



TEXAS EDUCATION AGENCY

Application Guidelines

Part 1: General and Fiscal Guidelines

Applicable to All eGrants

Use of Guidelines and eGrants

In completing the eGrants applications, use these guidelines with the Texas Education Agency (TEA) eGrants Application Guidelines Part 2: Program Guidelines, and the eGrants Schedule Instructions (separate documents). All guidelines and instructions are incorporated by reference into the Notice of Grant Award (NOGA).

The application to which these guidelines refer must be submitted electronically through the TEA eGrants system. The application will not be accepted by TEA via any other means.

Requirement for TEASE User Name and Password

To access eGrants, you must have a Texas Education Agency Secure Environment (TEASE) user name and password. If you have not yet applied for a TEASE user name and password, use the following link to find the form and instructions for applying for a user name: <http://ritter.tea.state.tx.us/opge/egrant>. A user name and password will be mailed to you. Allow two weeks for processing.

TEXAS EDUCATION AGENCY

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Austin, Texas 78701**

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General Guidelines

Use these guidelines with Part 2: Program Guidelines and the eGrants Schedule Instructions (separate documents). All guidelines and instructions will be incorporated by reference into any Notice of Grant Award (NOGA) issued by the Texas Education Agency (TEA).

Use of the TEA eGrants Application System

Applicants for this project must use the TEA web-based eGrants system 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.

The reference documents and sections of the application package are the following:

- eGrants User Guide: http://maverick.tea.state.tx.us:8080/guidelines/Reference%20Materials/705XXXXPP3000_I.pdf

This guide provides instructions for using and navigating in eGrants.

- Application Guideline—Part 1: General and Fiscal Guidelines

These guidelines apply to all applications in eGrants.

- Application Guideline—Part 2: Program Guidelines

These guidelines apply to this specific program or application. They describe any background information pertaining to the program, eligibility, application process, submission procedure, review process, funding information, timelines, and so on.

- Schedule Instructions

These instructions pertain to required elements for each grant program individual form (schedule) in the eGrants application. They contain the information necessary to complete the forms and define allowable or unallowable costs. They include “Quick Tips” to assist applicants in completing the grant application.

- eGrants Schedules (forms)

These forms are necessary to submit a grant application. Included are schedules for needs assessment, program description, evaluation, budget, provisions and assurances, and other schedules required by the grant program.

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.

Applicant Designation Form for Shared Services Arrangement

To facilitate the automation process, TEA has developed an "Applicant Designation and Certification" form for use with grants where a shared services arrangement (SSA) is permitted. All applicants applying for a grant permitting 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 Application Guidelines—Part 2: Program Guidelines.

Assistance to Applicants

This section provides information about different sources of assistance.

Frequently Asked Questions, Additional Information, Errata Notices

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

From the **Application Name** menu in the **Search Options** box, select the name of the grant program. Scroll down to **Application and Support Information** to view all documents that pertain to this RFA.

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

Program Assistance

Any person wishing to obtain clarifying information about the contents of this RFA should contact the persons listed in the Clarifying Contacts section of Part 2: Program Guidelines.

For competitive grants, to assure that no prospective applicant may obtain 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 persons.

Questions about any RFA may be submitted via email to the contact persons or in writing by mail to the Document Control Center (DCC), Texas Education Agency, 1701 N. Congress Avenue, William B. Travis Bldg., Room 6-108, Austin TX 78701-1494. The name of the RFA and the RFA number, located in the lower right corner of the front cover of this RFA, must be included in the written request for information.

Applicants must submit their written questions to either the program or funding contact person no later than 5:00 p.m. Central Time on the date specified in Part 2: Program Guidelines. The questions and their answers (in the form of FAQs) will be published on the [TEA Grant Opportunities](#) website on or before the date specified in Part 2: Program Guidelines for posting. To provide all applicants with equal opportunity to review all FAQs prior to submitting the grant application, any questions received after the date specified in Part 2: Program Guidelines will not be answered by TEA.

