

Request for Application

Texas Pre-Kindergarten Limited English Proficiency (LEP) Pilot Program

Authorized By
House Bill 1, General Appropriations Act, Article III, Rider 52, Funded by
Rider 74, 79th Texas Legislature, 2005 and TEC 29.155



Texas Education Agency
William B. Travis Building
1701 North Congress Avenue
Austin, Texas 78701-1494

Dated Material---Open Immediately

**Closing Date---5:00 p.m., Central Time
Tuesday, December 20, 2005**

RFA 701-06-003
SAS-A764

FREQUENTLY ASKED QUESTIONS (FAQs)

ADDITIONAL/CLARIFYING INFORMATION ERRATA NOTICES

Applicants: Please Note

You are responsible for periodically checking the **DISCRETIONARY GRANTS** website below (Current Funding Opportunities: Grants and Contracts) for any postings of Frequently Asked Questions (FAQs), Additional/Clarifying Information, or Errata Notices that pertain to this Request for Application (RFA)/RFP.

<http://www.tea.state.tx.us/opge/disc/index.html>

(Select the specific RFA/RFP from the pull-down menu.)

TEA assumes no responsibility and holds all applicants solely responsible for obtaining any and all information, errata notices, and/or changes to this RFA/RFP.

Check the abovementioned website periodically to obtain all information related to this RFA/RFP.

If you do NOT have access to the Internet, you may obtain a copy of the FAQs, Additional/Clarifying Information, or Errata Notice by contacting:

Document Control Center, Texas Education Agency (TEA)
Room 6-108, William B. Travis Bldg., 1701 N. Congress Avenue
Austin, TX 78701-1494
512-463-9269

The RFA number, located in the lower right corner of the front cover of this RFA, and the RFA name must be identified in the request.

TO THE APPLICANT:

The contents of this RFA package are arranged in an order that should assist you in completing an application for grant funds.

The sections of the package are:

Part I: General and Fiscal Guidelines

This section is applicable to all discretionary grants administered by TEA. It describes the application process, submission procedures, the review process, and general directions regarding the process to be used for distribution of grant funds.

Part II: Program Guidelines

This section of the package describes any background information pertaining to this specific program, eligibility criteria, program goals and requirements, review criteria, and critical dates.

Part III: Schedule Instructions

This section of the package contains the instructions necessary to complete the schedules (i.e., forms) of the grant application. Instructions are referenced to each schedule contained in the application.

Part IV: Standard Application System

This section of the package contains the schedules (i.e., forms) necessary to submit a grant application for this program. Included in the forms are needs assessment schedules, program description schedules, the evaluation schedule, budget schedules, and provisions and assurances associated with the grant program.

To Download this RFA:

<http://www.tea.state.tx.us/opge/disc/index.html> (Under Current Discretionary Grant Opportunities) Please be aware that TEA does not have the resources to provide technical assistance to those who experience difficulty accessing and using these forms. The forms are being made available only for those whose computer system is compatible with the forms and wish to utilize this flexibility. The forms may be completed on the computer, saved, and printed for mailing to TEA as per instructions on each individual RFA. Currently, there is no electronic submission of these application forms. Any eligible entity submitting these forms is responsible for ensuring that the printed forms maintain the Agency's format.

FINAL CHECKLIST

FOR APPLICANTS APPLYING FOR FUNDING

For Your Use Only
Do Not Forward This Checklist with the Application

Please check your application for each of the following:

