporting Deadline

An LEA that misses the deadline for a final or revised final expenditure report has 30 days to request an extension of the deadline. If there is no opportunity for a revised final expenditure report, the LEA has 10 days after the final expenditure reporting deadline to submit the request. All requests for extensions to expenditure reporting deadlines must be submitted using the Request to Extend Expenditure Reporting Deadline form. The form is posted on the TEA Grant Resources page of the TEA website.

Grantees are reminded that meeting required deadlines is a responsibility of all grantees. Regardless of this procedure, failure to meet expenditure reporting deadlines may result in loss of funds and could cause the grantee to be identified as “high-risk.”

Requests for expenditure deadline extensions are not granted automatically. TEA staff will evaluate each request on a case-by-case basis, with the decision to extend a deadline remaining completely within TEA’s discretion. Requests are considered by weighing a number of factors related to the request itself, the individual grant program, and the time at which the request is submitted. TEA

reserves the right to review all supporting documentation, such as the general ledger, in determining whether a request will be granted.

TEA will notify the LEA of the approval or denial of the request. As a corrective action, any LEA whose request for an expenditure reporting deadline extension is granted is advised that in the future, it must comply with expenditure reporting deadline requirements.

If TEA extends the ending date of the grant period after the start of the grant, there may be no opportunity for requesting to extend the expenditure reporting deadline.

Submission of Required Audit Reports

All applicants must be in compliance with annual audit requirements specific to the entity as described in the following sections to be eligible to be considered for a state or federal discretionary grant from TEA.

Audit Submission Method

The following applicant types must submit the audit report, as required, by the method described in the following table. Nonprofit organizations, and for-profit entities should refer to the Required Fiscal-Related Attachments section for a description of what documentation is required to be submitted with the application in place of the audit. All applicants should also refer to that section for information about other documents that may be required as attachments to the application.

Applicant Type	Audit Submission Method
ISD	As described in the Fiscal-Related Documentation Required to Be on File section, ISDs, open-enrollment charter schools, and ESCs are required to have the annual audit report for the immediate prior fiscal year and all prior fiscal years on file with the Division of Financial Audits.
Open-enrollment charter school	
ESC	
Nonprofit organization	As described in the Required Fiscal-Related Attachments section, a copy of the audit report for the immediate prior fiscal year must be submitted along with the grant application.
For-profit entity	
IHE	As described in the Required Fiscal-Related Attachments section, a copy of the most recent audit report must be submitted along with the grant application.
Governmental entities	

Audit Report Requirements

For an applicant to be eligible for a state or federal discretionary grant awarded by TEA (competitive or noncompetitive), the audit reports must materially conform to the requirements promulgated by the following, as applicable:

- Generally accepted accounting principles (GAAP)

- Generally accepted auditing standards (GAAS)
- Generally accepted government auditing standards (GAGAS)
- The Financial Accountability System Resource Guide (for ISDs, open-enrollment charter holders, and ESCs)
- Office of Management and Budget (OMB) Circular No. A-133 Single Audit (required for entities that expended more than $500,000 total in federal funds in the fiscal year)

If the audit report fails to materially conform to the standards and regulations identified above, as determined by the TEA Division of Financial Audits, the application may be disqualified and will not be considered for funding. Decisions to disqualify an applicant for this reason are final and may not be appealed.

In addition to the audit requirements stipulated above, if this RFA is for a federal discretionary grant (competitive or noncompetitive), an ISD or open-enrollment charter school shall demonstrate financial stability if the ISD's or charter school's Financial Integrity Rating System of Texas (FIRST) rating for at least one of the two most recent years rated is Standard Achievement, Above Standard, or Superior Achievement.

Content of Audit

If an RFA is for a federal discretionary grant (competitive or noncompetitive), the audit report for the immediate prior fiscal year must not include any of the following for the applicant to be eligible to be considered for the grant:

- A qualified opinion
- An adverse opinion or disclaimer
- Multiple material weaknesses in internal controls related to federal grants (TEA reserves the right to assess the number of material weaknesses and the nature of those material weaknesses to determine the impact on the affected federal programs and to deny funding or impose specific requirements based on such determination.)

Submission of Audit Reports for Federal Discretionary Continuation Grants

The following requirements apply only to recipients of federal discretionary continuation grants from TEA. A continuation grant is a grant that is awarded in any subsequent year following the initial grant award.