To see the published FAQs, go to the [TEA Grant Opportunities](#) website. From the Application Name menu in the Search Options box, select the name of the grant program. Scroll down to Application and Support Information to view all documents that pertain to this RFA.

Technical Assistance

Anyone wishing to obtain technical assistance in the use of TEA's eGrants system can contact the eGrants team at the email address listed on TEA's website at the following location: http://www.tea.state.tx.us/index2.aspx?id=7800&menu_id=949.

The page also has helpful contact information for the Office of Planning, Grants and Evaluation, the Division of Discretionary Grants, Division of Formula Funding, and Division for Planning and Grant Reporting.

Conditions for Submission of Application

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

To be considered for funding, all applicants must meet the following conditions:

- 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.

- The applicant agrees to complete the scope of work described in the application at the contracted funding amount.
- A NOGA will be issued for the applications that are approved. 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.
- All schedules must be complete and included in the application. For competitive applications, no additions (including any required attachments) or replacements to the application will be accepted after the closing date for submitting the application through eGrants. To be considered for funding, the application must be received by 5:00 p.m. on the established deadline date.
- **Statutory requirements:** For competitive grants, **applications that do not address all of the statutory requirements for this 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.
- **Required attachments:** For competitive applications, **all required attachments must be submitted along with the application for it to be eligible for funding.** The application will not be reviewed or scored if any required attachments do not accompany the application when it is submitted.
- **Audit requirements and financial stability:** Refer to the section entitled “Audit Requirements—Applies to all State and Federal Discretionary Grants,” for submission requirements pertaining to audit reports and financial stability.
- **Proof of nonprofit status:** All nonprofit organizations, excluding open-enrollment charter schools sponsored by a nonprofit agency and independent school districts (ISDs), must submit proof of nonprofit status along with the application. 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.

An applicant may show current nonprofit status by any of the following means:

- 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.

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

- It should be clearly understood that the applicant will not necessarily receive the amount requested, if a lesser amount is determined to be appropriate.
- The applicant shall furnish such additional information as TEA may reasonably require.
- TEA reserves the right to select the applications containing the best offer considering the outcomes desired.
- TEA will not be liable for any costs incurred in the preparation and submittal of the application.
- The grantee must commence and perform project activities according to the timelines described in the task or activity plan. Failure to do so may result in reduction and reallocation of funds.
- 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.
- The commissioner of education 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.
- 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 the TEA project administrator.
- Particular attention should be paid to the requirements contained in the form and instructions to **CS7000—Provisions, Assurances, and Certifications**. The certification and submission by the authorized official via the **Certify & Submit** button indicates that the grantee has read and will comply with these requirements.

- 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.

Application Submission Procedures

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

Applicants are advised of the following submission procedures:

- The complete eGrants application must be certified and submitted by the authorized official by the time and date specified in the application due date section of Application Guidelines—Part 2: Program Guidelines. All required attachments must be submitted along with the application to be eligible for review or scoring.
- It is the responsibility of the applicant to ensure that all schedules 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 the application.
- For competitive applications, all required schedules must be included to be eligible for review and scoring. For partially complete schedules with blank fields, 1 point will be deducted for each required field, up to a maximum of 10 points. This point deduction takes place after the reader review and before the addition of priority points. However, in the event that the blank field constitutes a statutory requirement, rather than the point deduction, the application will be ineligible for funding and cannot be negotiated to approval.
- For competitive grants, **applications that do not address all of the statutory requirements for this 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.
- The application will not be reviewed or scored if any required attachments do not accompany the application when it is submitted. The application will be deemed ineligible for review.
- 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.
- **Special Advisory:** 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.
- **Late Applications:** TEA will not accept nor consider for funding any late competitive applications for any reason. Accepting one late application for any reason could invalidate the entire competition and require the publication of a new RFA (the RFA is comprised of these guidelines and the associated program-specific guidelines, schedule instructions, and grant application schedules) and resubmission of applications by all applicants on a new deadline

date. Permitting late applications poses an undue burden for applicants who did meet the deadline and causes significant delays in the implementation of the grant program.