- 1 PREPARING APPLICATION**
Application is **NOT** bound or placed in a notebook or folder.
NO cover page or other divider pages were placed in the application.
- 2 REQUIRED NUMBER OF COPIES**
The required number of copies of the completed application is enclosed.
- 3 SIGNATURES**
At least 3 copies of the 5 applications submitted must have an **original** signature on *Schedule #1- General Information* of the person authorized to bind the applicant in a contract.
- 4 CERTIFICATION FOR SHARED SERVICES ARRANGEMENTS**
If *Schedule #2 (Certification for Shared Services Arrangements)* is included, the fiscal agent, as well as all members of the shared services arrangement, have signed this schedule.
- 5 SCHEDULES**
All schedules (in their entirety and as instructed in the RFA) have been completed and included.
- 6 COUNTY –DISTRICT/VENDOR ID NUMBER**
The County-District/Vendor ID number has been written on each schedule of the application.
- 7 SCHEDULES #6A-6F**
The provisions and assurances contained in Schedules #6A-6F have been read carefully and are included in each copy of the application.
- 8 IF APPLICANT IS NONPROFIT ORGANIZATION**
If applicant is an open enrollment charter school sponsored by a nonprofit organization, the school must be in compliance with the state-required financial accounting standards and the most recent annual audit must have been submitted to and accepted by TEA.

If applicant is a non-profit organization other than a charter school, the applicant must submit proof of financial stability. Applicant must have an accounting system that meets federal financial management standards.
- 9 PROOF OF NONPROFIT STATUS**
If the applicant agency is a nonprofit organization, including an open enrollment charter school, current proof of nonprofit status as specified in the RFA is included.
- 10 ADDITIONAL SUPPORTING MATERIALS**
Additional materials (anything that applies to the project) have been added. For example, letters of agreement from other entities which demonstrate collaboration in planning and in the provision of services are provided in the appendixes.

Texas Pre-Kindergarten Limited English Proficiency (LEP) Pilot Program

The following is provided in compliance with the Department of Education Appropriations Act:

A. Total funds available for this project:	\$ 1,500,000.00
B. Percentage which will be financed with federal funds:	0.00%
C. Amount of federal funds:	\$ 0.00
D. Percentage which will be financed from nonfederal sources:	100.00%
E. Amount of nonfederal funds:	\$ 1,500,000.00

Table of Contents

	<u>Page No.</u>
PART I – General and Fiscal Guidelines	
Assistance to Applicants.....	2
Conditions for Submission of Applications	3
Application Submission Procedures	4
Review of Competitive Applications.....	6
Review Criteria for Competitive Grants.....	6
Selection of Competitive Applications for Funding	8
Required Programmatic Reports	9
Fiscal Guidelines	9
PART II – PROGRAM GUIDELINES	16
PART III – SCHEDULE INSTRUCTIONS	25
PART IV – STANDARD APPLICATION SYSTEM (SAS)	
APPLICATION SCHEDULES:	
Schedule #1	General Information
Schedule #3	Purpose of Amendment
 <u>PROGRAM SCHEDULES</u>	
Schedule #4	Program Description - Program Requirements
Schedule #4A	Program Description – Needs and Objectives
Schedule #4B	Program Description – Project Management
Schedule #4B	Program Description – Curriculum and Instruction
Schedule #4B	Program Description – Professional Development
Schedule #4B	Program Description – Parent Involvement
Schedule #4B	Program Description – Support Services
Schedule #4C	Performance Assessment
 <u>BUDGET SCHEDULES</u>	
Schedule #5	Budget Summary
Schedule #5B	Payroll Costs - 6100
Schedule #5C	Professional and Contracted Services - 6200
Schedule #5D	Supplies and Materials - 6300
Schedule #5E	Other Operating Costs - 6400
Schedule #5G	Capital Outlay- 6600 (Exclusive of 6619 and 6629)
 <u>PROVISIONS AND ASSURANCES</u>	
Schedule #6A	General Provisions and Assurances
Schedule #6F	Program-Specific Provisions and Assurances

Application Guidelines-Part 1: General and Fiscal Guidelines

Application Guidelines – Part 1: General and Fiscal Guidelines

General Guidelines

1. Assistance to Applicants

A. Frequently Asked Questions (FAQs), Additional Information, Errata Notices

Applicants are responsible for periodically checking the Division of Discretionary Grants website under *Current and Upcoming Discretionary Grant Opportunities* at <http://www.tea.state.tx.us/opge/disc/index.html> for any postings of *FAQs, Additional/Clarifying Information, or Errata Notices* that pertain to this application. You will need to select the specific application from the list.

