

**INSTRUCTIONS FOR COMPLETING THE  
STANDARD APPLICATION SYSTEM (SAS)  
AND  
GUIDELINES FOR ALLOWABLE COSTS**

**TEXAS READING FIRST INITIATIVE FOR GRADES K-3  
CYCLE 2, YEAR 2**

**CONTINUATION FUNDING**

**GRANT PERIOD: SEPTEMBER 1, 2005 – AUGUST 31, 2006**

INSTRUCTIONS FOR COMPLETING THE STANDARD APPLICATION SYSTEM (SAS)  
AND GUIDELINES FOR ALLOWABLE COSTS

TEXAS READING FIRST INITIATIVE FOR GRADES K-3, CYCLE 2, YEAR 2

REFERENCE TO TRFI CYCLE 2 RFA #701-04-016

SAS-#A771-06  
2005-2006

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## GENERAL INSTRUCTIONS

1. As used in this application:
  - a. "Agency" means the Texas Education Agency;
  - b. "Applicant" means the entity eligible to apply for funds offered in this application. If the application is approved, "applicant" shall mean grantee/contractor;
  - c. "Application" means the package submitted by the applicant composed of those schedules indicated by an "X" in the New Application column of Schedule #1 - General Information;
  - d. "Application for amendment" means a change being requested by the applicant to the approved application;
  - e. "DCC" means the Document Control Center of Agency;
  - f. "SAS" means the Standard Application System of which this application is a part.
2. When formulating the budget, remember that all costs must be reasonable and necessary for the operation of the program. Clear, concise, relevant descriptions of all budgeted items will help the agency in approving the application in a timely manner.
3. Enter your county/district number on every page of this application or amendment. The application must be typed.
4. A NOGA ID will be assigned by the Agency on Schedule #1 - General Information. Use this number on all amended applications and financial/programmatic reports required by this application.
5. Any page of this SAS may be reproduced if additional space/pages are needed. Applicants may not in any case, however, exceed any specified page limits.
6. Staple each copy of the application in the top left corner. Do not bind the application or place in notebooks or folders.
7. The applicant is NOT required to reproduce the instructions and submit them with the application. The complete RFA and instructions for each schedule will be incorporated by reference into the Notice of Grant Award. The applicant should retain a copy of the RFA for this purpose in case of selection to receive a grant.
8. Instructions for completing the individual application schedules are provided on the following pages. These instructions should be studied carefully so that accurate and complete information will be submitted.  
**Applications not submitted on the proper forms will not be reviewed or considered for funding. Applicants are advised to comply with all page limitations on the narrative schedules. Any pages which exceed the specified page limitation on the narrative schedules will be removed from the application for the purposes of reviewing and scoring competitive grant applications.**
9. Particular attention should be paid to the requirements contained in Schedules #6A through #6F. **The signing of Schedule #1 - General Information by applicant indicates acceptance of all requirements described on Schedule #6A through #6F as applicable.**
10. **Amendments:** When amending the application, submit **3** copies of the amendment with an original signature on each copy of Schedule #1 -- General Information. An amendment should be submitted only after an original application has been approved by TEA and received by the grantee.

GENERAL INSTRUCTIONS FOR SCHEDULE #1 - GENERAL INFORMATION

Section Number:

1. **Applicant Agency:** Self-explanatory.
2. **Applicant Contact Person:** The applicant contact person should be the project director.
3. **Purpose of Application:** Self-explanatory.
4. **Use of Standard Application System:** Self-explanatory.
5. **Program Authority:** This is the program authority under which you are applying for or amending funds. Enter the project beginning and ending dates if not already completed (mm/dd/yy).
6. **Index to this application:**
  - a. The **New Application column** identifies the schedules that must be returned as part of the application. An X has been placed in the New Application column to indicate each schedule that **must** be submitted as a part of the application. The applicant **must** place an X in this column by each additional schedule submitted to complete the application. Ensure that these schedules are attached to the application. Do not include those schedules which do not apply or for which a budget is not prepared. Examples: If the project does not include payroll costs, do not include Schedule #3B. If supplies and materials are not to be funded for this project, do not include Schedule #3D.
  - b. The **Amended Application column** identifies the schedules that must be returned as part of the amendment. Do not submit an amendment until the Notice of Grant Award (NOGA) is received by the Applicant. Submit Schedule #1 - General Information with an original authorized signature in Section 7 with each amendment. The applicant must place an X in the Amended Application column next to the schedule(s) being submitted as a part of the amendment. Ensure that all schedules marked X are attached. Do not submit any support schedules which have no changes in them. Therefore, submit only support schedules having changed in some way from the original application or the latest approved amended application. Place the sequential number of the amendment on all pages.
7. **Certification and Incorporation:** This section must be signed by a person authorized to legally bind applicant in a contract. In order for the Agency to determine which of the copies submitted has an original authorized signature, please sign the required number of copies (minimum of three).

An amendment is effective on the date it is received in the Agency in substantially approvable form. An amendment must be approved by Agency prior to any activities such as purchase orders issued, funds encumbered and/or expended, goods received, or services rendered which are affected by the amendment. **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.

The signing of Schedule #1 - General Information by applicant indicates acceptance of all requirements described on Schedules #6A through 6F as applicable.

GENERAL INSTRUCTIONS FOR SCHEDULE #2 -  
CERTIFICATION FOR SHARED SERVICES ARRANGEMENTS

1. A shared services arrangement is an agreement between two or more school districts, and/or charter schools that provides services for entities involved. Such entities may desire to enter into a shared services arrangement (SSA) for the performance and administration of a program in order to maximize use of funds and services to be provided. Arrangements with other entities (such as colleges/universities, community-based organizations, councils of governments, etc.) to provide services are not considered shared services arrangements. These other entities may contract with the fiscal agent/SSA to provide services or may enter into a collaborative partnership with the fiscal agent/SSA to conduct grant activities, but such contractors/partners will not be members of the SSA.

Each SSA must have a fiscal agent which is responsible for conducting various administrative duties. The fiscal agent is generally responsible for ensuring that funds are used in accordance with grant provisions. If the monies are not used in accordance with the grant provisions, the fiscal agent may be financially responsible for the consequences of instances of noncompliance. The fiscal agent may also be financially responsible if a member school district is unable to pay back its respective portion of questioned funds.

2. The fiscal agent of an SSA is the applicant/grantee and will complete and submit a composite application with input from, and on behalf of, the member districts. Schedule #1 - General Information will be completed by the fiscal agent. Schedule #2 - Certification for Shared Services Arrangements will be completed by the fiscal agent and the members of the SSA. An SSA fiscal agent that has its own project/activities will request funds in the same application as that one submitted for the SSA.
3. Complete the form as follows:
  - a. LINE 1 - Must be completed and signed by the designated fiscal agent. Enter the amount to be retained by or to benefit the fiscal agent.
  - b. LINES 2-15 - Complete information must be provided, including an authorized signature, for each member district and open enrollment charter school in the shared services arrangement. Enter the amount requested on behalf of each member (i.e., the amount to flow through or to be expended on behalf of each member) in Column E.
  - c. LINE 16 - Enter the total amount requested for this SSA project (amount requested by the fiscal agent plus the amount requested on behalf of the members). This amount should equal the total costs of the grant on Schedule #3, line 10.
4. All financial and personnel records required for the TEA shall be maintained for the SSA by the fiscal agent in accordance with the Financial Accounting and Reporting (FAR) Module of the Financial Accountability System Resource Guide.

5. **Written Shared Services Agreement**

According to section 1.3.1.4 of FAR, when two or more school districts and/or charter schools enter into a shared services arrangement, a **written agreement** must be developed to address the responsibilities of each member and the fiscal agent. The written agreement should address certain legal requirements as described below:

- Organization of the shared services arrangement
- Ownership of assets (including policies and procedures addressing the disposition of such assets if the SSA is terminated by one or all of the members)
- Liabilities (i.e., legal fees due to complaints, grievances, or litigation; refunds from on-site monitoring or audits, etc.)

GENERAL INSTRUCTIONS FOR SCHEDULE #2 - CERTIFICATION FOR SHARED SERVICES  
ARRANGEMENTS (Cont'd)

- Basis for allocation of costs of the fiscal agent
- Uncontrollable costs that impact the fiscal agent
- Responsibilities of fiscal agent, including:
  - Services to be provided to member districts
  - Employment of personnel
  - Budgeting and accounting
  - Reporting
- Responsibilities of Member School Districts, including:
  - Employment of personnel
  - Budgeting and Accounting
  - Reporting

Refer to section 1.3.1.4 of FAR for more detailed information pertaining to these requirements. Applicants should also carefully review the certification statement on Schedule #2 of the SAS. The fiscal agent, as well as all members of the shared services arrangement, agrees to the conditions specified in the certification by signing Schedule #2.

6. **By signing Schedule #2, the fiscal agent is assuring that such written agreement is on file.**

## GENERAL INSTRUCTIONS FOR SCHEDULE #3 - BUDGET SUMMARY

*THIS SCHEDULE MUST BE COMPLETED AND INCLUDED IN THE APPLICATION.*

1. Report whole dollar amounts only. Omit decimals. Totals from all budget support schedules must appear on this schedule. Indicate the amendment number on amendments only.
2. **ALLOWABILITY OF COSTS:** Budgeted expenditures will be shown by class/object code in this SAS. However, the applicant is 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. Detail of Schedule #3 - Budget Summary will be shown on support schedule #3B, #3C, #3D, #3E, #3F, and/or #3G as appropriate. Do not enter zeros (.00) or cents (.37) in the budget figures. Use whole dollar amounts only (e.g. \$1,970).

**Funds must be expended for reasonable and necessary costs in conducting grant activities. "Reasonable" means a cost is consistent with prudent business practice and comparable to current market value. "Necessary" means the cost is essential to accomplish the objectives of the project. Grantees must comply with the applicable cost principles in expending grant funds. Consult with Schedule #6A to determine the applicable cost principles and with the supplement in Appendix 1 to determine allowability of certain costs. Always consult the original circular pertaining to cost principles (i.e., OMB Circular A-87, A-21, or A-122, whichever is applicable) for the full text.**

**To be allowable under a grant award, costs must meet the following general criteria:**

- (a) Be reasonable for the performance of the grant and be allocable under the applicable cost principles.
- (b) Conform to any limitations or exclusions set forth in the applicable cost principles or in the grant agreement as to types or amount of cost items.
- (c) Be consistent with policies and procedures that apply uniformly to both federally funded activities and activities funded from other sources.
- (d) Be accorded consistent treatment among all grant programs, regardless of funding source.
- (e) Be determined in accordance with generally accepted accounting principles (GAAP).
- (f) Not be included as a cost or used to meet costsharing or matching requirements of any other federally funded program in either the current or a prior period.

**In determining the reasonableness of a given cost, consideration shall be given to:**

- (a) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the organization or the performance of the grant.
- (b) The restraints or requirements imposed by such factors as generally accepted sound business practices, arms length bargaining, federal and state laws and regulations, and terms and conditions of the grant award.
- (c) Whether the individuals concerned acted with prudence in the circumstances, considering their responsibilities to the organization, its members, employees, and clients, the public at large, and the federal government.
- (d) Significant deviations from the established practices of the organization which may unjustifiably increase the grant costs.

**Allocable Costs:**

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

- (a) Is incurred specifically for the grant.
- (b) Benefits both the grant and other work and can be distributed in reasonable proportion to the benefits received.
- (c) 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.

**3. LINES 01 - 10:**

Line #01-07 - Enter the total amount requested/budgeted for each class/object code. The amounts requested/budgeted on lines #01-07 must agree with the total amount requested/budgeted on the corresponding support budget schedule.

If this application is for an SSA, this budget summary is a composite of all amounts requested/budgeted by the fiscal agent and the members. Enter composite amounts by class/object code for all member districts and the fiscal agent in lines 01-10. The corresponding support schedules must identify collectively the line items and amounts requested by the fiscal agent and members.

NOTE: Member districts must report expenditures to the fiscal agent by object code of expenditure. The fiscal agent will submit composite expenditures by class/object code for all member districts and the fiscal agent.

Line #08 - Enter the total of all entries on lines #01-07. These are the total direct costs.

Line #09 - Enter the approved restricted indirect cost rate and the amount of indirect costs requested. Indirect costs are based on actual expenditures. Indirect costs may be claimed based on actual expenditures, through mid-year or final expenditure reports, whether or not indirect costs were budgeted in the application/amendment. In no case may indirect costs exceed the approved indirect cost rate minus the required exclusions.

For school districts, ESCs, and non-profits, compute budgeted indirect costs by deducting from Line #08 the following costs: Subgrants (62XX) Debt Service (65XX), Capital Outlay (66XX), and multiply the results by the **restricted** rate approved by your cognizant agency or **3.5%**, whichever is less. Round **down** to the nearest dollar. **Do not round up**. If the entire 3.5% is budgeted for indirect costs, no other funds can be budgeted for district planning or administration costs.

(The TEA approves the indirect cost rate for public school districts in Texas. Contact your local district business office to determine if an indirect cost rate has been approved for your district. Local business offices may contact the Division of Discretionary Grants at (512) 463-9269 for the approved indirect cost rate.)

(For applicant use only)

**Indirect Cost Exclusions:**

Subgrants (62XX) -----	\$ _____
Debt Service (65XX) -----	<u>\$not allowed in grant</u>
Capital Outlay (66XX) -----	\$ _____
Total Exclusions -----	\$ _____

Line #10 - Enter the total amount requested/budgeted for the grant (line #08 + 09).

Line #11 - This line serves as a footnote only to designate the total amount of payments to be made to member districts for shared services arrangements. The amount in line 11 will duplicate all or a portion of the funds budgeted/requested in lines 01-10. The costs included in this amount must also be identified by line item on the appropriate supporting budget schedules collectively for the fiscal agent and member districts.

4. **LIMITATION ON ADMINISTRATIVE EXPENDITURES:** The authorizing statute limits the amount of funds that may be expended to plan and administer the program to no more than 3.5 percent (%) of the total grant awarded for any fiscal year. Funds requested for planning and administrative use must be requested in the application on the appropriate budget schedules.

Administrative funds include both **direct administrative costs and indirect costs**. **Direct administrative costs** may include costs associated with accounting and other fiscal activities, auditing, and overall program administration. Direct administrative costs also include salaries and benefits for staff who supervise activities of program staff and insurance that protects the grantee.

In the column headed "Planning and Administrative", enter the amount of planning and administrative funds budgeted for the appropriate class/object codes. Applicants must identify on the appropriate supporting budget schedule the amount of federal funds requested to pay for direct administration of the program, including:

- (a) Costs for personnel who supervise the activities of program staff, or any direct costs for personnel who perform fiscal and reporting activities related to the grant (Support Schedule #3B, Payroll Costs);
  - (b) Costs for contracted services associated with the planning and administration of the program (Support Schedule #3C, Professional and Contracted Services);
  - (c) Costs for supplies and materials requested for planning and administrative use (Support Schedule #3D, Supplies and Materials);
  - (d) Other operating costs requested for planning and administrative purposes (Support Schedule #3E, Other Operating Costs); and
  - (e) Equipment requested for planning and administrative purposes (Support Schedule #3G, Capital Outlay).
5. **COORDINATION WITH BUSINESS OFFICE:** To ensure compliance with required accounting procedures, all applicants are strongly encouraged to consult with the applicant's business office prior to submitting the application regarding the assignment of budgeted items to the proper class/object codes. Applicants should ensure that all budgeted amounts in all columns are added correctly and that totals requested on supporting budget schedules match the totals on the budget summary (SAS Schedule #3 - Budget Summary). Advance coordination with the business office will expedite negotiation and processing of the application.
6. **OBLIGATION/EXPENDITURE OF FUNDS:** All encumbrances and expenditure of funds approved shall occur on or after the effective date of this application (date application was received in the respective Agency division or the DCC, or the first day of the grant availability period, whichever is later.) 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.