- 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.

Audit Requirements and Evidence of Financial Stability

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.

In addition, TEA will use information contained within the annual audit report to determine **financial stability** of the entity for **federal discretionary grants**, as described in the following section. TEA reserves the right not to award a federal competitive or continuation grant to an entity that is not financially stable at the time the determination is made by TEA.

Independent School Districts and Open-Enrollment Charter Schools

ISDs and open-enrollment charter schools must have on file with the TEA Division of Financial Audits the annual financial and compliance 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) will be disqualified and will not be considered for funding.

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 education service centers [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 will be disqualified and will not be considered for funding.

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.

Also, if this 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.)

New Open-Enrollment Charter Schools/Charter Holders

If an open-enrollment charter holder has not had an audit report prepared because it constitutes a start-up organization (i.e., it was formed for the express purpose of operating an open-enrollment charter school and has not conducted any other business operations prior to submitting its grant application) or is a new charter school not yet rated under FIRST, to demonstrate **financial stability for a federal discretionary grant, the charter holder must submit along with the application** a compilation report prepared by a certified public accountant in accordance with the standards promulgated by the American Institute of Certified Public Accountants. The compilation report must include a report on compiled financial statements, statement of financial position, statement of activities, and statement of cash flows.

If the charter holder is in its **first year of operation** and has none of the financial statements described in the previous paragraph, **the applicant must submit a brief letter along with the application** documenting this as the school's financial status. Based on this written representation, the TEA may consider awarding the grant conditionally pursuant to applicable federal regulations.

Nonprofit Organizations and For-Profit Organizations

A nonprofit organization (or for-profit organization, if eligible to apply) must submit the following along 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)
- The completed Financial Stability Determination Form for Nonprofit and For-Profit Organizations (available online at <http://www.tea.state.tx.us/index4.aspx?id=3819>).

The TEA Division of Financial Audits will verify the accuracy of the Financial Stability Determination Form and will use the information contained within the annual audit report and the Determination Form to determine financial stability for federally funded discretionary grants. An audit report for any fiscal year other than the immediate prior fiscal year will not be accepted as proof of financial stability and will disqualify the applicant from consideration for funding. The audit report must meet the audit requirement standards described in the [Independent School Districts and Open-Enrollment Charter Schools](#) section.

Also, if this 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.)

New Nonprofit and For-Profit Organizations

If the organization has not had an audit report prepared because it constitutes a start-up organization (i.e., it was formed within the last two years and has not conducted any other business operations prior to submitting its grant application), or because it generates less than \$500,000 in revenue from all sources, to demonstrate financial stability for a **federal** discretionary grant, the organization must submit a compilation report prepared by a certified public accountant in accordance with the standards promulgated by the American Institute of Certified Public Accountants. The compilation report must include a report on the following:

- Compiled financial statements
- Statement of financial position
- Statement of activities
- Statement of cash flows

Institutions of Higher Education

An institution of higher education (IHE) (if eligible to apply) **must submit** along with the application **a copy of the most recent audit report** (or the respective section of a statewide single audit report). The audit report must meet the audit requirement standards described in the [Independent School Districts and Open-Enrollment Charter Schools](#) section.

In addition, if this RFA is for a federal discretionary grant (competitive or noncompetitive), the audit report 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.)

TEA reserves the right not to award a **federal competitive grant** to an entity that is not financially stable as determined by the TEA Division of Financial Audits at the initial time the determination is

made, regardless of the final score or ranking of the application. This determination will 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 stability, which includes an assessment of audit opinions and audit findings, will be considered before a federal grant award is issued for each year of subsequent continuation funding for grants that were originally competitive and is a pre-condition for award.