TEA assumes no responsibility and holds all applicants solely responsible for obtaining any and all information, errata notices, and/or changes to applications. If you do NOT have access to the Internet, you may obtain a copy of the *FAQs, Additional/Clarifying Information, or Errata Notice* by contacting:

Document Control Center
Texas Education Agency
Room 6-108,
William B. Travis Bldg.,
1701 N. Congress Avenue
Austin, TX 78701-1494
512-463-9269

The RFA name and number must be identified in the request.

B. Program Assistance

Any person wishing to obtain clarifying information about the contents of this RFA may contact the person listed in *Application Guidelines—Part 2: Program Guidelines*. In order to assure that no prospective applicant may obtain a competitive advantage because of acquisition of information unknown to other prospective applicants, any additional or clarifying information, that is different from or in addition to, information provided in the application will be provided only in response to written inquiries. All such inquiries and the written answers thereto will be posted on the Division of Discretionary Grants website under *Current Discretionary Grant Opportunities* at <http://www.tea.state.tx.us/opge/disc/index.html>. Select this application from the list of grants.

2. Conditions for Submission of Application

In order to be considered for funding, the following conditions will apply to all applicants:

- The applicant agrees to complete the scope of work described in the application at the contracted price.
- A Notice of Grant Award (NOGA), which will incorporate this RFA, the instructions for each form, and the approved application as negotiated by the TEA and will constitute the binding agreement between the parties, will be issued for the applications that are approved.
- For competitive grants, applications that address only part of the requirements for this program will not be considered for funding. Applications that do not address all statutory requirements are not eligible to be funded and are not eligible to be corrected/negotiated. Only applications that address all statutory requirements are eligible to be negotiated and funded, regardless of the final score/ranking of the application(s).
- The 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 that the TEA may reasonably require.
- The TEA reserves the right to select the applications containing the best offer considering the outcomes desired.
- All schedules must be complete and included in the application. Additions or replacements to the application will not be accepted after the closing date for receiving the application in the TEA Document Control Center. The required number of copies of the application must be received by 5:00 p.m. on the established deadline date in order to be considered for funding.
- The TEA will not be liable for any costs incurred in the preparation and submittal of the application.
- The applicant must commence and perform project activities according to the time lines described in the task/activity plan. Failure to do so may result in reduction and reallocation of funds.
- Particular attention should be paid to the requirements contained in the form and instructions to *Schedule #6—Provisions and Assurances*. The signature of the authorized official indicates that the grantee has read and will comply with these requirements.
- All materials, conceptions, and products created or conceived by Grantee, its employees, agents, consultants or subcontractors arising out of this grant shall be the sole property of the TEA. TEA (and/or the Federal government if a federally funded project) shall hold the copyright and trademark to all materials, conceptions, and products, created or conceived under this grant. Grantee shall so bind all concerned through written agreements with subcontractors/ consultants.
- Applications that do not address all of the statutory requirements are not eligible to be considered for funding and will not be corrected through negotiation.

3. Application Submission Procedures

Applicants are advised of the following submission procedures:

- Five (5) complete applications must be submitted by the authorized official. Each copy of the application should be stapled or clipped in the upper left corner. Do not 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 proper order. Photocopying and space for assembling documents are not available at TEA.
- At least three (3) copies of the application must have an original signature of the person authorized to bind the applicant in a contract.
- All narrative schedules must be typed or word processed in Verdana, Arial, or Times New Roman with a font size no smaller than 9 point. 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 the review and scoring and will not be considered.
- Applications with schedules missing or incomplete are not eligible for review or negotiation. It is the responsibility of the applicant to ensure that all schedules are completed and that all copies of the application are complete before submitting to TEA.
- In establishing the time and date of receipt, the Commissioner of Education will rely solely on the time/date stamp of the Document Control Center. Competitive applications not received by 5:00 p.m. Central Time on the due date will not be accepted by TEA.
- The TEA's Document Control Center is open Monday through Friday, 8:00 a.m. to 5:00 p.m., excluding holidays. Applications will not be accepted nor considered for funding if received in the Document Control Center after 5:00 p.m. (Central Time) on the closing date. Applications received after the deadline will be returned to the applicant.
- The Document Control Center is located on the sixth floor of the William B. Travis Building, 1701 North Congress (at 17th Street and North Congress, two blocks north of the Capitol) in Room 6-108, Austin, Texas 78701-1494. The mailing address is:

Document Control Center, Room 6-108
Texas Education Agency
William B. Travis Building
1701 North Congress Avenue
Austin, Texas 78701-1494
- Be sure to address the application to the Document Control Center, Room 6-108 of TEA, as stated in the address above. Failure to include this could result in a delay in the receipt of the application by the deadline date and time.
- As proof of receipt of any application, TEA will not accept (1) a U.S. Postal Service postmark and/or round validation stamp; (2) a mail receipt with the date of mailing stamped by the U.S. Postal Service; (3) a dated shipping label, invoice or receipt from a commercial carrier, such as UPS, Federal Express, Airborne Express, Express Mail, etc; (4) or any other documentation.

Application Guidelines

Part 1: General and Fiscal Guidelines

- **Special Advisory:** Applicants are advised that the TEA assumes no responsibility, due to any circumstances, for the receipt of an application after the deadline time and date established in the RFA. Applicants are further advised not to waive signature of receipt by TEA if submitting the application by Express Mail or by courier or delivery service. Waiver of signature of receipt by TEA may result in a delay in delivery to TEA, causing the application to be received in TEA after the deadline date and rendering the application not eligible for consideration for funding.
- TEA will not accept nor consider for funding any late competitive applications due to any reason. Accepting one late application for any reason could invalidate the entire competition and require the publication of a new RFA and re-submittal of applications by all applicants on a new deadline date. This poses an undue burden for applicants who did meet the deadline and causes significant delays in the implementation of the grant program.
- Delays in mail, shipping, and courier service may occur for reasons beyond TEA's control. TEA accepts no responsibility for such delays. Applicants are strongly advised to allow for and anticipate any such delays by mailing or shipping the application as early as possible.
- Applications submitted by **public school districts** must be signed by the superintendent of the school district or his/her designee. Applications submitted by regional educational service centers must be signed by the executive director or his/her 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 public school district and the application must be signed by the superintendent or his/her designee.
- All **nonprofit organizations, except for open enrollment charter schools**, must submit along with the application **indicators of financial stability**, including but not limited to, the most recent audit report, including the financial statement, note disclosures, and the independent auditor's opinion (standard report). A certified public accountant (CPA)-compiled and certified financial report of assets and liabilities may be submitted in the event that the organization is new and has not yet had the first annual audit conducted. The audit report will be forwarded to the TEA Division of Financial Audits. A grant will not be awarded to an entity that is not financially stable as determined by the Division of Financial Audits. Financial stability will be considered prior to issuing a grant award for each year of subsequent funding and is a pre-condition for award.
- **Open enrollment charter schools** must have submitted to the TEA Division of School Audits the required annual audit report for the immediate prior fiscal year. The annual audit must be determined by TEA to be in compliance with the applicable audit standards for the charter school to be eligible to receive a Notice of Grant Award (NOGA), an approved grant application, and subsequent funding.
- **Open enrollment charter schools** must have a fully approved (i.e., not provisional) Certification of Financial Accounting System from the TEA Division of School Financial Audits to be eligible to receive a NOGA, an approved grant application, and subsequent funding.
- **Nonprofit organizations, including open enrollment charter schools**, must also submit current proof of nonprofit status. An applicant may show current nonprofit status by any of the following means:
 1. A 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;
 2. A statement from a state taxing body or the state attorney general certifying that the organization is a nonprofit organization operating within the state and that no part of its net earnings may lawfully benefit any private shareholder or individual;

3. A certified copy of the applicant's certificate of incorporation or similar document if it clearly establishes the nonprofit status of the applicant; or
4. Any item described above if that item applies to a state or national parent organization, together with a statement by the parent organization that it is a local nonprofit affiliate.

A grant will not be awarded to a non-profit organization that cannot demonstrate non-profit status at the time of the application submittal.