7. **CONDITIONS FOR AMENDMENTS:** Grantees are permitted to rebudget within the approved direct cost budget (as established on Schedule #3) to meet unanticipated requirements and to make certain changes to the approved budget without written amendment. However, other types of changes require the prior written approval of Agency through an amendment (34 CFR 80.30). Refer to the **General Instructions for Support Schedule #3A - Purpose of Amendment**, for a detailed explanation of the conditions for amendments. Submit amendments 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.

### REQUESTING PAYMENTS USING THE AUTOMATED ER

Grantees are required to use the automated expenditure reporting system (ER) to record expenditures and request payment. In order to access the new 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 new 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 new 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](http://www.tea.state.tx.us/forms/tease/egrants_ext.htm). The username and password will be e-mailed to you.

You may access the new ER in one of three ways.

1. 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
2. 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
3. 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.

**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. 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.**

**Limitation on Access to ER/Final Payments:** Grantees may enter cumulative expenditures, not to exceed 90% 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 ER to request funds, 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.**

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.

**Cash Management Requirements:** 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. Cash management procedures will be monitored during on-site monitoring visits.

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.

## REQUIRED EXPENDITURE REPORTS

**INTERIM AND FINAL REPORTS:** The grantee must provide written expenditure reports on a properly completed and certified Report of Project Expenditures. Semi-annual and other interim reports are due to TEA within 15 days after the end of each reporting period. The final expenditure report is due within 30 days after the ending date of the grant. Reports will be due to the TEA Division of Discretionary Grants as follows:

<u>Report</u>	<u>Reporting Period</u>	<u>Due Date</u>
First Interim Report	September 1, 2005 - December 31, 2005	January 15, 2006
Second Interim Report	January 1, 2006 - April 30, 2006	May 15, 2006
*Final Report	May 1, 2006 - August 31, 2006	September 30, 2006

\*Final payment is contingent upon receipt of the Report of Project Expenditures 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 written final expenditure report should equal but in no case may exceed the total cumulative expenditures reported in ER.**

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 Avenue  
Austin, Texas 78701-1494

Expenditure Reports with a refund due must include a refund check and must be submitted to:

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

**Write the NOGA ID/project 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.** Refer to the previous section for **limitations on access to ER/Final Payments.**

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.

## REQUIRED PROGRAM REPORTS

**Activity/Progress Reports:** The grantee must provide written activity/progress reports during the project in the format requested by the Agency. Each activity/progress report is due to the TEA 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 or if on-site monitoring is required. The schedule for the delivery of these activity/progress reports is:

<u>Report</u>	<u>Reporting Period</u>	<u>Due Date</u>
First Interim Report	September 1, 2005 - December 31, 2005	January 15, 2006
Second Interim Report	January 1, 2006 - April 30, 2006	May 15, 2006
*Final Report	May 1, 2006 - August 31, 2006	September 30, 2006

**\*Final Evaluation Report:** The grantee must provide a final evaluation report, in the format requested by the Agency (refer to Schedule #4C requirement for program evaluation), to the 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. The Division of Discretionary Grants will document receipt of the FINAL report by the agency then forward to the Division of Curriculum for programmatic review and processing.

Submit the Activity/Progress Reports to:

**INTERIM Activity/Progress Reports:**

Reading First Manager  
Division of Curriculum  
Texas Education Agency, Room 3-121  
William B. Travis Building  
1701 N. Congress Avenue  
Austin, TX 78701-1494

**\*FINAL Activity/Progress Reports:**

Fund Control  
Division of Discretionary Grants  
Texas Education Agency  
William B. Travis Building, Room 6-108  
1701 N. Congress Avenue  
Austin, TX 78701-1494

GENERAL INSTRUCTIONS FOR SUPPORT SCHEDULE #3A - PURPOSE OF AMENDMENT

1. Do not submit Support Schedule #3A with the original application. Submit Support Schedule #3A only when you are amending an application. (See chart below to determine when an amendment is required) Indicate the amendment number on amendments only. Each amendment must be sequentially numbered. Submit 3 copies of an amendment with an original signature on each copy of Schedule #1 -- General Information.

**An amendment is effective on the date it is received in the Agency in substantially approvable form if approved. The last day to submit an amendment to TEA is 90 days prior to the ending date of the grant.**

2. Do not submit an amendment until the Notice of Grant Award (NOGA) has been received by the applicant. An amendment must be approved by Agency prior to any activities such as purchase orders issued, funds encumbered and/or expended, goods received, or services rendered which are affected by the amendment. Amendments received in substantially approvable form for discretionary grants submitted to the DCC will become effective on the date received in the DCC of Agency. Amendments not received under one of the above situations will become effective on the date of approval (signature date) by Agency.
3. A Support Schedule #3A - Purpose of Amendment must be submitted along with the affected schedules and a completed Schedule #1 - General Information with an original signature. Complete and submit Schedule #3. Complete Parts 1 and 2 as applicable.

**Part 1: Reason for Amendment:**

CONDITIONS FOR AMENDMENTS: Grantees are permitted to rebudget within the approved direct cost budget (as established on Schedule #3) to meet unanticipated requirements and to make certain changes to the approved budget without written amendment. However, other types of changes require the prior written approval of Agency through an amendment (34 CFR 80.30).

When An Amendment is NOT REQUIRED:

<b>For all grants, regardless of the dollar amount, an amendment is <u>NOT</u> required to:</b>	⇒	<b>For grants totaling \$25,000 or less, an amendment is <u>NOT</u> required to:</b>	⇒	<b>For grants greater than \$25,000 total, an amendment is <u>NOT</u> required to:</b>
(1) increase or decrease the <u>amount</u> of funds budgeted for a <b>line item on a supporting budget schedule</b> (i.e., <b>within a class/object code</b> ) as long as the description of the line item does not change; (2) increase the quantity by <u>20 percent or less</u> of <b>computer hardware/equipment (not capitalized)</b> previously approved on the <i>Supplies and Materials</i> schedule; (3) increase the quantity by <u>20 percent or less</u> of <b>capital outlay items</b> previously included in the list of articles <b>costing less than \$5,000</b> on the <i>Capital Outlay</i> schedule (line #09).		transfer funds among all class/object codes budgeted and approved on the <i>Budget Summary</i> schedule,  as long as funds are used only for class/object codes previously approved on the <i>Budget Summary</i> schedule; and  a. as long as a <b>new line item on a supporting budget schedule (i.e., within a class/object code)</b> is <u>not being added</u> .  <b>In no case may grantees expend more than the total grant award.</b>		increase the amount budgeted on the <i>Budget Summary</i> schedule for 6200 Professional and Contracted Services, 6300 Supplies and Materials, or 6400 Other Operating Costs by any amount, regardless of the percent increase,  as long as funds were previously approved in these class/object codes on the <i>Budget Summary</i> .  <b>In no case may grantees expend more than the total grant award.</b>

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

Please do not submit an amendment if it is not required per the above conditions. If uncertain as to the amendment requirements, contact the TEA Program Manager prior to submitting an amendment. This may prevent the completion of unnecessary paperwork and save substantial time for both the grantee and TEA.

When Prior Written Approval From the Agency (Through an Amendment) IS REQUIRED:

<p><b>For all grants, <u>regardless of the dollar amount</u>, an amendment is required if the applicant is requesting to:</b></p>	<p>⇒ <b>For grants totaling <u>greater than \$25,000, but less than or equal to \$170,000</u>, an amendment is required if the applicant is requesting to:</b></p>	<p>⇒ <b>For grants <u>greater than \$170,000 total</u>, an amendment is required if the applicant is requesting to:</b></p>
<ul style="list-style-type: none"> <li>(1) add a <b>class/object code</b> not previously budgeted on the <i>Budget Summary</i> schedule;</li> <li>(2) add a <b>new line item on any of the supporting budget schedules</b> (i.e., <u>within</u> a class/object code);</li> <li>(3) increase or decrease the <b>number of positions</b> approved on the <i>Payroll Costs</i> schedule;</li> <li>(4) add a new item, change the use/purpose, or increase the estimated quantity by <u>more than 20 percent</u> of <b>computer hardware/equipment</b> (not capitalized) <b>approved on the <i>Supplies and Materials</i> schedule</b> ;</li> <li>(5) add a new item or increase the quantity of <b>capital outlay item(s) approved on line 1 of the <i>Capital Outlay</i> schedule</b> for articles costing \$5,000 or more;</li> <li>(6) add a new item, change the use/purpose, or increase the estimated quantity by more than 20 percent of <b>capital outlay items approved on line 2 of the <i>Capital Outlay</i> schedule</b> (i.e., articles costing less than \$5,000);</li> <li>(7) reduce funds <b>allotted for training costs</b> (where such costs <b>are direct payments/reimbursements</b> to trainees, primarily travel and lodging for trainees, workshop/conference registration fees, tuition, books, and related fees);</li> <li><del>(8) change <b>construction costs</b>;</del></li> <li><del>(9) request <b>additional funding</b>;</del></li> <li>(10) revise the <b>scope</b> (i.e., extent or range) <b>or objectives</b> of the grant (regardless of whether there is an associated budget revision requiring prior approval); or</li> <li><del>(11) <b>extend the ending date of the grant</b> (If requesting to extend the ending date by more than 3 months, attach a narrative explanation/justification for the need to extend. An amendment will not be approved without such explanation.);</del></li> </ul>	<ul style="list-style-type: none"> <li>(1) increase the amount budgeted on the <i>Budget Summary</i> schedule for <b>6100 Payroll Costs</b> by more than <b>25%</b> of the amount previously approved for <b>6100 Payroll Costs</b>; or</li> <li>(2) increase the amount for <b>6600 Capital Outlay</b> by more than <b>25%</b> of the amount previously approved for <b>6600 Capital Outlay</b>.</li> </ul> <p><b>In no case may grantees expend more than the total grant award.</b></p>	<ul style="list-style-type: none"> <li>(1) increase the amount budgeted on the <i>Budget Summary</i> schedule for <b>6100 Payroll Costs</b> by more than <b>10%</b> of the amount previously approved for <b>6100 Payroll Costs</b>; or</li> <li>(2) increase the amount for <b>6600 Capital Outlay</b> by more than <b>10%</b> of the amount previously approved for <b>6600 Capital Outlay</b>.</li> </ul> <p><b>In no case may grantees expend more than the total grant award.</b></p>

Reminder: Regardless of whether or not an amendment is required, grantees must comply with any requirements for maximum and/or minimum expenditures for certain categories/activities. For example, if the grant requires that no more than 25% of the funds may be used for a certain activity, such as planning, then the grantee must comply with this 25% maximum requirement.

An amendment is effective on the day it is received in the Agency (i.e., the stamp-in date) in substantially approvable form. All amendments are subject to negotiation and approval by TEA. The last day to submit an amendment to TEA is 90 days prior to the ending date of the grant.

**On Schedule #3A, Purpose of Amendment, check the appropriate reason(s) for submitting an amendment.**

## **Part 2: Revised Budget**

Complete this part only if there are budgetary changes.

### **Lines #01 - #07:**

**Column A:** Copy the approved budget from the most recently approved document (i.e., either the most recent amendment or the original application, whichever is the most recent).

**Column B:** Enter the amount(s) deleted for the appropriate class/object code(s).

**Column C:** Enter the amount(s) added for the appropriate class/object code(s).

**Column D:** For each class/object code, subtract the amount deleted from the previously approved, add the amount added and enter the new total. Include the affected supporting budget schedules, making sure that the new totals on the corresponding supporting schedules correspond to the new totals on Schedule #3A.

**Line #08:** Enter the total direct costs of all entries on lines 01-07.

**Line #09:** Indirect costs are based on actual expenditures. Indirect costs may be claimed based on actual expenditures, through mid-year or final expenditure reports, whether or not indirect costs were budgeted in the application/amendment. In no case may indirect costs exceed the approved indirect cost rate minus the required exclusions.

If indirect cost is allowed and depending upon the nature of the amendment, it may be necessary to recompute the budgeted indirect cost.

**Line #10** - Enter the total costs (line #08 + 09).

**Line #11** - Enter the total amount of payments to be made to member districts of the shared services arrangement. These costs must be included in lines 01 - 10 of this schedule, as applicable, and must be reflected in the supporting budget schedules, as amended. Include in the amendment all of the supporting budget schedules (i.e., Schedules #3B-3G), as well as any narrative schedules, affected by the amendment. Attach all of the above schedules to a Schedule #1 - General Information with an original authorized signature in Section 7, and an amended Schedule #3 – Budget Summary.

GENERAL INSTRUCTIONS FOR SUPPORT SCHEDULE #3B - PAYROLL COSTS (6100)

*THIS SCHEDULE MUST BE COMPLETED AND INCLUDED IN THE APPLICATION IF YOU ARE REQUESTING PAYROLL COSTS.*

1. **Items requested on this support schedule must be allowable expenditures under the authorizing program statutes, regulations, and rules.**
2. Report whole dollar amounts only. **Omit decimals.** Indicate the amendment number on amendments only.
3. Under the Description of Payroll Costs column, identify the types of positions being requested, such as Project Director, Project Coordinator, Parent Liaison, Teacher, Instructional Aide, Tutor, Clerical Assistant, etc. For all **instructional personnel**, such as **teachers, instructional aides, and tutors, provide the grade level(s) and subject area(s)**. Do **not** list non-employees (i.e., consultants, contractors) on this schedule. **Do** include positions funded from payments to member districts of an SSA. A full-time campus coach is required for each campus.

For each type of position, indicate the number of positions to be charged to the grant, the estimated percent of time to be charged to the grant, and the total costs. Grantees may **charge** the grant program only for the **actual** number of days worked and the **actual** percentage of time worked on the grant program based on time and effort documentation or a substitute system. See information below pertaining to time and effort documentation.

4. **Local Campus Coaches:** Reading First grantees are required to hire and retain Local Campus Coaches at each funded campus that will reinforce and model classroom implementation of skills taught in relevant staff development training. On line 01, indicate the number of Local Campus Coaching positions to be charged to the grant, the estimated percent of time to be charged to the grant and the total costs. Grantees may **charge** the grant program only for the **actual** number of days worked and the **actual** percentage of time worked on the grant program based on time and effort documentation or a substitute system. See information below pertaining to time and effort documentation.
5. **Employee Fringe Benefits:** On Line 07, enter the total amount requested for all allowable fringe benefit costs for all positions listed in lines 1-6. Fringe benefits include: group health and life insurance; workers compensation; teacher retirement (the applicable portion); social security/Medicare (where paid by the employer as a benefit); and unemployment compensation. "Fringe benefits" do not include any type of liability insurance. Liability insurance is allowable only for the organization, not for the individual as a fringe benefit. Liability insurance for the organization is budgeted on 6400 Other Operating Costs.

**Teacher Retirement:** For a state funded program, the employing district may budget for teacher retirement of the state's contribution only on that portion of the employee's salary that exceeds the statutory salary minimum. See Texas Government Code Sections 825.404 Collection of State Contributions and 825.405 Contributions Based on Compensation Above Statutory Minimum for details concerning this provision. The full amount of the state's contribution for teacher retirement may be budgeted on a federal or private-funded application if provided for in the grant.

**Employer Contributions to Voluntary Retirement Plans:** The employer's (i.e., grantee's) contribution to an employee's voluntary retirement plan [such as a 401(k) or 403(b)] is not an allowable expenditure from grant funds.

6. **Substitute Pay:** Indicate the amount of anticipated substitute pay on line 08 and briefly explain the purpose. Pay for substitute a teacher is allowable only for **public** school and open enrollment school teachers and is not to exceed local district policy for payment. Substitute pay is allowable to replace grant-funded teachers in the classroom who are absent or to allow teachers to participate in professional development activities, planning, etc. Substitute pay for **private nonprofit** school teachers is not allowable under any circumstances.

Sample Explanation: Substitutes to allow teachers to attend training.