Financial stability is not a consideration for state-funded grants.

Refer to the following table for a summary of financial stability and audit requirements by applicant type.

Applicant Type	Requirements
ISDs	<ul style="list-style-type: none"> ■ Audit report for immediate prior fiscal year and for all previous fiscal years on file with TEA ■ Audit report conforms to GAAP, GAAS, GAGAS, TEA's Financial Accounting and Report (FAR) module, and OMB A-133 ■ For federal discretionary RFAs, FIRST rating for at least one of the two most recent years rated is Standard Achievement, Above Standard, or Superior Achievement ■ For federal discretionary RFAs, audit report for immediate prior fiscal year does not include: <ul style="list-style-type: none"> • 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.)

Applicant Type	Requirements
Open-enrollment charter schools	<ul style="list-style-type: none"> ■ Audit report for immediate prior fiscal year and for all previous fiscal years on file with TEA ■ Audit report conforms to GAAP, GAAS, GAGAS, FAR, and OMB A-133 ■ For federal discretionary RFAs, FIRST rating for at least one of the two most recent years rated is Standard Achievement, Above Standard, or Superior Achievement ■ For federal discretionary RFAs, audit report for immediate prior fiscal year does not include: <ul style="list-style-type: none"> • 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.)
ESCs	<ul style="list-style-type: none"> ■ Audit report for immediate prior fiscal year and for all previous fiscal years on file with TEA ■ Audit report conforms to GAAP, GAAS, GAGAS, FAR, and OMB A-133 ■ For federal discretionary RFAs, audit report for immediate prior fiscal year does not include: <ul style="list-style-type: none"> • 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.)

Applicant Type	Requirements
Nonprofit or for-profit organizations	<ul style="list-style-type: none"> ■ Audit report for immediate prior fiscal year must be submitted with application ■ Financial Stability Determination Form for Nonprofit and For-Profit Organizations must be completed and submitted with application ■ Audit report conforms to GAAP, GAAS, GAGAS, and OMB A-133 ■ For federal discretionary RFAs, audit report for immediate prior fiscal year does not include: <ul style="list-style-type: none"> • 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.)
IHEs	<ul style="list-style-type: none"> ■ Most recent audit report must be submitted with application ■ Audit report conforms to GAAP, GAAS, GAGAS, and OMB A-133 ■ For federal discretionary RFAs, most recent audit report does not include: <ul style="list-style-type: none"> • 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 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** agree to submit the required annual audit report to the TEA Division of Financial Audits in the time and manner requested by the Agency. Such audit

report shall include the reporting package required under [OMB Circular A-133](#) (published with all OMB circulars at http://www.whitehouse.gov/omb/circulars_default) 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:
 - **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.
- **Submission of A-133 Audit Reports to 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 and 74.14), 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 and 74.62, 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.

Required Programmatic Reports

This section describes the required programmatic reports.

Activity/Progress Reports

The applicant agrees to submit written progress reports during the project in the format specified by TEA. Each progress report is due to TEA within 15 days after the close of the reporting period. These

reports are used by the project administrator to determine if modifications or adjustments to the program are indicated. Refer to Part 2: Program Guidelines for due dates of program progress reports.

Final Evaluation Report

The applicant agrees to provide a final evaluation report in the format requested by TEA within 30 days after the end of the project. The grantee is not in compliance with grant conditions and requirements until such time as this report is received by the TEA program manager. Final payment may be withheld pending receipt of the report. The grantee's eligibility to receive future grants, including continuation grants, from TEA may be impacted by such noncompliance.

Upon receipt of the written final expenditure report and other required documents, such as the final evaluation report, TEA enters the final cumulative expenditures and makes the final payment to the grantee.

Prohibition of Text Messaging and Emailing while Driving during Official Federal Grant Business

Personnel funded from federal grants and their subcontractors and subgrantees are prohibited from text messaging while driving an organization-owned vehicle, or while driving their own privately owned vehicle during official grant business, or from using organization-supplied electronic equipment to text message or email while driving.