4. Review of Competitive Applications

Competitive applications received by the established deadline date and time will be reviewed by a committee composed of TEA staff, educators, parents (where appropriate), and members of the business community who represent broad and diverse backgrounds. Review of applications will begin as soon as practical after receipt. The applicants receiving the most favorable ratings during the first round of selection may be asked to send a representative to Austin, Texas, at a time and place to be arranged for oral presentation of applications. Applications may be rated again following presentations.

The recommendations of the review panel will be assembled and presented to the Commissioner of Education or her designee who will, as authorized by the State Board:

- approve the application in whole or in part;
- disapprove the application; or
- defer action on the application for further review.

TEA will notify each applicant in writing of the selection or non-selection for funding. In the case of an application selected for funding, notification to the grantee will include the contractual conditions which the applicant must accept in accordance with federal and/or state law.

5. Review Criteria for Competitive Grants

Each application will be reviewed to determine the capability of the applicant to implement its proposed program. Applicants for competitive grants and continuation grants that have previously received discretionary grants from TEA must have a positive record in successfully managing the program(s) in order to be considered for funding. 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. All nonprofit and for-profit awardees (if eligible applicants) must demonstrate financial stability and the capability to comply with the federal financial management and accounting standards. TEA reserves the right to conduct a pre-award audit to confirm financial stability and to confirm the organization's capability to comply with the federal financial management and accounting standards for grants prior to issuing the NOGA.

All required components of this application must be addressed to be considered for funding.

In reviewing the information submitted, and in recommending competitive applications for funding, the review committee and TEA staff will consider the following criteria.

A. Need for the Proposed Project

10 points possible

- (1) The magnitude or severity of the problem to be addressed by the proposed project is significant in nature. (5 points)
- (2) The proposed project is appropriate to, and will successfully address, the needs of the target population or other identified needs. (5 points)

B. Quality of the Project Design

40 points possible

- (1) The program design, strategies, goals, objectives and performance measures are of sufficient quality and depth to ensure accomplishment of the program. (20 points)
- (2) The strategies and activities of the project are clearly specified and measurable. (5 points)
- (3) The design of the proposed project reflects up-to-date knowledge of scientifically-based research and effective practice. (15 points)

C. Quality of Management Plan

20 points possible

- (1) Qualifications, experience, and certifications of project personnel and external consultants are of sufficient quality and depth to ensure successful implementation. (12 points)
- (2) 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)
- (3) The procedures ensure feedback and continuous improvement in the operation of the proposed project through ongoing monitoring and adjustments as needed. (3 points)

D. Quality of Performance Measures

15 points possible

- (1) The performance measures are appropriate and adequate to ensure reliability and compliance with project goals, objectives and activities. (3 points)
- (2) The performance measures and indicators of program accomplishment are clearly related to the intended results of the project and will produce quantitative and qualitative data to the extent possible. (5 points)
- (3) The program design includes processes for collecting data, including program-level data (i.e., program activities, number of students served, etc.) and student-level academic data (i.e., achievement results, attendance data, etc.). (4 points)
- (4) The processes outlined in the application provide for the identification and correction of problems throughout the duration of the grant project. (3 points)

E. Appropriateness of Budget

10 points possible

- (1) The cost per student (total grant request divided by the total number of students served) is appropriate for the results expected. (2 points)
- (2) The budget, including personnel, materials, and other identified expenses, adequately supports the activities outlined in the proposed project. (4 points)

- (3) Expenditures and activities are supplemental to, and do not supplant or duplicate, services currently provided. (2 points)
- (4) 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. (2 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**

Total Maximum Number of Points **100**

F. Specific Review Criteria

In reviewing the information submitted in the application and in recommending applications for funding, the review committee and TEA staff will consider criteria as listed in *Application Guidelines: Part 1 – General and Fiscal Guidelines*. Grant applicants must receive a score of 70 points in order to be eligible for funding through this grant program.

6. Selection of Competitive Applications for Funding

Awards for competitive grants will be considered on the basis of total points. Awards are contingent upon availability of funds. In some cases, only applications receiving 70 points or greater will be considered for funding. Grant awards will be made starting with the highest scoring application and continue to the next highest score until funds are exhausted or until the applications with a final score of 70 or higher are funded, whichever is the case.