7. **Extra Duty Pay:** Indicate the total amount of extra duty pay for employees on line 09 and briefly explain the purpose of extra duty pay. Extra duty pay for school district employees to attend meetings/conferences/workshops on non-contract days (after hours, holidays and weekends) is allowable not to exceed local district policy. Extra duty pay may not be paid during regular working hours of a contract day.

Sample Explanations: (1) Extra duty pay for staff participating in Saturday or evening staff development activities. (2) Extra duty pay for staff to participate in evening parent involvement activities.

8. Ensure that Line #10, Total Costs, is the same as the amount on Line #01 of Schedule #3 - Budget Summary.
9. **AMENDMENTS:** Submit this support schedule if there are any changes/deletions/additions to the previously approved items. Include all items previously approved as well as any new items requested. Omit any previously approved items to be deleted. Indicate the amendment number in the space provided. Refer to the instructions for Schedule #3A - Purpose of Amendment, item number 3, Conditions for Amendments, to determine if an amendment is necessary.

#### **TIME AND EFFORT DOCUMENTATION TO SUPPORT CHARGES TO PAYROLL FOR FEDERALLY FUNDED GRANTS**

**Applicants must ensure federally funded grants bear their fair share of cost. Time and effort documentation for federally funded grants must conform to the federal cost principles applicable to the grantee organization. Refer to the attached summary of "Documentation Required for Charges to Payroll for Federally Funded Grants". Consult the individual OMB Circulars, as applicable, for more detailed information.**

**DOCUMENTATION REQUIRED FOR CHARGES TO PAYROLL FOR FEDERALLY FUNDED GRANTS**

<p align="center"><b>Documentation Required Under OMB Circular A-87 for LEAs, ESCs, and Open Enrollment Charter Schools Operated by a Governmental Entity</b></p>	<p align="center"><b>Documentation Required Under OMB Circular A-122 for Open Enrollment Charter Schools Operated by a Nonprofit Organization</b></p>	<p align="center"><b>Documentation Required Under OMB Circular A-21 for Open Enrollment Charter Schools Operated by Institutions of Higher Education</b></p>
<p>All charges to payroll for grant-funded personnel must be based on one of the following:</p> <ol style="list-style-type: none"> <li>(1) certification;</li> <li>(2) time and effort records; or</li> <li>(3) substitute system.</li> </ol> <p>This section also covers items related to using budget estimates, cost sharing, and job descriptions.</p> <p><b>(1) CERTIFICATION: For employees:</b></p> <p><b>(a) who are paid 100 percent from program; or</b>  <b>(b) who work under a <u>single</u> cost objective.</b></p> <p>These employees are not required to maintain time and effort records. However, each employee must <u>certify</u> in writing, at least semi-annually, that he/she worked solely on the program(s) for the period covered by the certification. The certification must be signed by the employee or by the supervisor having first-hand knowledge of the work performed. Charges to the grant must be supported by these semi-annual certifications. <b>This is a requirement under the revised OMB Circular A-87 Cost Principles effective July 1, 1995.</b></p> <p>“Cost objective” means a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred. A Title I, Part A school-wide program funded from multiple funding sources is considered a “single cost objective.”</p>	<p>All charges to payroll for grant-funded staff must be based on distribution of activity reports. This includes <b>professionals and nonprofessionals</b> who compensation is charged, in whole or in part, directly to awards. Therefore, all personnel, whether 100 % funded or partially funded, must maintain time and effort records.</p> <p>Employees must prepare time and effort reports, at least monthly, to coincide with pay periods. Such reports must reflect an after-the-fact distribution of 100 percent of the actual time spent on each activity and must be signed by the employee. Charges to payroll must be adjusted based on time and effort records.</p> <p>Charges for salaries and wages of <b>nonprofessional</b> employees must also be supported by records indicating the total number of hours worked each day maintained in conformance with the Department of Labor regulations implementing the Fair Labor Standards Act (FLSA). For this purpose, the term “nonprofessional employee” shall have the same meaning as “nonexempt employee” under FLSA.</p> <p align="center"><b>Refer to OMB Circular A-122 for more detailed information pertaining to charges to payroll under the section entitled “Compensation for personnel services”.</b></p>	<p>All charges must be based on payrolls documented in accordance with the generally accepted practices of colleges and universities. The method must provide for after-the-fact conformation or determination by responsible persons with suitable means of verifying that the work was performed.</p> <p>The payroll distribution system may reflect categories of activities expressed as a percentage distribution of total activities. Charges may be made initially based on estimates made before services are performed. Significant changes in the work activity must be identified and entered into the payroll distribution system.</p> <p>Examples of Acceptable Methods:</p> <ol style="list-style-type: none"> <li>(1) Plan-Confirmation: The distribution of salaries and wages is based on budgeted, planned, or assigned work activity, updated to reflect any significant changes in work distribution. Certain standards as outlined in OMB Circular A-21, including an annual statement signed by the employee certifying that the work was performed, must be met.</li> <li>(2) After-the-Fact Activity Records: Distribution of salaries and wages is supported by activity reports which reflect an after-the-fact description of the activity expended by employees. Charges may be made initially on the basis of estimates, provided that such charges are promptly adjusted if significant differences are indicated by activity records.</li> </ol>

<p align="center"><b>Documentation Required Under OMB Circular A-87 for LEAs, ESCs, and Open Enrollment Charter Schools Operated by a Governmental Entity</b></p>	<p align="center"><b>Documentation Required Under OMB Circular A-122 for Open Enrollment Charter Schools Operated by a Nonprofit Organization</b></p>	<p align="center"><b>Documentation Required Under OMB Circular A-21 for Open Enrollment Charter Schools Operated</b></p>
<p><b>NOTE TO Texas Education Agency STAFF PREPARING THIS SAS:</b> The semi-annual certification requirement has been waived for programs covered under Ed-Flex. Therefore, <b>for programs covered under Ed-Flex, omit the section on certification and insert the following:</b></p> <p>(2) <b><u>TIME AND EFFORT</u></b>: For employees:</p> <p>a. <b>who work under <u>multiple</u> grant programs; or who work under <u>multiple</u> cost objectives.</b></p> <p>b. These employees are required to maintain time and effort records or to account for their time under a substitute system. (See number 3 below.) Employees must prepare time and effort reports, at least monthly, to coincide with pay periods. Such reports must reflect an <u>after-the-fact</u> distribution of 100 percent of the <u>actual</u> time spent on each activity and must be signed by the employee. Charges to payroll must be adjusted at least quarterly to coincide with preparation and submittal of the quarterly expenditure report.</p> <p>Examples:</p> <p>a. Employees who are paid partially from <u>consolidated administrative funds</u> and partially from <u>other funds</u> must maintain time and effort or account for their time under a substitute system.</p> <p>b. Employees who are paid partially from <u>administrative</u> funds and partially from <u>program</u> funds must maintain time and effort or account for their time under a substitute system.</p>		<p>Examples of Acceptable Methods (cont'd.)</p> <p>(3) After-the-Fact Activity Records: Distribution of salaries and wages is supported by activity reports which reflect an after-the-fact description of the activity expended by employees. Charges may be made initially on the basis of estimates, provided that such charges are promptly adjusted if significant differences are indicated by activity records</p> <p>(4) Plan-Confirmation: The distribution of salaries and wages is based on budgeted, planned, or assigned work activity, updated to reflect any significant changes in work distribution. Certain standards as outlined in OMB Circular A-21, including an annual statement signed by the employee certifying that the work was performed, must be met.</p> <p>(5) Multiple Confirmation Records: The distribution of salaries and wages is supported by records which certify separately for direct and F&amp;A (i.e., facilities and administration; synonymous with “indirect”) cost activities.</p> <p>Activity reports must be prepared for each academic term, but no less frequently than every 6 months and must be signed by the employee or a person having direct knowledge of the work performed. Charges may be made initially on the basis of estimates, provided that such charges are promptly adjusted if significant differences</p> <p><b>Refer to OMB Circular A-21 for more detailed information pertaining to charges to payroll under the section entitled “Compensation for personnel services.”</b></p>

<p align="center"><b>Documentation Required Under OMB Circular A-87 for LEAs, ESCs, and Open Enrollment Charter Schools Operated by a Governmental Entity</b></p>	<p align="center"><b>Documentation Required Under OMB Circular A-122 for Open Enrollment Charter Schools Operated by a Nonprofit Organization</b></p>	<p align="center"><b>Documentation Required Under OMB Circular A-21 for Open Enrollment Charter Schools Operated</b></p>
<p>(3) <b><u>SUBSTITUTE SYSTEMS</u> In Lieu of Time and Effort Reports:</b></p> <p>Substitute systems for allocating salaries and wages may be used in place of time and effort reports. Substitute systems may include, but are not limited to, random moment sampling, case counts, or other quantifiable measures of employee effort. Substitute systems which use sampling methods must meet acceptable statistical sampling standards. Refer to OMB Circular A-87 for detailed requirements.</p> <p>Documentation of rationale and calculations for allocating salaries and wages must be maintained for audit purposes. It is recommended that a copy of a Certified Public Accountant’s (CPA) approval of a substitute system be kept on file for documentation.</p> <p>If the quarterly comparison between budgeted and actual costs shows a difference of less than 10 percent, adjustments to charges to the grant may be made annually.</p> <p><b>NOTE: Monthly time and effort reports are still required when using budget estimates.</b></p> <p><b>Refer to OMB Circular A-87 for more detailed information pertaining to charges to payroll under the section entitled “Compensation for personnel services”.</b></p>		

- **Meeting Cost Sharing or Matching Requirements:** Salaries and wages of employees used in meeting cost sharing or matching requirements must be supported with time and effort records in the same manner.
- **Job Descriptions:** A current job description for each employee which delineates the program(s) or cost objectives under which the employee works should be available for documentation to support charges to federal programs. For teachers and instructional aides, daily class schedules should provide adequate documentation. Job descriptions should be updated as new assignments are made.

GENERAL INSTRUCTIONS FOR SUPPORT SCHEDULE #3C -  
PROFESSIONAL AND CONTRACTED SERVICES (6200)

*THIS SCHEDULE MUST BE COMPLETED AND INCLUDED IN THE APPLICATION IF YOU ARE  
REQUESTING PROFESSIONAL AND CONTRACTED SERVICES.*

1. **Items requested on this support schedule must be allowable expenditures under the authorizing program statutes, regulations, and rules.**
2. Use this support schedule to request professional services, including consultants; tuition services; services provided by regional educational service centers; contracted maintenance and repair services; utilities; and rentals/lease; etc. Include professional services funded from payments to member districts of an SSA. All professional services listed on this schedule must be rendered by personnel not on the payroll of the applicant.
3. Report whole dollar amounts only. Omit decimals. Indicate the amendment number on amendments only.
4. Under the Description of Expense Items column, identify the items being requested. Although some of the most common items have been preprinted for your convenience, you are not required to request these items in your budget. Use the blank lines to add items not preprinted, attaching additional pages if necessary.

**Line 01:** Briefly identify the types of any **services to be provided by the regional ESC**, such as staff development, evaluation services, curriculum development, media services, data processing services, etc., and enter the dollar amount. This line is not to be used by ESCs serving as the applicant or fiscal agent unless the applicant/fiscal agent ESC is contracting with another ESC for services.

**Line 02:** For each **consultant**, provide (briefly) the **topic/area** to be addressed by the consultant. **Include travel costs for consultants or materials** to be provided by consultants in the budgeted amount. **For each consultant/contractor who will be paid more than \$10,000 during the grant period, attach a budget by category and line item of expenditure to this schedule.** The application will not be approved in the absence of this information. Attach additional pages if more space is needed.

Enter the total amount for **professional/consulting services**. It is not necessary to break out costs by individual consultant (except for contracted student/family services or management services as described below). All travel paid to consultants must be **reasonable** in cost and must be reimbursed at **actual** costs. To be eligible for reimbursement, appropriate travel documentation must be provided by the consultant, including purpose of travel, receipt for airfare, receipt for lodging, receipt for rental car, if applicable, and mileage. Reimbursement for mileage may not exceed 35 cents per mile or local policy, whichever is less. If local policy dictates reimbursement rates for lodging and meals for consultants, local policy must prevail. In the absence of a policy, consultants must be reimbursed at reasonable actual costs. Texas Comptroller Mileage Guide may be found at <http://www.cpa.state.tx.us/comptrol/texastra.html>.

If this application is approved, the applicant shall not use or pay any consultant in the conduct of this application if the services to be rendered by such consultant could have been rendered by applicant's employees. Consultants must be selected based on demonstrated competence, qualifications, and experience and on the reasonableness of the proposed fee. In purchasing services from consultants, grantees must comply with the requirements for purchasing in TEC Chapter 44, Subchapter B (regardless of the funding source) and in 34 CFR 80.36 (if federally funded).

## WRITTEN AGREEMENTS/CONTRACTS FOR SERVICES:

Grantees must maintain a contract administration system which ensures that all contractors, including consultants, perform in accordance with the terms, conditions, and specifications of their contracts/written agreements. The grantee must comply with the requirements in 34 CFR 80.36, Procurement, including:

- (1) maintaining a copy of a signed contract/agreement/purchase order for services to be performed and the rationale/procedure for selecting a particular contractor;
- (2) for all contracts in excess of \$10,000, describing in the contract/agreement conditions under which the contract may be terminated, including the basis for settlement;
- (3) if the purpose of the contract is to develop materials, concepts, or products, ensuring the written agreement/contract contains provisions which protect and retain ownership of such materials, concepts, or products by the TEA, the State of Texas, and the federal government, if applicable, including copyright, patent, and/or trademark (refer to SAS Schedule #6A, section R);
- (4) maintaining evidence that awards were made only to contractors/consultants possessing the ability to perform successfully under the terms and conditions of the proposed contract/procurement (i.e., consultants were selected based on demonstrated competence, qualifications, experience, and reasonableness of costs; and consideration was given to contractor integrity; compliance with public policy, record of past performance, and financial and technical resources in selecting contractors);
- (5) contracting only with persons not employed by the grantee;
- (6) not participating in the selection or award of a contract if a conflict of interest would be involved;
- (7) maintaining records on the services performed, including the date the service was performed and the purpose of the service, and ensuring that the services are consistent and satisfactory with that described in the signed contract/purchase order;
- (8) making payment only after the service was performed and not before (state and federal law; and
- (9) for any procurement contract equal to or greater than \$25,000, or for any subgrant, regardless of the amount, under which that person will have a critical influence or substantive control over that transaction, contracts only with persons not debarred or suspended from receiving financial assistance under federal programs.

**Copyright/Ownership:** The grantee must ensure that the TEA retains copyright and ownership of any and all materials/products conceived or developed under the grant by any and all employees or contractors. Grantee must ensure that such copyright/ownership is clearly stated in any and all written agreements/contracts for services. Refer to SAS Schedule #6A, Provisions and Assurances, Section R.

**Line 03:** Enter the total amount requested for **contracted maintenance and repair of equipment** purchased with grant funds.

**Line 04:** Enter the total amount requested for **utilities**, including telephone, FAX charges, and telecommunication services. Utilities also includes water, electricity, and gas for heating/cooling facilities for grant activities conducted before school, after school, or during the summer.

**Line 05:** Enter the total amount requested for **rental or lease of equipment or building space**. Specify the type and purpose of the rental/lease and provide the rate per hour/day/month, as applicable, and the calculation for the grant period. Ex: \$5.00/month X 12 months = \$60.00. See section below on Cost Share if entering building space as cost share.

**Line 06:** If this is a **federal** grant and the following conditions are met, enter the total amount requested for **audit fees/expenses**. Audit costs are allowable only for **federal** grant programs **audited in accordance with the requirements in OMB Circular A-133, Audits**. Audit fees/expenses may not be charged as a **direct cost** to the grant when such audit costs are part of the grantee organization's **indirect cost** pool. Audit fees/expenses are not allowable for audits not conducted in accordance with OMB Circular A-133. Audit costs may not be charged to state-funded grants.

**Line 07:** Enter the total amount requested for services provided by an Internal Service Fund. Identify the services to be provided by the Internal Service Fund.