Recipients must comply with these conditions under Executive Order 13513, "Federal Leadership On Reducing Text Messaging While Driving," October 1, 2009 (pursuant to provisions attached to federal grants funded by the US Department of Education).

Fiscal Guidelines

To be eligible to receive a NOGA, approved application, 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.

Coordination with the Applicant's Business/Accounting Office and Financial Management

Be sure to follow these guidelines for coordination with the business/accounting office and for financial management:

- 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.
- 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).
- 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. [34 CFR 80.20]
- 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

Pursuant to Education Department General Administrative Regulations (EDGAR) 34 CFR 80.20 and FASRG, TEA will verify whether grantees that are ISDs or charter schools 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 FAR 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 section [Coordination with the Applicant's Business/Accounting Office and Financial Management](#) in accordance with 34 CFR 80.20.

Use of Funds/Reasonable and Necessary Costs

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.

Definitions of Reasonable and Necessary

Reasonable costs are defined as those costs that are consistent with prudent business practice and comparable to current market value. *Necessary* costs 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. All goods must be received and all services must be provided or delivered 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 may disallow the expenditures.

In general, the budget forms 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

Determine the reasonableness of a cost by considering whether it meets the following:

- 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.

Allowable Costs

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 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 Part 2: Program Guidelines for additional guidance pertaining to allowable and unallowable 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
- 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.

Consult the form and instructions for CS7000—Provisions, Assurances, and Certifications to determine the applicable cost principles and the document General Guidelines Applicable to All Cost Principles to determine allowability of certain costs. 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:

- OMB Circular A-87, State, Local, and Indian Tribal Governments: including information for ISDs, ESCs, and open-enrollment charter schools operated by a state or local government
- OMB Circular A-21, Educational Institutions: including information for IHEs and open-enrollment charter schools operated by an IHE
- OMB Circular A-122, Nonprofit Organizations: including information for open-enrollment charter schools operated by a nonprofit organization

Obligation of Funds

The following guidelines apply to obligation of funds:

- 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 in the appropriate TEA division or the DCC, or the first day of the grant availability period, whichever is later) and within the grant beginning and ending dates listed on the NOGA. All goods must be received and all services must be rendered between the beginning and ending dates of the project as specified in the “Project Period” section in Part 2: Program Guidelines. The terms encumbrance, accounts payable, and expenditure, as with all other project accounting terms, are used here as defined in the FASRG.
- All obligations of grant funds must occur between the beginning date and ending date of the grant, as stated on the NOGA. Grant funds may not be obligated before the starting date of the grant. 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
 - **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

All *services* must be rendered between the beginning and ending dates of the grant. All travel must occur by the ending date of the grant. All *materials and equipment* must be delivered before the ending date of the grant and must be ordered and delivered in time to substantially benefit the current grant period and in no case after the ending date of the grant. 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 the expenditures.

- Funds granted through this project must be used for those purposes described in the “Program Purpose, Goals, and Description” and “Project Requirements” sections of Part 2 of the application. Applicants may elect to use additional resources and other sources of financial support to help maximize the effectiveness of the project goals and objectives.
- The applicant must commence and perform project activities according to the timelines described in the application. Failure to do so may result in reduction and reallocation 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.

Expenditure Reports

The following guidelines apply to expenditure reports:

- 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 in these guidelines.) Grantees must record expenditures in the automated expenditure reporting (ER) system at least semi-annually (once every six months) or as specified in the applicable Program Guidelines; however, grantees are encouraged to draw down funds on a monthly basis to indicate to TEA that grant activities and expenditures are occurring as planned.
- For expenditures reported by class-object code, TEA will deny expenditure reports in the following situations: (1) the grantee is claiming expenditures in a class-object code not budgeted in the approved application, (2) the amount claimed is in a class-object code that exceeds the allowable budget variation for that object/code, or (3) the total amount exceeds the total amount of the grant.
- **Interim expenditure reports:** Semi-annual and other interim expenditure reports must be filed in ER within 15 days after the end of each reporting period. Grantees are required to adhere to expenditure report due dates, including submission of expenditure reports showing \$0.00 expended, if that is the case for that reporting period.