It is important that a diversity of students be represented in the operation of these programs. Therefore, after all applications have received a final score (usually from 0 to 100), additional factors will be considered prior to selection of the programs recommended for funding.

In general, projects will be selected to establish programs that:

- are cost effective (i.e., total grant amount divided by total number of students served equals cost per student);
- establish programs that may be replicable in areas with similar demographics;
- establish programs that are diverse with respect to size;
- establish programs that are diverse with respect to geographic location in Texas (i.e., education service center region or quadrant of the state);
- establish programs in areas that demonstrate greatest need; and
- that serve a high percentage of limited English proficient children.

To ensure applications that are most advantageous to the project are selected for funding, applications may be re-ordered to fund projects that serve a high percentage of LEP students in the operation of these programs.

7. Required Programmatic Reports

A. Activity/Progress Reports

The applicant agrees to submit written activity/progress reports during the project in the format requested by the TEA. Each activity/progress report is due to the Texas Education Agency within fifteen (15) days after the close of the reporting period. These reports will be used by the project administrator to determine if modifications or adjustments to the program are indicated. Refer to *Application Guidelines—Part 2: Program Guidelines* for due dates of program activity/progress reports.

B. Final Evaluation Report

The applicant agrees to provide a final evaluation report in the format requested by the Agency to 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 Project Administrator. Final payment may be withheld pending receipt of the report. Eligibility of grantee 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 will enter the final cumulative expenditures and make the final payment to the grantee.

Fiscal Guidelines

1. Coordination with the Business/Accounting Office and Financial Management

- To ensure compliance with required accounting procedures, all applicants are strongly encouraged to consult with their business office prior to submitting the application regarding the assignment of budgeted items to the proper class-object codes. Advance coordination with the business office will expedite negotiation and processing of the application.
- **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 identify adequately the source and application of funds and must contain information pertaining to grant awards, authorizations, obligations, unobligated balances, assets, outlays (i.e., expenditures), income and interest.
- 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 will be shown by class-object code. School districts, 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*.

- All nonprofit and for-profit awardees (if eligible applicants) must demonstrate financial stability and the capability to comply with the federal financial management and accounting standards. TEA reserves the right to conduct a pre-award audit to confirm financial stability and to confirm the organization's capability to comply with the federal financial management and accounting standards for grants prior to issuing the NOGA. A grant will not be awarded to an organization that cannot demonstrate financial stability.

2. Use of Funds/ Reasonable and Necessary Costs

Funds requested must only be for those items that are reasonable and necessary for accomplishing the objectives of the program and for implementing activities as described in the application.

A. Reasonable and Necessary

Reasonable costs are consistent with prudent business practice and comparable to current market value. Necessary costs are essential to accomplish the objectives of the project. All items requested must be allowable expenditures under the authorizing program statutes, regulations and rules. In general, the budget forms must evidence that:

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

B. Reasonable

Determine the reasonableness of a cost by considering whether:

- The cost is of a type generally recognized as ordinary and necessary for operation of the organization or grant performance;
- Restrictions or requirements are imposed for generally accepted sound business practices, arms length bargaining, federal /state laws and regulations, grant award terms and conditions;
- Individuals acted with prudence in the circumstances of responsibility to the organization, its members, employees, clients, the public, and federal government; and
- There are significant deviations from established practices of the organization which may unjustifiably increase grant costs.

C. Allowable

To be allowable, 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 funded activities and activities funded from other sources;
- Be accorded consistent treatment among all grant programs, regardless of funding source;
- Be determined in accordance with generally accepted accounting principles (GAAP);
- If federal, not be included as cost or used to meet cost-sharing or matching requirements of any other federally-funded program in the current or a prior period; and
- Not be used for lease/purchases (i.e., debt service). Refer to *Part 2: Program Guidelines* for additional guidance pertaining to allowable and unallowable costs.
- For state-funded grants, not be used for indirect costs.