**Line 09:** Enter the amount of **tuition for staff or students and fees related to tuition** to be paid directly to the organization providing the services. Tuition is allowable for courses directly related to the grant program. Identify the purpose of the tuition. (If tuition is to be paid by the participant and then reimbursed upon completion of the course, this expenditure should be budgeted on Schedule #3E, Other Operating Costs).

**Additional Guidance pertaining to Allowable/Unallowable Costs:**

**Training/Technical Assistance on Grant Writing or Obtaining Other Grant Funds:** Funds may not be used for training/technical assistance on grant writing or obtaining grant funds. Funds may not be used for **fundraising** activities.

**Contracted Student/Family Services or Management Services:**

If the applicant is requesting to contract with an organization a) to provide all or part of the **direct services to students/families** or b) to **manage the project**, provide the name(s) of the contracted organization and attach a budget by cost category and line item to this schedule. The same cost principles for allowable costs apply to all contractors and the budget is subject to negotiation by TEA.

**Legal Fees/Expenses:** Allowable only as necessary for the administration of the grant program. Retainer fees are not allowable costs.

**Printing Costs:** Grantees may charge the grant for not more than two-color printing on any item. Any printing costs beyond the cost of two-color printing must be paid by the grantee from state or local sources.

5. Ensure that Line #10, Total Costs, is the same as the amount on Line #02 of Schedule #3 - Budget Summary.

**AMENDMENTS:** Submit this support schedule if there are any changes/deletions/additions to the previously approved items. Include all items previously approved as well as any new items requested. Omit any previously approved items to be deleted. Indicate the amendment number in the space provided. Refer to the instructions for Schedule #3A - Purpose of Amendment to determine if an amendment is necessary.

GENERAL INSTRUCTIONS FOR SUPPORT SCHEDULE #3D - SUPPLIES AND MATERIALS (6300)

*THIS SCHEDULE MUST BE COMPLETED AND INCLUDED IN THE APPLICATION IF YOU ARE REQUESTING SUPPLIES AND MATERIALS.*

1. **Items requested on this support schedule must be allowable expenditures under the authorizing program statutes, regulations, and rules.**
2. Use this schedule to request instructional supplies and materials; office supplies; supplies and materials for maintenance and/or operations; general supplies such as paper, audio-visual aides, computer software; testing materials; etc. Include supplies and materials funded from payments to member districts of an SSA. **Expenditures related to awards banquets/ceremonies, celebrations, or social events are not allowable under any circumstances.**
3. Report whole dollar amounts only. Omit decimals. Indicate the amendment number on amendments only.
4. Under the Description of Expense Items column, identify the items being requested. Although some of the most common items have been preprinted for your convenience, you are not required to request these items in your budget. Use the blank lines to add items not preprinted, attaching additional pages if necessary. All costs should include shipping and handling costs.

**Line 01:** Enter the amount requested for **general supplies and materials**, including consumable teaching and office supplies; workbooks; audio-visual aids, such as filmstrips, VCR tapes, CD-Rom disks, diskettes, computer tapes, and software; and supplies for technology.

**Line 02:** Enter the amount requested for **textbooks and other reading materials**, including textbooks and magazines, periodicals, newspapers and reference books placed in the classroom or in an office. Also includes library books and media that are not capitalized and/or that have a useful life of one year or less. (If both of these conditions are met, the item is a consumable supply item. And if either of these conditions is met, the item is a consumable supply item.) Subscriptions for business, professional and technical periodicals are allowable when necessary to carry out the objectives of the grant program. Subscriptions must be in the name of the grantee organization and not in the name of an individual.

**Line 03:** Enter the amount requested for **testing materials**. This does not include the scoring of tests. The scoring of tests is budgeted on 6200 Professional and Contracted Services.

**Line 04:** Enter the amount requested for **computer hardware not capitalized** (where hardware is not capitalized according to the applicant's policy for capitalization).

- List the hardware requested and the estimated quantity for each type.
- Describe the use/purpose of the hardware in accomplishing the objectives of the project. Attach an additional page if necessary.
- **An amendment is required if the use/purpose of the hardware changes, if the estimated quantity of an item increases by more than 20 percent, or if a new item is requested.**
- **Refer to the section below on Cost Share if you are entering cost share for computer hardware not capitalized.**

**Unallowable costs:** Personal Data Assistants (PDAs) and other types of personal electronic devices used as personal calendars, as well as costly personal calendar systems, are not allowable expenditures from grant funds.

**Line 05:** Enter the amount requested for **other equipment not capitalized** (where equipment is not capitalized according to the applicant's policy for capitalization).

- List the equipment requested and the estimated quantity for each type.
- Describe the use/purpose of the equipment in accomplishing the objectives of the project.
- **An amendment is required if the use/purpose of the equipment changes, if the estimated quantity of an item increases by more than 20 percent, or if a new item is requested.**
- **Refer to the section below on Cost Share if you are entering cost share for other equipment not capitalized**

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

**Line 06:** Enter the amount requested for **supplies and materials for maintenance and/or operations.**

These are expenditures necessary to maintain and/or operate furniture, computers, equipment, vehicles, grounds and facilities. Includes gasoline, motor oil and fuel for operating vehicles used for grant activities. Also includes janitorial or custodian supplies, building maintenance supplies for minor repairs and upkeep, and supplies for upkeep of furniture and equipment, including computers, used for grant activities.

**AMENDMENTS:** Submit this support schedule if there are any changes/deletions/additions to the previously approved items. Include all items previously approved as well as any new items requested. Omit any previously approved items to be deleted. Indicate the amendment number in the space provided. Refer to the instructions for Schedule #3A - Purpose of Amendment to determine if an amendment is necessary.

GENERAL INSTRUCTIONS FOR SUPPORT SCHEDULE #3E - OTHER OPERATING COSTS (6400)

*THIS SCHEDULE MUST BE COMPLETED AND INCLUDED IN THE APPLICATION IF YOU ARE REQUESTING OTHER OPERATING COSTS.*

1. **Items requested on this support schedule must be allowable expenditures under the authorizing program statutes, regulations, and rules.**
2. Use this support schedule to request travel for project staff and participants; stipends for non-employees; insurance; conference registration fees; membership dues, etc. Include other operating costs funded from payments to member districts of an SSA.
3. Report whole dollar amounts only. Omit decimals. Indicate the amendment number on amendments only.
4. Under the Description of Expense Items column, identify the items being requested. Although some of the most common items have been preprinted for your convenience, you are not required to request these items in your budget. Use the blank lines to add items not preprinted, attaching additional pages if necessary.

**Line 01:** Enter the estimated amount requested for (a) in-state travel and for (b) out-of-state **travel** for employees, students, and non-employees. Also enter the estimated amount for (c) **Conference/seminar/workshop registration fees**. All travel, including both in-state travel and out-of-state travel, should be carefully evaluated for appropriateness and for cost-effectiveness. Out-of-state travel is not allowable where the same type and quality of training is available in-state. Travel expenses include the following:

- a. **In-State Travel (overnight)** expenses, which include lowest available airfare, and actual cost for lodging not to exceed \$80/day (not including tax) and actual cost for meals not to exceed \$30/day or local policy, whichever is less. Reimbursement for mileage may not exceed 35 cents per mile or local policy, whichever is less. School districts are usually exempt from state sales tax on lodging but are not exempt from any city taxes or other taxes imposed for lodging. Employees may be reimbursed for applicable taxes. Refer to travel guidelines below.

**NOTE: Non-overnight Travel:** An employee may not be reimbursed for **meal** expenses if the employee is outside the employee's designated headquarters for fewer than **six** consecutive hours on the day the expenses are incurred.

- b. **Out-of-State Travel** expenses, which include lowest available airfare; actual cost of lodging and meals not to exceed maximum allowable federal government rates for the locale or local policy, whichever is less; and reimbursement for mileage which may not exceed the rate established by the Texas Comptroller or local policy, whichever is less. Refer to "Travel Guidelines" below. Out-of-State Meal and Lodging Rates are available on the Comptroller's website at: <http://www.window.state.tx.us/comptrol/san/fm1.html>. Select "Travel" under the "Topics" heading; select "Out-of-State Meal and Lodging Rates" under the "Publications" heading; select the state to which you will be traveling.
- c. **Conference/seminar/workshop registration fees** for training necessary to carry out the objectives of the grant program.
- d. **Training on Grant Writing:** Funds may not be used for training on grant writing.

## TRAVEL GUIDELINES:

Amounts authorized for maximum recovery for **travel and per diem** costs against this funding source is restricted to those amounts which are approved in the State of Texas Appropriation Bill in effect for the particular funding period. Any amount over this limit must come from local funds. If local policy restricts travel, per diem, and other travel expenses to a rate less than state law, the applicant must budget and request reimbursement at the lesser rate. **Travel allowances** are not allowable expenditures in Texas.

### a. Allowable Travel Expenses:

1. Automobile **mileage** from home or office to place of official business or duty point (meeting/conference/workshop). This mileage cannot exceed the rate established by the Texas Comptroller (currently the rate is **35 cents per mile**). If local district policy reimburses at a lower rate, the lower rate must be claimed. Except as otherwise restricted by this paragraph, an applicant may reimburse an employee who travels between the employee's residence and the employee's duty point for mileage. If the travel occurs during working hours, the reimbursement may not exceed the reimbursement that would be paid had the employee traveled between the employee's place of employment and the duty point. If the travel occurs before working hours on a workday, the reimbursement may not exceed the reimbursement that would be paid had the employee traveled between the employee's place of employment and the duty point. The starting time of travel determines whether travel occurs during working or non-working hours. Rates are available on the Comptroller's website at: <http://www.window.state.tx.us/comptrol/san/fm1.html>. Under: "For State Agencies / Travel."
2. Any automobile **mileage** incurred for official business. This mileage may be within headquarters, to or from an airport, to or from a place of business or residence as long as the shortest possible route is claimed and is incurred for official business.
3. **Air fare** at the lowest fare available. (Air fare must be documented with receipt.) If first class, a statement that only first class Air fare was available must be attached to the required Air fare receipt.
4. **Car rental fee** (at destination) is not allowed unless other transportation such as taxi or shuttle is not available for performing official business unless it is documented that it is more cost effective to rent a car than it is to take alternate travel. (Rental car must be documented with receipt.)
5. Airport **parking**.
6. **In-State Per diem (meals and lodging) for overnight travel** is reimbursed at actual cost not to exceed the maximum amount allowed by state law or local policy, whichever is less. **The maximum allowable lodging is \$80.00 per night**, not including taxes. **Maximum allowable for meals is \$30 per day**. If local school policy requires reimbursement at a lower rate, the lower rate must be used. (Lodging must be documented with receipt.) **Any amount over the allowable amount must be paid from local funds. Tips for meals cannot be reimbursed.**  
**Out-Of-State Per diem (meals and lodging)** is reimbursed at actual cost not to exceed the maximum amount allowed by the federal government or local policy, whichever is less. All other guidelines apply. Out-of-State Meal and Lodging Rates are available on the Comptroller's website at: <http://www.window.state.tx.us/comptrol/san/fm1.html>. Select "Travel" under the "Topics" heading; select "Out-of-State Meal and Lodging Rates" under the "Publications" heading; select the state to which you will be traveling.
7. **Taxi fares** for official business. **Tips cannot be reimbursed.**
8. Itemized **miscellaneous business expenses**, i.e. business phone calls, printing, materials used in carrying out official business of the meeting/conference/workshop.
9. **Registration fees** to attend workshops/conferences.

**b. Unallowable Travel Expenses:**

1. First class Air fare.
2. Per diem (meals and lodging) for persons who live in the same city where the meeting/conference/workshop is held is not allowable. Automobile mileage is allowable.
3. Tips (including service charges) of any kind.
4. Alcoholic beverages.
5. Entertainment/recreation.
6. Any expense for other persons.
7. Automobile mileage or taxi fares for purposes other than for official business.
8. Personal Accident Insurance or Personal Effects coverage for rental cars.
9. Rental car for personal use or for purposes not associated with the official business of the meeting/conference/workshop.

**Line 02:** Enter the total amount requested for **memberships in business, professional, or technical organizations** related to the grant program. Memberships must be in the name of the grantee organization and not in the name of an individual. Memberships in organizations substantially engaged in lobbying are not allowable.

**Line 03:** Enter the total amount requested for **awards for recognition** or for **incentives for participation** in project activities. Identify the types of awards or incentives to be provided, for example, certificates, instructional supplies, inexpensive books, etc. Minimal cost certificates, plaques, ribbons, small trophies, or instructionally-related items to be used in the classroom such as pens/pencils are acceptable awards for participation in program activities. **Gifts or items that appear to be gifts are not allowable.** Souvenirs, memorabilia, or promotional items, such as T-shirts, caps, tote bags, key chains, etc., are not allowable. “Door prizes”, movie tickets, gift certificates, passes to amusement parks, etc. may be donated by others but may not be purchased with grant funds. **Food, snacks, beverages, refreshments, meals**, etc. are not allowable incentives/awards.

**Line 04:** Enter the total amount requested for **reimbursement of tuition** and fees for staff completing college/university courses directly related to and necessary to carry out the objectives of the grant program.

**Line 05:** Enter the amount requested for **insurance**. Allowable insurance includes property insurance for equipment/buildings purchased with grant funds. Also includes liability insurance for the organization in connection with the conduct of grant activities. Identify the purpose of insurance.

**Line 06:** Enter the amount requested for **transportation costs** other than those incurred for the purpose of transporting students to and from the regular school day. **Field trips are not allowable from grant funds.** Explain purpose of transportation costs.

**Line 07:** Enter the amount requested for **food and beverage costs** (not provided by the district food service program) such as snacks, beverages, refreshments, etc. **Explain the purpose of any food and beverage costs and provide the calculation (ex: \$ \_\_\_ per student X \_\_\_ students X \_\_\_ days).** Refer to the guidelines below for allowable and unallowable food costs.

**Guidelines for Food and Beverage Costs:**

<p><b>Light snacks, beverages, and/or refreshments for students and/or parents</b></p>	<p><b>Expenditures are allowable only for:</b></p> <ul style="list-style-type: none"> <li>• Nutritional snacks for students in extended day (i.e., after-school) programs;</li> <li>• Nutritional snacks for children in child care while parents are participating in grant activities;</li> <li>• Food necessary to conduct <u>nutrition education</u> programs for parents; and</li> <li>• Parent involvement activities where refreshments are necessary to encourage participation/attendance by parents, such as in low-income areas, and thus meet program objectives.</li> </ul> <p><b><u>Full meals are not allowable for these purposes under any circumstances.</u></b> Expenditures must be <u>reasonable</u> in cost, <u>necessary</u> to accomplish program objectives, <u>and an integral part of the instructional program.</u></p>
<p><b>Food and beverage costs for any other purpose(s) are <u>unallowable</u>, including, but not limited to:</b> staff meetings or staff training, parties, receptions, award ceremonies and banquets, decorations, recreation, amusement, entertainment, parties, celebrations, social activities, etc.</p>	<p><b>UNALLOWABLE</b></p>

**Line 08:** Enter the amount of **stipends** requested for persons not employed by the applicant. Explain the purpose of stipends for non-employees.

**Printing Costs:** Grantees may charge the grant for not more than two-color printing on any item. Any printing costs beyond the cost of two-color printing must be paid by the grantee from state or local sources.

5. Ensure that Line #10, Total Costs, is the same as the amount on Line #04 of Schedule #3 - Budget Summary.
6. **AMENDMENTS:** Submit this support schedule if there are any changes/deletions/additions to the previously approved items. Include all items previously approved as well as any new items requested. Omit any previously approved items to be deleted. Indicate the amendment number in the space provided. Refer to the instructions for Schedule #3A - Purpose of Amendment to determine if an amendment is necessary.