OMB Circular A-133 Single Audits

Recipients of federal discretionary continuation grants from TEA that are ISDs, ESCs, and open-enrollment charter schools submit the required annual audit report to the TEA Division of Financial Audits in the time and manner requested by TEA. Such audit report shall include the reporting package required under OMB Circular A-133 if an audit is required in accordance with OMB Circular A-133. Audit findings for federal programs will be forwarded to the appropriate TEA division for follow up.

Recipients of federal discretionary continuation grants from TEA that are nonprofit organizations (other than charter schools) and universities or colleges and that expend $500,000 or more total in federal awards in any fiscal year are required to conduct a Single Audit or program-specific audit in

accordance with the requirements in OMB Circular A-133 (under the Single Audit Act). Grantees must report audit findings as follows to TEA's DCC, by fax to (512) 463-9811 or (512) 463-7915 or by mail to Document Control Center, Division of Grants Administration, Texas Education Agency, 1701 N. Congress Ave., Austin TX 78701-1494:

- With findings: If the schedule of findings and questioned costs discloses audit findings relating to any federal awards provided by TEA, the grantee must submit a copy of such audit to TEA's DCC.
- Status of prior-year findings: If the summary schedule of prior audit findings reports the status of any audit findings relating to any federal awards provided by TEA, a copy of such audit shall also be submitted to TEA's DCC.
- No audit findings: If the schedule of findings and questioned costs discloses no audit findings related to any federal awards provided by TEA, or the summary schedule of prior audit findings does not report on the status of any prior audit findings related to any federal awards provided by TEA, written notification (via letter) shall be provided to TEA's DCC that an audit was conducted in accordance with OMB Circular A-133 and there were no findings related to any federal awards provided by TEA.

Nonprofit organizations (other than charter schools) and universities/colleges that receive federal discretionary continuation grants from TEA shall submit the Single Audit report (or letter, if no audit findings) to TEA's DCC. Audit reports must be submitted to TEA within 30 days of receipt of the report from the auditor or 9 months after the end of the fiscal year, whichever comes first. Failure to submit a copy of the audit (or letter, as appropriate) to TEA could result in a reduction of funds paid to the grantee, a refund to TEA, termination of the grant, and/or ineligibility to receive additional grant awards from TEA.

Annual Audits (Where an A-133 Audit Is Not Required)

All grantee organizations other than ISDs, ESCs, and-open-enrollment charter schools that were not required to have a Single Audit conducted under the Single Audit Act (OMB Circular A-133) must submit a copy of the complete annual audit/financial report to TEA's DCC within 30 days of the receipt of the report from the auditor.

TEA will assess the information contained in the annual report to determine the impact on the affected federal program and reserves the right to deny continuation funding or to impose specific requirements based on such determination.

High-Risk Status, Special Conditions, and Enforcement Actions

Pursuant to the provisions in the Code of Federal Regulations (34 CFR 80.12), a grantee may be identified by TEA as high-risk if the grantee has a history of unsatisfactory performance; is not financially stable; has a financial management system that does not meet federal financial management standards or the requirements in TEA's Financial Accounting and Reporting (FAR)

module; has not conformed to terms and conditions of previous awards; or is otherwise not responsible. TEA may impose one or more special conditions or restrictions on a high-risk grantee, including the following:

- Payment on a reimbursement basis
- Withholding of authority to proceed to the next phase until receipt of evidence of acceptable performance within a given funding period
- Requirement for additional, more detailed financial reports
- Additional project monitoring
- Requirement that the grantee obtain technical or management assistance
- Establishment of additional prior approvals
- Other conditions that may be legally available

A grantee identified as high-risk will be notified in writing by TEA of the special conditions imposed and the process for removing the high-risk status and special conditions.

Pursuant to the provisions in 34 CFR 80.43, if a grantee materially fails to comply with any term of an award, whether stated in a federal statute or regulation, an assurance, in a grant application, or elsewhere, TEA may take one or more of the following enforcement actions as appropriate in the circumstances:

- Temporarily withhold cash payments pending correction of the deficiency or more severe enforcement action
- Disallow all or part of the cost of an activity or action not in compliance
- Wholly or partly suspend or terminate the current award
- Withhold further awards for the program
- Take other remedies that may be legally available

If an enforcement action is imposed, TEA will notify the grantee in writing of the actions imposed and the process for remedying the noncompliance or removing the enforcement actions.

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