D. Allocable Costs

- A cost is allocable to a particular grant in accordance with the relative benefits received and if it is treated consistently with other costs incurred for the same purposes in like circumstances and if it:
 - Is incurred specifically for the grant;
 - Benefits both the grant and other work and can be distributed in reasonable proportion to the benefits received; and
 - Any cost allocable to a particular grant or other cost objective may not be shifted to other federal awards to overcome funding deficiencies, or to avoid restrictions imposed by law or by the terms of the grant award.

Consult the form and instructions for *Schedule #6—Provisions and Assurances* to determine the applicable cost principles and with 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. OMB Cost Principle Circulars include:

OMB Circular A-87 State, Local, and Indian Tribal Governments:

<http://www.whitehouse.gov/omb/circulars/a087/a087-all.html>

OMB Circular A-21 Educational Institutions, including Institutions of Higher Education:

<http://www.whitehouse.gov/omb/circulars/a021/a021.html>

OMB Circular A-122 Non Profit Organizations:

<http://www.whitehouse.gov/omb/circulars/a122/a122.html>

3. Obligation of Funds

- All encumbrances, expenditures, and obligations of funds for this program must occur on or after the effective date of this application (date application was received in the respective 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 *Application Guidelines—Part 2: Program Guidelines*. An encumbrance, accounts payable, and an expenditure, as with all other project accounting terms, will be as

defined in the *Financial Accountability System Resource Guide*.

- 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 this 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 time lines described in the application. Failure to do so may result in reduction and reallocation of funds.
- Project funding will be based on appropriation by the authorized governmental body and on general budget approval by the Commissioner of Education, the state legislature or U. S. Congress, as applicable.

4. Expenditure Reports

- Semi-annual and other interim reports and written expenditure reports are due to TEA within 15 days after the end of each reporting period. Grantees are required to adhere to the expenditure report due dates, including submission of expenditure reports showing \$0.00 expended, if that is the case for that reporting period. The final expenditure report is due within 30 days after the ending date of the grant (refer to *Application Guidelines—Part 2: Program Guidelines*. Final payment is contingent upon receipt of the final expenditure report and all required programmatic reports/documents. The TEA reserves the right to withhold a portion of the final payment pending receipt of the required reports.
- 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.
- Expenditure reports without a refund due must be submitted to the:
Texas Education Agency
Division of Discretionary Grants
William B. Travis Building, Room 6-108
1701 North Congress
Austin, Texas 78701-1494
- If the final expenditure report indicates a refund is due to TEA, the grantee must submit a refund check to:
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 Reports: In the event the grantee finds it necessary to submit a revised Final Expenditure Report, any revised Final Expenditure Report claiming expenditures greater than the amount initially reported in the final report must be received by TEA within 30 days of the due date of the Final Expenditure Report (i.e., within 60 days of the ending date of the grant). Any such revised Final Expenditure Report received after that date, where the grantee is claiming expenditures greater than the amount initially reported in the final report, will not be approved, processed, or paid by TEA.

- Any revised Final Expenditure Reports claiming expenditures less than the amount initially reported in the final report must be submitted as soon as it is determined expenditures were less than the amount originally reported. Refunds will be accepted at any time (i.e., access to ER is available to record refunds by reducing cumulative expenditures). A refund check must accompany the revised Final Expenditure Report.