GENERAL INSTRUCTIONS FOR SUPPORT SCHEDULE #3G -  
CAPITAL OUTLAY (6600/Exclusive of 6619 and 6629)

1. **Items requested on this support schedule must be allowable expenditures under the authorizing program statutes, regulations and rules.**
2. Applicant must carefully evaluate the current use of capital outlay including equipment/furniture to determine the most cost-effective utilization. Funds may be used to purchase capital outlay only when necessary to accomplish the objectives of the project. Grantees must comply with the requirements for competitive bidding outlined in Texas Education Code, Section 44.031 and its implementing rules, where applicable.
3. Capital outlay means an article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition cost which equals:
  - (a) the capitalization level established by the applicant for financial statement purposes, or
  - (b) \$5,000, whichever is less.
4. Report whole dollar amounts only. Omit decimals. Indicate the amendment number on amendments only.
5. **Line 01:** List all equipment and furniture having a unit cost of \$5,000 or more and a useful life of more than one year.
  - Do not list brand names. Use generic descriptions.
  - Enter the cost of each item. All costs include shipping and handling costs.
  - Explain the use/purpose of each item in accomplishing the objectives of the project. Equipment/furniture will not be approved in the absence of this information.
  - Attach an additional page if necessary.

**The applicant may not purchase more than the quantity approved in line 01 or add a new item without an amendment.** If more than the quantity approved is to be purchased, then an amendment must be submitted and approved prior to ordering/encumbering any additional units.

**Line 02:** List all fixed assets - district defined (i.e., equipment/furniture/software) costing less than \$5,000 that must be capitalized according to district policy and that have a useful life of more than one year. Consult with the district business office when in doubt.

- Enter the estimated quantity for each.
- Enter the total for items costing less than \$5,000 that must be capitalized and that have a useful life of more than one year. It is not necessary to include the cost of individual items.
- For each type of item requested, explain the use/purpose of the item in accomplishing the objectives of the project. These items will not be approved in the absence of this information.
- Attach an additional page if necessary.

**Line 03:** List library books and media (6660) requested that meet the one year useful life criteria and are to be catalogued and controlled by the library. Includes CD ROM, software, learning diskettes, and film.

6. Ensure that Line #04, Total Costs, is the same as the amount on Line #06 of Schedule #3 - Budget Summary.

7. **AMENDMENTS:** Submit this support schedule if there are any changes/deletions/additions to the previously approved items. Include all items previously approved as well as any new items requested. Omit any previously approved items to be deleted. Indicate the amendment number in the space provided. Refer to the instructions for Schedule #3A - Purpose of Amendment to determine if an amendment is necessary.

GENERAL INSTRUCTIONS FOR SCHEDULE #4A - PROGRAM ABSTRACT  
(INCLUDING NEEDS AND ELIGIBILITY)

Organization of Program Description Schedules

The program description schedules (Schedules #4A - 4C) are organized in program planning sequence. In planning and designing the grant program, the applicant should:

- Step 1: Conduct a needs assessment to **determine the local needs** that exist within the context of the stated program goals.
- Step 2: **Identify the campuses that will be served according to the criterion listed in Part I of the original RFA.**
- Step 3: **Describe the program strategies** that address all **requirements and criterion listed in Part I of the original RFA** to be implemented/conducted to accomplish the strategies and determine performance indicators to measure and document the accomplishment of the activities.
- Step 4: **Describe the activities** that will be carried out to address the requirements.
- Step 5: **Identify the resources** needed to carry out the activities (using Budget Schedules #3 - 3G).
- Step 6: **Determine the evaluation plan/design** for monitoring the implementation of the program on an ongoing basis and for determining whether the program met its stated goals and achieved the desired results based on established performance indicators.

Applicants are required to provide information related to each of these steps as they proceed through the program schedules.

Instructions for Completing Schedule #4A - Program Abstract (Including Needs and Objectives)

**Part 1**

1. Complete the information in the section entitled "Primary Target Population and Number to Be Served." Include:
  - a. the number of staff involved in Year 1 of the project;
  - b. the number of staff expected to be involved in Year 2 of the project;
  - c. the number of eligible campuses in Year 1;
  - d. the number of campuses fully funded and served in Year 1
  - e. the number of campuses fully funded and to be served in Year 2;
  - f. the number and grade level of students served in Year 1 including private nonprofit school students, *if applicable*. (The total number of private nonprofit school students participating must be the same as the total participating shown on Schedule #5, Part 3, Private Nonprofit Schools);
  - g. the number and grade level of students expected to be served in Year 2 including private nonprofit school students, *if applicable*. (The total number of private nonprofit school students participating must be the same as the total participating as shown on Schedule #5, Part 3, Private Nonprofit Schools).
2. **Program Goals:** The goals of the program are stated herein. The local needs, local program objectives, strategies, activities and evaluation plan described on Schedules #4A-4C must address these program goals and the criteria in Part I of the original RFA to be eligible for continuation funding.
3. **The Statement of Rationale for Selecting Campuses to Be Served.**  
From the list of eligible Year 1 schools, list the campuses that have been prioritized to receive Reading First funds in Year 2. The applicant must also include:
  - a. Briefly identify the **criteria** used to make your selection.

- b. Briefly identify the **methods, strategies and data sources** used to assess needs and select participating campuses.
- c. Describe how eligible Year 1 campuses were selected consistent with the LEA's ability to adequately fund improvement with both grant funds and with other funding sources.
- d. Describe how you determined the commitment to improvement on each campus.
- e. Describe the process you will use to ensure sufficient funding for each selected campus to fully implement their Reading First plan.
- f. Identify the specific local need(s) that exist within the context of the Texas Reading First Initiative goals.
- g. Describe the extent to which gaps, barriers or weaknesses have been identified and will be addressed by the Reading First program.
- h. If applicable, explain why some high needs schools are not included in the application and provide an explanation for how the needs of these schools will be met.
- i. Describe the factors that most influenced your decision not to select these schools for participation in Year 2.

**This schedule should be limited to the space provided, front side only, font size no smaller than 9 point, Arial or Times New Roman.**

## **Part 2**

After listing and briefly describing the need for the project, fill out the **Campus Needs and Eligibility Criteria**. In Part 2, provide the information requested for only those campuses to be fully funded and served during Year 2. Note that campuses to be served in Year 2 of the grant must be based on Year 1 eligibility.

**Amendments:** Submit this schedule only if there are any changes. Indicate the amendment number in the space provided. **Submit the schedule in its entirety, underlining any additions or changes and ~~crossing through~~ any deletions.**

GENERAL INSTRUCTIONS FOR SCHEDULE #4B - PROGRAM DESCRIPTION - PART 1  
PROGRAM REQUIREMENTS

All statutory requirements, state board of education rules and other applicable program regulations have been identified by TEA and listed on this schedule. The requirements are incorporated into the required 11 criteria. Each requirement must be addressed through the applicable criterion in *Program Description—Part 2—Program Strategies and Rationale* (immediately following) this schedule in order to be considered for continuation funding.

Applicants should think of this schedule as a Table of Contents to help guide TEA staff through the program Approach and Rationale. The purpose is to determine if the applicant addressed all requirements as appropriate and to enable the reader to identify the location of the requirement on the following schedules.

**For each requirement, provide the page number in Schedule #4B upon which the requirement is addressed/documented. The applicant is not eligible to be funded in the absence of any of the statutory requirements.**

GENERAL INSTRUCTIONS FOR SCHEDULE #4B - PROGRAM DESCRIPTION -  
PART 2  
PROGRAM STRATEGIES AND UNDERLYING RATIONALE

**1. PROGRAM STRATEGIES**

Technical Component

**General Instructions:** Strategies are the **means** to an end, the methods for achieving the stated program goals and local program objectives (desired results). On this schedule, the applicant must clearly identify, as completely and succinctly as possible, the program strategies, including a description of the plan, methods and techniques, that will be employed to accomplish the identified goal(s) and objectives. Also included must be an explanation of the **rationale** underlying your choice of the strategies (i.e., why do you think they'll work?).

**Specific Instructions:** The applicant will duplicate copies of Schedule #4B, Part 2 to describe the strategies and underlying rationale/research for **each** of the criterion listed in Part I of the original RFA. Applicants are limited to only **two pages** per criterion. Identify the specific number and name of the criterion being addressed.

Identify the strategies to be employed to accomplish each of the specific criterion. **Describe only those strategies that will be funded from this grant.**

**In the identification of the strategies within the components, applicants must address all of the required information in the Program Goals and Program Description and Requirements sections in Part I, Section II in this RFA in order to be considered for continuation funding. These requirements are listed on the previous schedule, Schedule #4B - Program Description - Part 1 - Program Requirements.**

- 2. SCHEDULE #4B, Part 2 IS LIMITED TO NO MORE THAN 2 PAGES PER CRITERION, FOR A TOTAL OF 16 PAGES. FRONT ONLY, FONT SIZE NOT LESS THAN 9 POINT, ARIAL OR TIMES NEW ROMAN.**
- **Any pages with a font size smaller than 9 point, Arial or Times New Roman, will need to be retyped and resubmitted prior to approval of the continuation application by TEA.**
  - **All narrative schedules must be typed. Any hand-written narrative schedules will not be accepted.**
- 3. Amendments:** Submit this schedule only if there are any changes. Indicate the amendment number. **Submit the schedule in its entirety, underlining any additions or changes and ~~crossing through~~ any deletions.**

GENERAL INSTRUCTIONS FOR SCHEDULE #4B - PROGRAM DESCRIPTION - PART 3  
PROGRAM ACTIVITIES

1. For each criterion, enter the local objectives and list the activities to be carried out in Year 2 to accomplish each criterion. The activities must:
  - a) relate directly to the program goals, local program objectives and strategies, as well as to the project description and project requirements sections of the original RFA and the components listed in Part I, Section II(F);
  - b) be sufficient to carry out the proposed program; and
  - c) be designed to provide measurable outcomes.
2. In the columns titled "**Start Date,**" and "**End Date,**" indicate the anticipated starting and ending dates (i.e., month and year) for each major activity. The term "ongoing" will not be accepted as an indicator within the timeline. Time frames must be logical and must be appropriate to complete all activities within the beginning and ending dates of the project.

<p><b>Continue until activities have been provided for each criterion for each strategy identified on Schedule #4B - Part 2 – Program Description.</b></p>
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3. In order to utilize word processing, applicants are required to place the information on the form provided in the application for Schedule #4B – Program Description – Program Activities. However, applicants must include all information on this schedule in the order that it is specified in order to be considered for continuation funding.
4. Applicants may use as many pages as necessary to list the activities under the corresponding components strategies and local program objectives. Use a font size no smaller than 9 point, front side only, Arial or New Times Roman. This schedule must be typed.
5. Grant funds will be used to pay only for activities occurring between the beginning and ending dates of the grant as specified on the Notice of Grant Award.
6. **Amendments:** Submit this schedule only if there are any changes. Indicate the amendment number in the space provided. **Submit the schedule in its entirety, underlining** any additions or changes and ~~crossing through~~ any deletions.

<b>For TEA Use Only</b>
Adjustments and/or annotations made on this (page) have been confirmed with _____
by telephone/FAX on _____
by _____ of TEA.

**TEXAS EDUCATION AGENCY  
Standard Application System (SAS)**

\_\_\_\_\_ County District No.

**School Year 2004-2005  
SCHEDULE #4B--Program Description - Part 3  
Program Activities**

Amendment No. \_\_\_\_\_

(Use as Many Pages as Necessary)

**☛ Sample for Completing Schedule #4B – Program Description – Part 3 – Program Activities ☛**

(Enter Component Area if applicable)

**PROGRAM GOAL: Improve student achievement in reading.**

<b>LOCAL PROGRAM OBJECTIVE</b> Provide professional development to school district leadership in order to improve each child's reading success.
<b>CRITERION – (5) Instructional Leadership</b>

Activities to Be Carried Out to Accomplish Strategy	Positions Responsible Start Date (mo/year)	End Date (mo/year) Timeline
1. Develop a needs assessment and conduct surveys to identify professional development needs for administrative and instructional leaders.  2. Select future professional development of administrative and instructional leaders at non-Reading First campuses regarding implementation of Scientifically Based Reading Research (SBRR)	1. September/2005  2. November/2005	1. September/2005  2. December/2005

Sample

**GRANT FUNDS WILL BE USED TO PAY ONLY FOR ACTIVITIES OCCURRING BETWEEN THE BEGINNING AND ENDING DATES OF THE GRANT AS SPECIFIED ON THE NOTICE OF GRANT AWARD.**

## GENERAL INSTRUCTIONS FOR SCHEDULE #4C - PROGRAM EVALUATION DESIGN

*THIS SCHEDULE MUST BE COMPLETED AND INCLUDED IN THE APPLICATION.*

### **Determine Program Evaluation Plan/Design**

This schedule is used to describe the elements of performance assessment and program evaluation. Included is a description of the methods used to monitor progress and provide for continuous improvement, methods of collecting both qualitative and quantitative data, process evaluation, and performance measures and targets.

The overall purpose of the evaluation is to determine whether the program met its stated goals and achieved the desired results based on the objectives and performance indicators established by TEA and by the grantee. Ultimately, the grantee must be able to determine through formative and summative evaluation:

1. The extent to which the activities of the project were implemented as planned;
2. The effectiveness of the activities in achieving the goals and objectives of the project;
3. The impact of the project activities on the participants; and
4. The extent to which the performance targets were met.

Evaluations may be conducted for each of the selected campuses according to guidelines approved by TEA staff with input from the participating districts.

### **Part 1: Criterion Description**

In order to be considered for continuation funding, the applicant **must check the box** on the top of this schedule indicating agreement to comply with any evaluation requirements that may be established by the TEA, as agreed upon by the project participants and as described below, and that it will submit the evaluation reports in the format requested by the Agency.

#### **Ongoing Monitoring/Continuous Improvement**

- Describe how you will solicit feedback and monitor progress on an ongoing basis.
- Describe how you will use the information to provide for continuous improvement of the project.

#### **Qualitative and Quantitative Data Collection Methods**

- Describe the process and methods you will use during the grant project to collect and analyze both qualitative and quantitative data related to performance measures.

#### **Formative Evaluation**

Describe the process, procedures, and methods you will use to determine the quality and effectiveness of the planning, design, and implementation of the grant project. This should include an assessment of the quality and timeliness of professional development provided, as well as the quality and timeliness of technical assistance and support provided by external consultant(s). Key to the success of the grant will be the processes outlined to provide for the identification and correction of problems as they occur throughout the duration of the grant project.

The results of screening, diagnostic, progress monitoring and outcome assessments are central to the continuation of Texas Reading First funding. In order to comply with USDE and state requirements for evaluation, the LEA evaluation strategy must include the use of valid and reliable measures of student performance, including a consistent outcome measure, to assess the effectiveness of local Texas Reading First activities. Applicants are required to indicate what valid and reliable measures will be used to evaluate and report progress in Texas Reading First schools and specifically define any additional data sources that the LEA will use in Schedule #4C.

Progress will be determined using the existing outcome assessments for each grade level; kindergarten - TPRI/TJL, 1st - ITBS/Logramos or SAT10/Aprenda (equated to ITBS/Logramos), 2nd - ITBS/Logramos or SAT10/Aprenda (equated to ITBS/Logramos), 3rd - TAKS/Spanish TAKS. These outcome scores will determine progress based on year-to-year for funded years, as well as, grade-to-grade for funded years.