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. However, only 90% of final expenditures will be paid to the grantee pending verification that the TEA program manager has received the final program evaluation report. Upon TEA’s receipt of the final program evaluation report, the ER system will automatically generate the final 10% payment to the grantee.

- **Final expenditure report:** The final expenditure report must be filed in ER within 30 days after the ending date of the grant (refer to Part 2: Program Guidelines of this RFA). 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.

- Final payment is contingent upon receipt of the final expenditure report and all required programmatic reports or documents. TEA reserves the right to withhold a portion of the final payment pending receipt of the required reports.

Grantees *reporting by class/object code in ER* will enter 100% of the final cumulative expenditures in ER. However, only 90% of final expenditures will be paid to the grantee pending verification that the TEA program manager has received the final program evaluation report, if applicable. Upon TEA’s receipt of the final program evaluation report, the ER system will automatically generate the final 10% payment to the grantee.

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 recorded in the financial accounting records of the grantee organization.

If cost share or matching is required in accordance with Part 2: 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.

If the final expenditure report indicates a refund is due to TEA, within 15 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.

- **Revised final expenditure report:** 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.*
- 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 15 days.

Requesting Payments through ER

Follow these guidelines when requesting payments through ER:

- Grantees in good standing are required to use ER to record expenditures and request payment.
- To access the ER system, all individuals reporting and certifying expenditures are required to have an individual TEASE username and password. For security purposes, the TEASE

username and password is 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 forms and instructions for applying for a username online at http://ritter.tea.state.tx.us/forms/tease/er_ext.htm.

■ 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> in your web browser. Click on **Enter Web ER**, which will take you to the TEASE logon screen.
- From the TEA home page (<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://sequin.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.

- Grantees may enter cumulative expenditures into the ER system up to 30 days following the ending date of the grant.
- **Revised final expenditure report:** Grantees will 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. On the 61st day, grantees will not have access to ER to request additional funds. Grantees will only have access to ER to record refunds to the grant by reducing cumulative expenditures. TEA will not process, approve, or pay any requests for additional funds beyond 60 days after the ending date of the grant.
- 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 amount claimed is in a class/object code that exceeds the allowable budget variation for that object/code
 - When the total amount exceeds the total amount of the grant.
- 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.
- 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 for expenditures 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.

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 the ER system 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 section [Coordination with the Applicant's Business/Accounting Office and Financial Management](#).)

Return of Interest Earned from Excess Cash on Hand

As stated above, grantees shall not draw down more cash than is necessary to meet three days' cash needs. 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 Number 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 apply:

1. The grantee receives less than \$120,000 in **total** federal awards per fiscal year.
2. 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.

3. 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 discretionary grants from TEA
- Debarment or suspension from receiving any future federal funds from any entity
- Other remedies that may be legally available

Thresholds

Thresholds are established for each grant program to allow for the automatic approval of payments as long as the payments are within established thresholds. The ER system automatically forwards any request for payment that exceeds these thresholds to TEA staff for review and approval. TEA staff will consider these requests on a case-by-case basis.

Payment requests in ER exceeding the established threshold require manual approval by TEA. TEA reserves the right to request documentation to support any request that exceeds the threshold. If TEA does not receive the requested documentation to justify exceeding the threshold within three business days, the request for payment is purged from the automated system.

Amendments

If selected for funding, grantees must submit amendments to the approved application in accordance with the instructions for submitting amendments. All amendments must be submitted to the TEA DCC. The last day to submit an amendment to TEA is 90 days prior to the ending date of the grant. TEA will not process or approve an amendment received after that date.