5. Requesting Payments Through Expenditure Reporting System (ER)

- All grantees are required to use the automated ER to record expenditures and request payment. The ER utilizing a TEA SE username and password is required for reporting expenditures.
- In order to access the ER system, all individuals reporting expenditures and certifying expenditures are required to have an individual TEA SE username and password. The TEA SE username and password is not to be shared with any other user for security purposes. Each user will have his/her own unique username and password. The TEA SE username assigned for the ER system is the same username that is used in TEA's eGrants application. If you already have applied for and received a TEA SE username for the eGrants application, you may use that same username and password to access the ER system.
- If you have not yet applied for a TEA SE username and password, you may access the following Web link to find the form and instructions for applying for a username: http://www.tea.state.tx.us/forms/tease/egrants_ext.htm. The username and password will be e-mailed to you.
- Grantees may enter cumulative expenditures, not to exceed 90 percent of the total grant award amount, into the ER system up to 30 days following the ending date of the grant.
- Grantees will have access to the ER system to record additional expenditures and request payment, not to exceed 90% of the grant award, for 60 days following the ending date of the grant in the event 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.
- You may access the ER in one of three ways.
 - Type <http://www.tea.state.tx.us/opge/egrant/index.html> in your web browser. Click on the "eGrants: Log on through TEA SE," which will also take you to the TEA SE logon screen. Enter your TEA SE Username and password and click the "Continue" button. Then click on "Expenditure Reporting" from the application list. OR
 - From the TEA homepage (<http://www.tea.state.tx.us>), click on "Grants" in the left-hand column which will transport you to the page for the Office for Planning, Grants and Evaluation. Scroll down to click on the eGrants link **eGrants** which will transport you to the eGrants page. Then, click on the "eGrants: Log on through TEA SE" link which will also take you to the TEA SE logon screen. Enter your TEA SE Username and password and click the "Continue" button. Then click on "Expenditure Reporting" from the application list. OR,
 - Type <https://seguin.tea.state.tx.us/apps/logon.asp> in your web browser. Enter your TEA SE username and password and click the "Continue" button. Then click on "Expenditure Reporting" from the application list.

In all three cases, you will be directed to the TEA SE logon screen to enter your username and password. Select "Expenditure Reporting" from the TEA SE applications list.

6. Cash Management

Administrative requirements for grants stipulate that grantees must request cash as close as possible to the time of making disbursements. Grantees should not have more cash on hand than is necessary to meet three days' cash needs. Therefore, grantees should request only that amount which will be paid out within three business days once the payment is received from TEA.

Payments through ER should be deposited into your depository bank within six to seven business days of the request (provided the request does not exceed the established threshold and there are no other complications with the automated system). Therefore, grantees should request cash no earlier than six working days prior to actual disbursement of funds. Cash management procedures will be monitored during on-site monitoring visits.

7. 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 system will automatically forward any request for payment that exceeds these thresholds to TEA staff for review and approval. TEA staff will consider each request to exceed the established thresholds on a case-by-case basis.

Grantees will be required to fax a list of expenditures by class/object code (the standard expenditure report form may be used if desired) to the Division of Discretionary Grants (FAX 512-463-9811) to document the need for cash in excess of the established thresholds. TEA staff will consider each request to exceed the established thresholds on a case-by-case basis. Payments exceeding the established threshold will be made only upon receipt and approval by TEA of such documentation. In the event TEA does not receive the requested documentation to exceed the threshold within three business days of the request, the request for payment will be purged from the automated system.

8. Audit Reports

Grantees which are public school districts and open enrollment charter schools agree to submit the required annual audit report, including the reporting package required under OMB Circular A-133, if an audit is required to be conducted in accordance with OMB Circular A-133, to the TEA Division of Financial Audits in the time and manner requested by the Agency.

Grantees which are **nonprofit organizations (other than charter schools) and universities/colleges** that expend \$500,000 or more total in federal awards in any fiscal year and are thus required to conduct a Single Audit or program-specific audit in accordance with the requirements in OMB Circular A-133, agree to submit a copy of such A-133 audit to TEA when the schedule of findings and questioned costs disclosed audit findings relating to any federal awards provided by TEA. A copy of such audit shall also be submitted to TEA if the summary schedule of prior audit findings reported the status of any audit findings relating to any federal awards provided by TEA.

A nonprofit organization or university/college grantee shall provide written notification to TEA that an audit was conducted in accordance with OMB Circular A-133 when the schedule of findings and questioned costs disclosed no audit findings related to any federal awards provided by TEA or when

the summary schedule of prior audit findings did not report on the status of any prior audit findings related to any federal awards provided by TEA.

Nonprofit organizations (other than charter schools) and universities/colleges shall submit the audit report to the TEA Division of Discretionary Grants. Audit reports must be submitted to TEA within 30 days of receipt of the report from the auditor. Failure to submit a copy of the audit 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.

9. 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 Document Control Center. 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.