The applicant **must** outline an evaluation design which incorporates the following:

- All **components** numbered accordingly under **Criterion #8**, which include:
  1. The extent to which local Reading First program activities are being implemented as planned;
  2. The impact of teacher and administrator professional development on classroom practices and student outcomes;
  3. The efficacy of all professional development based on scientific reading research provided for teachers, other instructional staff and tutors;
  4. The efficacy of the core reading program and any other programs and/or materials used in instruction or intervention in providing scientifically based reading instruction for students in K-3;
  5. The efficacy of technical assistance efforts at both the LEA and state levels;
  6. The efficacy of programs designed to reduce the number of students being referred to special education on the basis of student performance in reading;
  7. Increases in student reading proficiency as evidenced by improved levels of student performance on standardized and diagnostic reading assessments;
  8. Increases in attainment and application of educator knowledge and skills needed to ensure that all students in targeted populations perform at high standards in reading;
  9. Reductions in the number of students requiring tutorial assistance or remediation in reading;
  10. Reductions in the rates of students identified as at risk for reading failure, K-3;
  11. Reductions in the number and rate of students referred to special education for reading difficulties;
  12. The quality, type and degree of coordinated funding with other available funding sources;
  13. The quality, type and degree of participatory involvement practiced by the superintendent, principal(s), teacher(s) and parent(s);
  14. The quality of any products and documents developed as part of the program;
  15. The strengths and weaknesses of specific programs or materials; and
  16. Any recommendations for modifying or improving the program as a result of on-going evaluation activities.
- The use of objective **Program Performance Measures** that are clearly related to the outcomes of the program
- The use of reliable and valid qualitative and quantitative data regarding students, teachers, and schools
- The use of performance feedback based on periodic assessment of progress toward achieving the intended goals of the program

In addition, the formative evaluation should examine, at a minimum, the following:

- the quality, type, and degree of planning, implementation, and evaluation of the project, including the strengths and weaknesses;
- the quality, type, and degree of collaboration with project partners;
- the quality, type, and degree of participatory involvement of the principal(s), teachers, students, and when appropriate, parents;
- the quality, type, and level of services actually provided to the targeted population;
- the quality, type, and level of computer hardware, software, and instructional materials provided for the targeted population;
- the quality, type, and level of professional development activities;
- the quality, type, and level of the curriculum that is utilized;
- the quality, type, and level of instruction; and
- the methods for monitoring progress and for ensuring continuous project improvement, including the timely identification and correction of problems.

**Amendments:** Submit this schedule only if there are any changes. Indicate the amendment number in the space provided. **Submit the schedule in its entirety**, underlining any additions or changes and ~~crossing through~~ any deletions.

GENERAL INSTRUCTIONS FOR SCHEDULE #4D  
EQUITABLE ACCESS AND PARTICIPATION FOR STUDENTS, TEACHERS,  
AND OTHER PROGRAM BENEFICIARIES  
(This schedule is required to be completed and submitted for all federal grants funded  
by the U. S. Department of Education)

In accordance with the General Education Provisions Act, Section 427, as amended by P. L. 103-382, Title II— Amendments to the General Education Provisions Act, the Secretary requires that each applicant for assistance under any program administered by the U.S. Department of Education develop and describe the steps that the applicant proposes to take to ensure equitable access to, and equitable participation in, the project or activity to be conducted with such assistance, by addressing the special needs of students, teachers, and other program beneficiaries in order to overcome barriers to equitable participation, including barriers based on gender, race, color, national origin, disability, and age.

In each column as applicable (i.e., Students, Teachers, and Other Beneficiaries), for each barrier identified by the applicant, mark an X beside the barrier to indicate the strategies that the applicant proposes to take to ensure equitable access to, and equitable participation in Texas Reading First projects and activities. The same numbering sequence is used for all three groups of participants. Mark an X beside “000” if no barriers to equitable access and participation were identified by the applicant. Refer to the Instructions for Schedule #4D for additional information.

**Applications that do not include this schedule are not eligible to be considered for continuation funding.**

Shared Services Arrangements:

Submit one composite schedule for all members of the shared services arrangement.

Amendments: Submit this schedule only if there is any changes. Indicate the amendment number in the space provided. Submit the schedule in its entirety.

## GENERAL INSTRUCTIONS FOR SCHEDULE #5 - PRIVATE NONPROFIT SCHOOLS

This schedule must be completed and submitted with the application whether or not there are any private nonprofit schools located within the boundaries of the applicant. If no private nonprofit schools are located within the boundaries of the applicant, place an “X” in the box to confirm that “No private nonprofit schools are located within the applicants’ boundaries” and do not complete the remainder of the schedule. If the applicant is an open enrollment charter school, this schedule is “Not Applicable.” Place an “X” in the box to confirm that the applicant is an open enrollment charter school, and do not complete the remainder of the schedule.

### **Requirements for Private Nonprofit School Participation:**

- The authorizing statute for this program requires that, after consultation with appropriate private nonprofit school officials, the applicant will provide for the benefit of private nonprofit school children and assure **equitable** participation in services, materials, and equipment, and in training programs for teachers of such children. Refer to P. L. 107-110, Title IX, Section 9501 (NCLB Act) and 34 CFR 76.650 - .662 for specific requirements pertaining to participation of private nonprofit school students.

- Initial Contact:

Prior to completing and submitting this application, the applicant must contact officials of private nonprofit schools located within the boundaries of the applicant to ascertain if private nonprofit school officials desire that children enrolled in their schools participate in the purposes and benefits of this program. Such **initial contact** may be carried out through a variety of communication forms, including documented phone calls, letters (preferably certified), FAX, e-mail, or meetings with private nonprofit school officials.

### Consultation for Participating Private Nonprofit Schools:

If private nonprofit school officials desire that their children participate, the applicant must involve the participating private nonprofit school officials during all phases of the development and design of the program through ongoing communication between appropriate parties. The applicant must consult with private nonprofit school officials prior to making any decision that affects the opportunities of those students to participate in the project. The applicant must give private nonprofit school officials a genuine opportunity to express their views regarding each matter subject to the following consultation requirements:

- a. How the children’s needs will be identified;
- b. What services will be offered;
- c. How, where, and by whom the services will be provided;
- d. How the services will be assessed and how the results of the assessment will be used to improve those services;
- e. The size and scope of the equitable services to be provided to the eligible private school children, teachers, and other educational personnel and the amount of funds available for those services; and
- f. How and when the agency, consortium, or entity will make decisions about the delivery of services, including a thorough consideration and analysis of the views of the private school officials on the provision of contract services through potential third-party providers..

Refer to P. L. 107-110, Title IX, Section 9501 and 34 CFR 76.652 for requirements pertaining to consultation with representatives of private nonprofit schools.

- If services, materials, and equipment are not feasible or necessary in one or more such private nonprofit schools as determined by the applicant after consultation with appropriate private nonprofit schools officials, the applicant shall provide such other arrangements as will meet the needs and assure equitable participation of such children in the purposes and benefits of this program.

- In no case are funds actually transferred to participating private nonprofit schools. The applicant must maintain administrative direction and control over funds and property that benefit private nonprofit school students (34 CFR 76.651).

### Completing Schedule #5:

- ⇒ Place an "X" in the box to confirm that "No private nonprofit schools are located within the applicant's boundaries" if this is applicable, and do not complete the remainder of the schedule. **If there are any private nonprofit schools located within the applicant's boundaries, DO NOT place an "X" in this box. Instead, complete the remainder of the schedule.**
- ⇒ Place an "X" in the box to confirm that the applicant is an open enrollment charter school if this is applicable, and do not complete the remainder of the schedule.

### PART 1: INITIAL CONTACT

1. Check the method(s) used to initially contact private nonprofit schools to determine their interest in participating in the program.
2. Enter the number of private nonprofit schools and facilities located within your boundaries.

### PART 2: ELIGIBLE STUDENTS

Enter the total number of private nonprofit school students **eligible** to receive services or benefits during the grant period. This section must be completed even if no schools chose to participate.

### PART 3: PARTICIPANTS

1. Enter the Number of Private Nonprofit Schools that will participate, and List the Names of those Private Nonprofit Schools that will participate.  
Enter the number of private nonprofit schools that will participate in the grant program.  
Enter the names of the private nonprofit schools that will participate in the grant program.
2. Students  
Enter the total number of private nonprofit school students estimated to **receive** services during the grant period. The total number of private nonprofit school students estimated to participate must be the same as the total participating as shown on Schedule #4, Program Abstract. Check the box if none chose to participate.
3. Teachers  
Enter the total number of private nonprofit school teachers estimated to participate in training during the grant period. Check the box if none chose to participate.

### PART 4: CONSULTATION AND SERVICES

1. Consultation for Participating Private Nonprofit Schools:
  - A. If private nonprofit school officials desire that their students participate, the applicant must provide a genuine opportunity to private nonprofit school officials to express their views during all phases of the development and design of the program. Check the method(s) used to provide a genuine opportunity to participate through ongoing communication.
  - B. Check each box to indicate that consultation with participating private nonprofit school officials included consideration of all of the required elements. **The application is not eligible to be funded if each of these elements is not considered.**

2. If any schools chose to participate, describe **the basis used by the private nonprofit schools to select students for participation**. Do not leave this section blank if any students are participating.
3. Services and Benefits:
  - A. Indicate the places and times students will receive services or benefits.
  - B. Describe equitable services, materials, equipment and teacher training provided to private nonprofit school participants **if different from what is provided in the public school** and the **reasons for the differences**.

The manner in which private nonprofit school students and teachers will participate must also be addressed on Schedule #4B, Program Description—Program Strategies. In addition, the final evaluation of the program must include data representative of participating private nonprofit school children and teachers. Documentation of consultation, planning efforts, and equitable services provided to private nonprofit children and teachers must be maintained by the applicant.

**Amendments:** Submit this schedule only if there are any changes. Indicate the amendment number in the space provided. **Submit the schedule in its entirety.**

GENERAL INSTRUCTIONS FOR SCHEDULE #5A – COMPLETION OF PRIOR YEAR  
PROGRAM ACTIVITIES

This schedule must be completed and submitted with the application in order to be considered for continuation funding.

**Part 1**

Indicate the Grantee Name, County-District Number, and ESC Region in the appropriate boxes.

**Part 2**

**Column 1: Activity**

List 20 major activities that were listed in Schedule #4B – Program Description – Part 3 Program Activities of the original application or most recently approved amendment as applicable. If the applicant has less than 20 activities listed in the original application or most recently approved amendment, then address all of the activities on this schedule.

**Columns 2 and 3: Timeline**

List the start and end dates previously reported for each of these activities in the original application or most recently approved amendment as applicable.

**Column 4: Status of implementation**

For each major activity listed, indicate the status as (a) completed; (b) delayed; (c) deleted; and, (d) ongoing.

**Column 5: Justification**

State the reason(s) for delayed or deleted activities and describe revised action plan for completing delayed activities.

**Amendments:** Submit this schedule only if there are any changes. Indicate the amendment number in the space provided. **Submit the schedule in its entirety.**

## GENERAL INSTRUCTIONS FOR SCHEDULES #6A THROUGH 6F

1. Applicant should carefully review all provisions and assurances included in Schedules #6A through 6F as appropriate. The applicant's signature on Schedule #1 - General Information indicates that the applicant has read and will comply with all of the requirements on these schedules.
2. Schedules #6A through #6F must be attached to each copy of the application. An original signature of the authorized official on Schedule #1 indicates that the administrator has read and will comply with the terms outlined on these schedules. Applications are not eligible to be funded until each copy contains Schedules #6A through #6F.
3. **Schedule #6A** is the **General Provisions and Assurances** which are applicable to all programs in this application.
4. **Schedule #6B** is the **Debarment and Suspension Certification** and is applicable to all federally-funded programs.
5. **Schedule #6C, Lobbying Certification**, and **Schedule #6D, Disclosure of Lobbying Activities**, are required for all federally-funded programs in which the total grant award may exceed \$100,000. Complete Schedule #6D only if the applicant is disclosing lobbying activities. Mark Schedule #6D N/A (Not Applicable) if there are no lobbying activities to disclose.
6. **Schedule #6E** is **Provisions and Assurances Under the NCLB** which are included if applicable to this program.
7. **Schedule #6F** is **Program-Specific Provisions and Assurances** applicable to the program(s) included in this application.

GENERAL INSTRUCTIONS FOR SCHEDULE #6B - DEBARMENT AND SUSPENSION CERTIFICATION  
**(Required for all federally funded grants regardless of the dollar amount.)**

Definitions:

Lower Tier Participant - Any organization or person receiving a grant or contract. This also includes subsequent subgrants and subcontracts.

Covered Transaction - The act of applying for federal funds or submitting a contract for federal funds.

Lower Tier Transaction -

(1) any transaction other than a procurement contract for goods or services by a Lower Tier Participant with another entity or person, including a subgrant to another entity, regardless of the dollar amount, or

(2) a procurement contract by a Lower Tier Participant to some other entity or person for goods or services, regardless of type, expected to equal or exceed a cumulative value of \$25,000.

Principals - An administration head, key project/grant management person, officer, director, within the Lower Tier Participant's organization or within a suborganization or subcontractor. (i.e., superintendents and the key person in the school district who will exert control or management influence over this project. At a university, it would be the president and principal investigator.)

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this application, the prospective lower tier participant is stating that it is neither debarred nor suspended.
2. This certification is a material representation of fact upon which reliance was placed when this certification was signed. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment from federal funds participation.
3. The prospective lower tier participant shall provide immediate written notice to the organization to which this application is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "contract," and "voluntarily excluded," as used in this certification, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the organization to which this application is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this application that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this application that it will include the two-paragraph "CERTIFYING STATEMENT" without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

COMPLIANCE REQUIREMENT: Pursuant to the requirement in number 7 above, for all procurement contracts equal to or greater than \$25,000, or for all subgrants, regardless of the dollar amount, the grantee must include the same two-paragraph "Certification Statement" on Schedule #6B in the solicitation for bid, the contract/written agreement, or the subgrant, as applicable. The grantee may not issue a contract or subgrant to an entity that is debarred or suspended.

The signing of Schedule #1 - General Information by applicant indicates acceptance of all requirements described on this schedule.

**GENERAL INSTRUCTIONS FOR SCHEDULE #6C - LOBBYING CERTIFICATION**  
**(Required for all federally funded grants greater than \$100,000.)**

1. This is a Congress of the United States and the U. S. Department of Education requirement. The applicant must submit this schedule to the Agency for a federal funded application(s) with an approved amount in excess of \$100,000. The Agency will be unable to pay for any obligations established by the applicant unless this schedule is submitted.
2. In addition, if the applicant makes a subgrant or subcontract in excess of \$100,000 to another organization of any type, then the applicant shall require this form to be filed with and retained by the applicant. According to federal law, failure to obtain the certification subjects the applicant to civil penalties.
3. This certification states that the applicant is prohibited from using federal funds for influencing or attempting to influence any member of Congress or its employees or any federal agency employee concerning the making or awarding of a federal grant.
4. This certification also states that if the applicant pays or has paid any funds other than federal to anyone person or organization for influencing or attempting to influence any member of Congress or its employees, or any federal agency employee concerning the making or awarding of a federal grant, that the applicant will disclose to whom payments were made, how much money was involved and the type of work involved. Applicants must use Schedule #6D - Disclosure of Lobbying Activities for complying with this disclosure requirement. The applicant shall require this form to be filed with the applicant on any subgrants or subcontracts it makes in excess of \$100,000 if funds have been spent as stipulated in this paragraph. The applicant will then forward a legible copy of Schedule #6D - Disclosure of Lobbying Activities to the TEA.
5. Additionally, this certification requires the applicant to incorporate the language of this certification into any award or contract documents for awarding subgrants or subcontracts that exceed \$100,000 and that subgrantees and subapplicants shall certify and disclose accordingly.

The signing of Schedule #1 - General Information by applicant indicates acceptance of all requirements described on this schedule.
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**GENERAL INSTRUCTIONS FOR SCHEDULE #6D - DISCLOSURE OF LOBBYING ACTIVITIES**

**(To be completed and submitted only if the applicant has Lobbying Activities to disclose)**

The filing of this form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.

Each organization shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed by such organization. An event that materially affects the accuracy of the information reported includes:

- (a) A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action; or
  - (b) A change in the organization(s) or individual(s) influencing or attempting to influence a covered Federal action; or
  - (c) A change in the officer(s), employee(s), or Member(s) contacted to influence or attempt to influence a covered Federal action.
4. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
  5. If the organization filing the report in item 4 checks "Subawardee", then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known.
  6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
  7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
  8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
  9. For a covered Federal action where there has been an award by the Federal agency, enter the Federal amount of the award for the prime entity identified in item 4 or 5.

10. (a) Enter the full name, address, city, state and zip code of the lobbying entity engaged by the reporting entity identified in item 4 to influence the covered Federal action.  
(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).

[Items 11-15 were moved from Disclosure of Lobbying Activities form.]

16. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

**GENERAL GUIDELINES APPLICABLE TO ALL COST PRINCIPLES**

The following guidelines and attached cost principles apply whether a cost is treated as a direct or an indirect cost.

- A. To be allowable:
1. costs must be necessary and reasonable for proper and efficient performance and administration of the grant award. "Necessary" means essential to accomplish the objectives of the project. A "reasonable cost" is consistent with prudent business practice and comparable to current market value.
  2. costs are not prohibited under specific program statutes, regulations, or guidelines that govern an individual program.
  3. costs must be treated consistently among all programs regardless of fund source (state or federal). Consideration must be given to regard each item of cost as a direct cost or indirect cost and apply determination uniformly.
  4. costs must relate specifically (either directly or indirectly) to the grant program and must be adequately documented.
  5. costs must not be included as a cost or used to meet cost sharing or matching requirements of any other federally financed program.
- B. See the attached document entitled "Cost Principles" or refer to OMB Circulars A-87, A-122, or A-21 as applicable, for a more detailed description of the guidelines and allowable and unallowable costs.
- C. The attached list does not include typical expenditures, such as extra duty pay or substitute pay for teachers, instructional supplies and materials, etc., that are allowable without specific approval unless otherwise indicated.

The following summary is provided for your convenience and as a "guide" only. TEA accepts no responsibility for the interpretation of the cost principles as outlined below. Grantees should consult the complete set of applicable cost principles to determine allowability and unallowability of costs prior to expending funds. All costs must be budgeted and approved on Schedule #3 - Budget Summary in the applicable grant application prior to expenditure. Some costs require specific prior approval in the application, in which case the line item must be specifically budgeted and approved by TEA prior to expenditure.

<b>COST PRINCIPLES</b>			
<b>Items of Cost</b>	<b><u>OMB Circular A-87</u> State and Local Governments (i.e., school districts, ESCs, and open enrollment charter schools operated by a governmental entity)</b>	<b><u>OMB Circular A-122</u> Non-Profit Organizations (i.e., includes open enrollment charter schools operated by a non-profit organization)</b>	<b><u>OMB Circular A-21</u> Educational Institutions (i.e., institutions of higher education) (i.e., includes open enrollment charter schools operated by a college/university)</b>
Accounting	Allowable.	Not addressed.	Not Addressed.
Advertising	Allowable for recruitment of grant personnel; procurement of goods and services; and disposal of surplus materials as specified in OMB A-87.	Allowable for recruitment of grant personnel; procurement of goods and services; and disposal of surplus materials as specified in OMB A-122.  <b>Unallowable</b> for advertising that includes color, is excessive in size, or is for purposes other than recruitment of grant personnel (refer to section 44 of OMB A-122).	Allowable for recruitment of grant personnel; procurement of goods and services; and disposal of surplus materials as specified in OMB A-21.  <b>Unallowable</b> for advertising that includes color, is excessive in size, or is for purposes other than recruitment of grant personnel (refer to section J.37 of OMB A-21).
Advisory Councils	Allowable with specific approval from TEA.  NOTE: <u>Ed-Flex</u> programs do not require specific approval from TEA. <u>For all other grant programs</u> , these costs must be specifically budgeted and approved in the applicable grant application prior to expending funds.	Not addressed.	Not Addressed.
Alcoholic Beverages	<b>Unallowable.</b>	<b>Unallowable.</b>	<b>Unallowable.</b>

Items of Cost	OMB Circular A-87	OMB Circular A-122	OMB Circular A-21
Alumni/ae Activities	Not addressed.	Not addressed.	<b>Unallowable.</b>
Audit Services	Allowable for audits conducted under the Single Audit Act (OMB Circular A-133).	Not addressed, but allowable for audits conducted under the Single Audit Act (OMB Circular A-133).	Not addressed, but allowable for audits conducted under the Single Audit Act (OMB Circular A-133).
Automatic Electronic Data Processing	Allowable.	Not addressed.	Not addressed.
Awards for Participation	Although not specifically addressed in OMB A-87, allowable when reasonable in cost and when necessary to accomplish program objectives. Acceptable awards include certificates, plaques, ribbons, and small trophies nominal in cost, or inexpensive instructionally related items such as pens/pencils to be used in the classroom.	Although not specifically addressed in OMB A-122, allowable when reasonable in cost and when necessary to accomplish program objectives. Acceptable awards include certificates, plaques, ribbons, and small trophies nominal in cost, or inexpensive instructionally related items such as pens/pencils to be used in the classroom.	Although not specifically addressed in OMB A-21, allowable when reasonable in cost and when necessary to accomplish program objectives. Acceptable awards include certificates, plaques, ribbons, and small trophies nominal in cost, or inexpensive instructionally related items such as pens/pencils to be used in the classroom.
Bad Debts	<b>Unallowable</b> unless stipulated in program regulations.	<b>Unallowable.</b>	<b>Unallowable.</b>
Bonding Costs	Allowable for employees who handle grant funds when in accordance with sound business practices.	Allowable for employees who handle grant funds when in accordance with sound business practices.	Not addressed.
Budgeting	Allowable for development, preparation, presentation and execution of grant budgets.	Not addressed, but allowable as in OMB A-87.	Not addressed, but allowable as in OMB A-87.
Civil Defense	Not addressed.	Not addressed.	Generally allowable (costs are distributed to all institutional activities)
Commencement & Convocation Costs	Not addressed	Not addressed.	<b>Unallowable</b> except as specified in OMB A-21.
Communication (includes telephone, FAX, postage, messenger service, electronic communications, etc.)	Allowable.	Allowable.	Allowable.

Items of Cost	OMB Circular A-87	OMB Circular A-122	OMB Circular A-21
Compensation for Personnel Services (includes salaries, wages, and fringe benefits)  (Refer to Instructions to Schedule 3B to "Documentation Required for Charges to Payroll" for additional information.)	Allowable if costs are reasonable, comparable for similar work, and charges are supported with time distribution records or other documentation as stipulated in OMB A-87.	Allowable if costs are reasonable, comparable for similar work, and charges are supported with personnel activity reports as stipulated in OMB A-122.	Allowable if costs are reasonable and are supported with documentation that meets the criteria outlined in OMB A-21.
Conferences/meetings	Allowable when directly related to the grant program.	Allowable when directly related to the grant program.	Allowable when directly related to the grant program.
Construction, remodeling, or alterations	Generally not allowable. Allowable only when specifically provided for in the authorizing program statute.	Generally not allowable. Allowable only when specifically provided for in the authorizing program statute.	Generally not allowable. Allowable only when specifically provided for in the authorizing program statute.
Contingencies	<b>Unallowable.</b>	<b>Unallowable.</b>	<b>Unallowable.</b>
Contributions/Donations to Others	<b>Unallowable.</b>	<b>Unallowable.</b>	<b>Unallowable.</b>
Deans of Faculty and Graduate Schools	Not addressed.	Not addressed.	Salaries and expenses are allowable as they apply to the management/administration of a grant program.
Defense, Prosecution, Claims and Appeals	<b>Unallowable</b> for prosecution of claims against federal/state government.	<b>Unallowable</b> in defense of antitrust suit or prosecution of claims against federal/state government. Other costs allowable or unallowable as stipulated in OMB A-122.	<b>Unallowable</b> for prosecution of claims against federal/state government. Other costs allowable or unallowable as stipulated in OMB A-21.
Depreciation and Use Allowance	Allowable based on acquisition cost as stipulated in OMB A-87.	Allowable based on acquisition cost as stipulated in OMB A-122.	Allowable based on acquisition cost as stipulated in OMB A-21.
Disbursing Service	Allowable for cost of disbursing funds by Treasurer or other designated officer.	Not addressed.	Not addressed.
Displays, Demonstrations, and Exhibits	Allowable when directly related to providing information about the grant program.	Allowable when directly related to providing information about the grant program.	Allowable when directly related to providing information about the grant program.
Donations/Contributions to Others	<b>Unallowable.</b>	<b>Unallowable.</b>	<b>Unallowable.</b>
Employee Morale, Health and Welfare	Allowable as stipulated in OMB A-87.	Allowable as stipulated in OMB A-122.	Allowable as stipulated in OMB A-21.

Items of Cost	OMB Circular A-87	OMB Circular A-122	OMB Circular A-21
Entertainment (including amusement, diversion, social activities, and ceremonies and any costs associated with such)	<b>Unallowable.</b>	<b>Unallowable.</b>	<b>Unallowable.</b>
Equipment and Other Capital Expenditures (includes shipping costs and ancillary charges)	<p><b>Allowable</b> for specific grant purposes. Items with unit acquisition cost of <u>less than \$5,000</u> do not require specific approval from TEA.</p> <p><b>Items with unit acquisition cost of \$5,000 or more require specific prior approval from TEA.</b></p> <p>Improvements or repairs which materially increase the value or useful life of the equipment are <b>allowable with specific approval from TEA.</b></p> <p>Items requiring specific approval from TEA must be specifically budgeted and approved in the applicable grant application prior to expending funds.</p>	<p><b>Allowable</b> for specific grant purposes. Items with unit acquisition cost of <u>less than \$5,000</u> do not require specific approval from TEA.</p> <p><b>Items with unit acquisition cost of \$5,000 or more require specific prior approval from TEA.</b></p> <p>Improvements or repairs which materially increase the value or useful life of the equipment are <b>allowable with specific approval from TEA.</b></p> <p>Items requiring specific approval from TEA must be specifically budgeted and approved in the applicable grant application prior to expending funds.</p>	<p><b>Allowable</b> for specific grant purposes. Items with unit acquisition cost of <u>less than \$5,000</u> do not require specific approval from TEA.</p> <p><b>Items with unit acquisition cost of \$5,000 or more require specific prior approval from TEA.</b></p> <p>Improvements or repairs which materially increase the value or useful life of the equipment are <b>allowable with specific approval from TEA.</b></p> <p>Items requiring specific approval from TEA must be specifically budgeted and approved in the applicable grant application prior to expending funds.</p>
Executive Lobbying Costs	<b>Unallowable.</b>	<b>Unallowable.</b>	<b>Unallowable.</b>
Field Trips	<b>Unallowable.</b>	<b>Unallowable.</b>	<b>Unallowable.</b>
Fines and Penalties	<b>Unallowable</b> except when incurred as a result of compliance with specific federal award provisions.	<b>Unallowable</b> except when incurred as a result of compliance with specific federal award provisions.	<b>Unallowable</b> except when incurred as a result of compliance with specific federal award provisions.

Items of Cost	OMB Circular A-87	OMB Circular A-122	OMB Circular A-21
<p>Food and Beverage Costs</p> <p><i>(State Auditor’s Office Ruling; not specifically addressed in federal cost principles.)</i></p>	<p><b>Unallowable</b> for:</p> <ol style="list-style-type: none"> <li>1. Refreshments for staff meetings/staff training.</li> <li>2. Refreshments or meals at an awards banquet/function.</li> <li>3. Decorations.</li> <li>4. Food and beverage costs related to: entertainment, recreation, amusement, or social activities.</li> <li>5. Any food and beverage costs not necessary to accomplish the objectives of the grant program.</li> </ol> <p><b>Allowable</b> for:</p> <ol style="list-style-type: none"> <li>1. Nutritional snacks for students participating in extended-day program or after-school tutorials, or child care while parents are participating in grant activities or nutrition education program.</li> <li>2. Refreshments for parent meetings/parent involvement activities (only when necessary to encourage attendance such as in low-income areas and to accomplish objectives of the grant program). Includes snacks for children receiving child care while parents are participating in activities.</li> </ol>	<p><b>Unallowable</b> for:</p> <ol style="list-style-type: none"> <li>1. Refreshments for staff meetings/staff training.</li> <li>2. Refreshments or meals at an awards banquet/function.</li> <li>3. Decorations.</li> <li>4. Any food and beverage costs not necessary to accomplish the objectives of the grant program.</li> <li>5. Any food and beverage costs not necessary to accomplish the objectives of the grant program.</li> </ol> <p><b>Allowable</b> for:</p> <ol style="list-style-type: none"> <li>1. Nutritional snacks for students participating in extended-day program or after-school tutorials, or child care while parents are participating in grant activities or nutrition education program.</li> <li>2. Refreshments for parent meetings/parent involvement activities (only when necessary to encourage attendance such as in low-income areas and to accomplish objectives of the grant program). Includes snacks for children receiving child care while parents are participating in activities.</li> </ol>	<p><b>Unallowable</b> for:</p> <ol style="list-style-type: none"> <li>1. Refreshments for staff meetings/staff training.</li> <li>2. Refreshments or meals at an awards banquet/function.</li> <li>3. Decorations.</li> <li>4. Any food and beverage costs not necessary to accomplish the objectives of the grant program.</li> <li>5. Any food and beverage costs not necessary to accomplish the objectives of the grant program.</li> </ol> <p><b>Allowable</b> for:</p> <ol style="list-style-type: none"> <li>1. Nutritional snacks for students participating in extended-day program or after-school tutorials, or child care while parents are participating in grant activities or nutrition education program.</li> <li>2. Refreshments for parent meetings/parent involvement activities (only when necessary to encourage attendance such as in low-income areas and to accomplish objectives of the grant program). Includes snacks for children receiving child care while parents are participating in activities.</li> </ol>

<b>Items of Cost</b>	<b>OMB Circular A-87</b>	<b>OMB Circular A-122</b>	<b>OMB Circular A-21</b>
Fringe benefits (employees)	Allowable.	Allowable.	Allowable.
Fundraising, including financial campaigns and solicitation of gifts, donations, contributions, etc.	<b>Unallowable.</b>	<b>Unallowable.</b>	<b>Unallowable.</b>
Gains and Losses on Disposition of Assets	Allowable as stipulated in OMB A-87.	Allowable as stipulated in OMB A-122.	Allowable as stipulated in OMB A-21.
General Government Expenses	<b>Unallowable.</b>	Not addressed.	Not addressed.
Gifts or items that appear to be gifts	<b>Unallowable.</b>	<b>Unallowable.</b>	<b>Unallowable.</b>
Goods and Services for Personal Use	<b>Unallowable.</b>	<b>Unallowable.</b>	<b>Unallowable.</b>
Hospitality Rooms	<b>Unallowable.</b>	<b>Unallowable.</b>	<b>Unallowable.</b>
Housing and Personal Living Expenses.	<b>Unallowable.</b>	Allowable for organization's officers when necessary for performance of grant award with specific approval by TEA.	<b>Unallowable.</b>
Idle Facilities and Capacity	<b>Unallowable</b> except to meet fluctuations in workload or because of changes in program requirements.  Allowable only when a normal part of doing business and for a reasonable period of time as specified in OMB A-87.	<b>Unallowable</b> except to meet fluctuations in workload or because of changes in program requirements.  Allowable only when a normal part of doing business and for a reasonable period of time as specified in OMB A-87.	Not addressed.

Items of Cost	OMB Circular A-87	OMB Circular A-122	OMB Circular A-21
Insurance and Indemnity	<p>Insurance is allowable when pursuant to the grant award and when in accordance with the governmental unit's policy and sound business practice.</p> <p>Insurance <b>not</b> required or pursuant to the grant award is <b>allowable only with specific approval by TEA</b>.</p> <p>NOTE: <u>Ed-Flex</u> programs do not require prior approval from TEA. <u>For all other grant programs</u>, these costs must be specifically budgeted and approved by TEA in the applicable application prior to the expenditure of funds.</p> <p>Insurance or contributions to a <b>reserve</b> to cover loss or damage to Federal government property (i.e., the federal government has direct title to the property and is allowing the grantee organization to use or to occupy the property. Federal government property does not include property purchased by the LEA with grant funds for which the LEA maintains title to the property). This is <b>allowable only with prior specific approval by TEA</b>.</p> <p>NOTE: <u>Ed-Flex</u> programs do not require prior approval from TEA. <u>For all other grant programs</u>, these costs must be specifically budgeted and approved by TEA in the applicable application prior to the expenditure of funds.</p>	<p>Insurance is allowable when pursuant to the grant award and when in accordance with the organization's policy and sound business practice.</p> <p>Insurance <b>not</b> required or pursuant to the grant award is <b>allowable only with specific approval by TEA</b>.</p> <p>NOTE: <u>Ed-Flex</u> programs do not require prior approval from TEA. <u>For all other grant programs</u>, these costs must be specifically budgeted and approved by TEA in the applicable application prior to the expenditure of funds.</p> <p>Insurance for a reserve covering the risk of loss or damage to Federal property is allowable only to the extent that the organization is liable for such loss or damage.</p> <p>Actual losses which could have been covered by insurance are <b>unallowable</b> except as provided for in OMB A-122.</p> <p>Cost of insurance to a reserve for self-insurance programs are allowable as specified in OMB A-122. <b>allowable only with specific approval by TEA</b>.</p>	<p>Insurance is allowable when pursuant to the grant award and when in accordance with the institution's policy and sound business practice.</p> <p>Insurance <b>not</b> required or pursuant to the grant award is <b>allowable only with specific approval by TEA</b>.</p> <p>NOTE: <u>Ed-Flex</u> programs do not require prior approval from TEA. <u>For all other grant programs</u>, these costs must be specifically budgeted and approved by TEA in the applicable application prior to the expenditure of funds.</p> <p>Insurance for a reserve covering the risk of loss or damage to Federal property is allowable only to the extent that the organization is liable for such loss or damage.</p> <p>Actual losses which could have been covered by insurance are <b>unallowable</b> except as provided for in OMB A-21.</p> <p>Cost of insurance to a reserve for self-insurance programs are allowable as specified in OMB A-21.</p>

Items of Cost	OMB Circular A-87	OMB Circular A-122	OMB Circular A-21
Insurance and Indemnity (cont'd)	<p><b>Indemnification</b> (compensation for loss or damage -- includes securing the LEA against liabilities to third persons and other losses not compensated by insurance or otherwise) is <b>allowable only with specific approval by TEA</b>. NOTE: <u>Ed-Flex</u> programs do not require prior approval from TEA. <u>For all other grant programs</u>, these costs must be specifically budgeted and approved by TEA in the applicable application prior to the expenditure of funds.</p> <p>Actual losses which could have been covered by insurance are <b>unallowable</b> except as provided for in OMB A-87.</p> <p>Cost of insurance to a reserve for self-insurance programs are allowable as specified in OMB A-87.</p>		
Interest	<p>Interest paid (or incurred) to an external party during the grant period for <u>building purchase, construction, or remodeling</u> completed on or after October 1, 1980 (as specifically outlined in OMB A-87) is allowable. Interest paid or incurred during the grant period for <u>equipment</u> (as specifically outlined in OMB A-87) is allowable.</p>	<p>Interest on debt paid (or incurred) to an external party to acquire or replace capital assets, including renovations, alterations, and equipment, is allowable as specifically outlined in OMB A-122.</p>	<p>Interest paid to an external party for building purchase, construction, remodeling, or equipment is allowable as specifically outlined in OMB A-21.</p>
Investment Management Costs	<p>Allowable if for pensions and self-insurance funds.</p> <p><b>Unallowable</b> if solely to enhance income.</p>	<p>Allowable if for pensions and self-insurance funds.</p> <p><b>Unallowable</b> if solely to enhance income.</p>	<p><b>Unallowable</b> if solely to enhance income. Costs related to custody and control of monies and securities are allowable.</p>

Items of Cost	OMB Circular A-87	OMB Circular A-122	OMB Circular A-21
Labor Relations	Not addressed.	Allowable as specified in OMB A-122.	Allowable as specified in OMB A-21.
Legal Expenses	Allowable when required for the administration of a grant program. Legal expenses for claims against the federal or state government are <b>unallowable</b> .	Allowable when required for the administration of a grant program. Legal expenses for claims against the federal or state government are <b>unallowable</b> .	Allowable when required for the administration of a grant program. Legal expenses for claims against the federal or state government are <b>unallowable</b> .
Legislative Expenses and Expenses for Similar Governmental Bodies (such as school boards)	<b>Unallowable.</b>	<b>Unallowable.</b>	<b>Unallowable.</b>
Lobbying	<b>Unallowable.</b>	<b>Unallowable.</b>	<b>Unallowable.</b>
Losses on other Awards	<b>Unallowable</b> (see section 41 of OMB A-87, Under recovery of costs under Federal Agreements)	<b>Unallowable.</b>	<b>Unallowable.</b>
Maintenance, Operations, and Repair	Maintenance and operation of <u>building space</u> used for grant activities is allowable as specified in OMB A-87. Costs which add to the permanent value of property or prolong its life shall be treated as capital expenditures. Maintenance and repair of <u>property and equipment</u> is <u>allowable with specific approval by TEA</u> when it materially increases the value or useful life of the property or equipment. These costs must be specifically budgeted and approved by TEA in the applicable grant application prior to expenditures.	Maintenance and operation of <u>building space</u> used for grant activities is allowable as specified in OMB A-122. Costs which add to the permanent value of property or prolong its life shall be treated as capital expenditures. Maintenance and repair of <u>property and equipment</u> is <u>allowable with specific approval by TEA</u> when it materially increases the value or useful life of the property or equipment. These costs must be specifically budgeted and approved by TEA in the applicable grant application prior to expenditures.	Maintenance and operation of <u>building space</u> used for grant activities is allowable as specified in OMB A-21. Costs which add to the permanent value of property or prolong its life shall be treated as capital expenditures. Maintenance and repair of <u>property and equipment</u> is <u>allowable with specific approval by TEA</u> when it materially increases the value or useful life of the property or equipment. These costs must be specifically budgeted and approved by TEA in the applicable grant application prior to expenditures.
Materials and Supplies (includes shipping costs)	Allowable.	Allowable.	Allowable.

Items of Cost	OMB Circular A-87	OMB Circular A-122	OMB Circular A-21
<p>Meetings/Conferences (includes rental of meeting space and equipment; supplies/materials; consultant fees, etc.)</p> <p><b>Grant funds may not be used to pay for souvenirs, memorabilia, promotional items, or gifts.</b></p>	<p>Allowable for dissemination of information related to the grant program.</p> <p><u>Refreshments</u> for meetings/conferences are <b>not allowable</b>. <u>Group meals</u> (i.e., banquets, luncheons, etc.) for meetings/conferences are <b>not allowable</b> except as described in the section on "Food Costs".</p>	<p>Allowable for dissemination of information related to the grant program.</p> <p><u>Refreshments</u> for meetings/conferences are <b>not allowable</b>. <u>Group meals</u> (i.e., banquets, luncheons, etc.) for meetings/conferences are <b>not allowable</b> except as described in the section on "Food Costs".</p>	<p>Allowable for dissemination of information related to the grant program.</p> <p><u>Refreshments</u> for meetings/conferences are <b>not allowable</b>. <u>Group meals</u> (i.e., banquets, luncheons, etc.) for meetings/conferences are <b>not allowable</b> except as described in the section on "Food Costs".</p>
<p>Memberships</p>	<p><u>Allowable</u> for membership with <u>business, professional and technical</u> organizations related to the grant program. Membership must be in the name of the grantee organization and not in the name of an individual.</p> <p>Memberships in <u>civic, community, or social</u> organizations are <b>allowable only with prior specific approval from TEA</b>.</p> <p>NOTE: <u>Ed-Flex</u> programs do not require prior approval from TEA. <u>For all other grant programs</u>, these costs must be specifically budgeted and approved by TEA in the applicable application prior to the expenditure of funds.</p> <p>Memberships in organizations substantially engaged in <u>lobbying</u> are <b>unallowable</b>.</p>	<p><u>Allowable</u> for membership with <u>business, professional and technical</u> organizations related to the grant program. Membership must be in the name of the grantee organization and not in the name of an individual.</p> <p>Memberships in <u>civic or community</u> organizations are <b>allowable only with prior specific approval</b> from TEA.</p> <p>NOTE: <u>Ed-Flex</u> programs do not require prior approval from TEA. <u>For all other grant programs</u>, these costs must be specifically budgeted and approved by TEA in the applicable application prior to the expenditure of funds.</p> <p>Memberships in <u>social clubs</u> are <b>unallowable</b>.</p>	<p><u>Allowable</u> for membership with <u>business, professional and technical</u> organizations related to the grant program. Membership must be in the name of the grantee organization and not in the name of an individual.</p> <p>Memberships in <u>civic or community organizations</u> or <u>social clubs</u> are <b>unallowable</b>.</p>
<p>Memorabilia</p>	<p><b>Unallowable.</b></p>	<p><b>Unallowable.</b></p>	<p><b>Unallowable.</b></p>

Items of Cost	OMB Circular A-87	OMB Circular A-122	OMB Circular A-21
Motor Pools	Allowable for grant purposes.	Not addressed.	Not addressed.
Organization Costs (related to the establishment or reorganization of an organization such as management consultants, accountants, attorneys, or investment consultants)	Not addressed.	Allowable only with specific approval from TEA for costs associated with establishment or reorganization of organization.  These costs must be specifically budgeted and approved in the applicable grant application prior to expending funds.	Not addressed.
Participant Support Costs (such as stipends, travel, registration fees, etc.)	Not addressed in OMB Circular A-87. TEA allows participant support costs which are reasonable and necessary to accomplish the objectives of the project.	Allowable only with specific approval from TEA.  NOTE: <u>Ed-Flex</u> programs do not require prior approval from TEA. <u>For all other grant programs</u> , these costs must be specifically budgeted and approved in the applicable grant application prior to expending funds.  TEA allows participant support costs which are reasonable and necessary to accomplish the objectives of the project.	Not addressed in OMB Circular A-21. TEA allows participant support costs which are reasonable and necessary to accomplish the objectives of the project.
Patents	Not addressed.	Allowable if required by grant agreement and as specified in OMB A-122.	Allowable if required by grant agreement and as specified in OMB A-21.
Plant Security Costs	Not addressed.	Allowable where directly related to the conduct of grant activities.	Allowable where directly related to the conduct of grant activities.
Pre-Award (Pre-Agreement) Costs	<b>Unallowable</b> unless specific approval is given by TEA.  NOTE: <u>Ed-Flex programs</u> do not require specific approval from TEA. <u>For all other grant programs</u> , these costs must be specifically budgeted and approved in the applicable grant application prior to expending funds.	<b>Unallowable</b> unless specific approval is given by TEA.  NOTE: <u>Ed-flex programs</u> do not require specific approval from TEA. <u>For all other grant programs</u> , these costs must be specifically budgeted and approved in the applicable grant application prior to expending funds.	<b>Unallowable</b> unless specific approval is given by TEA.  NOTE: <u>Ed-flex programs</u> do not require specific approval from TEA. <u>For all other grant programs</u> , these costs must be specifically budgeted and approved in the applicable grant application prior to expending funds.

Items of Cost	OMB Circular A-87	OMB Circular A-122	OMB Circular A-21
Pre-Award (Pre-Agreement) Costs (cont'd)	Pre-award costs are allowable only to the extent that they would have been allowable if incurred after the effective date of the award.	Pre-award costs are allowable only to the extent that they would have been allowable if incurred after the effective date of the award.	Pre-award costs are allowable only to the extent that they would have been allowable if incurred after the effective date of the award.
Professional and Consultant Services	Allowable when provided by non-employees and when the grantee organization does not possess the expertise. "Honorariums" are not allowable costs in Texas. The term "fee" must be used in lieu of honorarium in all accounting records and consultant agreements.	Allowable when provided by non-employees and when the grantee organization does not possess the expertise. Refer to OMB A-122 for additional specifications. "Honorariums" are not allowable costs in Texas. The term "fee" must be used in lieu of honorarium in all accounting records and consultant agreements.	Allowable when provided by non-employees and when the grantee organization does not possess the expertise. Refer to OMB A-21 for additional specifications. "Honorariums" are not allowable costs in Texas. The term "fee" must be used in lieu of honorarium in all accounting records and consultant agreements.
Promotional Items (such as T-shirts, caps, tote bags, key chains, etc.)	<b>Unallowable.</b>	<b>Unallowable.</b>	<b>Unallowable.</b>
Proposal Costs (i.e., preparing grant applications/proposals)	<p>The cost of preparing grant applications for <u>continuing formula entitlement grant programs</u> is allowable as a <b>pre-award cost requiring prior specific approval by TEA.</b></p> <p>NOTE: <u>Ed-Flex</u> programs do not require prior approval from TEA. <u>For all other grant programs</u>, these costs must be specifically budgeted and approved by TEA in the applicable application prior to the expenditure of funds.</p> <p>TEA does not allow costs of preparing grant applications/ proposals for <u>competitive discretionary grants</u>.</p> <p>Costs for preparing applications/ proposals to obtain <b>other</b> grant monies are <u>not allowable</u>.</p>	<p>The cost of preparing grant applications for <u>continuing formula entitlement grant programs</u> is allowable as a <b>pre-award cost requiring prior specific approval by TEA.</b></p> <p>NOTE: <u>Ed-Flex</u> programs do not require prior approval from TEA. <u>For all other grant programs</u>, these costs must be specifically budgeted and approved by TEA in the applicable application prior to the expenditure of funds.</p> <p>TEA does not allow costs of preparing grant applications/ proposals for <u>competitive discretionary grants</u>.</p> <p>Costs for preparing applications/ proposals to obtain <b>other</b> grant monies are <u>not allowable</u>.</p>	<p>The cost of preparing grant applications for <u>continuing formula entitlement grant programs</u> is allowable as a <b>pre-award cost requiring prior specific approval by TEA.</b></p> <p>NOTE: <u>Ed-Flex</u> programs do not require prior approval from TEA. <u>For all other grant programs</u>, these costs must be specifically budgeted and approved by TEA in the applicable application prior to the expenditure of funds.</p> <p>TEA does not allow costs of preparing grant applications/ proposals for <u>competitive discretionary grants</u>.</p> <p>Costs for preparing applications/ proposals to obtain <b>other</b> grant monies are <u>not allowable</u>.</p>

Items of Cost	OMB Circular A-87	OMB Circular A-122	OMB Circular A-21
Public Relations	Allowable only when specifically required by the grant award; for communicating with the public with regard to grant activities; or to keep the public informed on matters of public concern and as specified in OMB A-87, Attachment B, section 2.d. Costs of public relations designed solely to promote the LEA are <b>unallowable</b> .	Allowable only when specifically required by the grant award; for communicating with the public with regard to grant activities; or to keep the public informed on matters of public concern and as specified in OMB A-122, Attachment B, section 1. Costs of public relations designed solely to promote the organization are <b>unallowable</b> .	Allowable only when specifically required by the grant award; for communicating with the public with regard to grant activities; or to keep the public informed on matters of public concern and as specified in OMB A-21, section J.1. Costs of public relations designed solely to promote the institution are <b>unallowable</b> .
Publication and Printing Costs (includes distribution and mailing of publications)	Allowable.	Allowable as <u>indirect costs</u> . Allowable as <u>direct cost</u> to grant program only with specific approval from TEA. NOTE: <u>Ed-Flex</u> programs do not require specific approval from TEA. <u>For all other grant programs</u> , these costs be specifically budgeted and approved in the applicable grant application prior to expending funds.	Not addressed.
Rearrangements and Alterations	Allowable for ordinary alterations unless prohibited in program requirements. Prior approval required by TEA if costs are incurred specifically for a grant. These costs must be specifically budgeted and approved in the applicable grant application prior to expending funds.	Allowable for ordinary alterations unless prohibited in program requirements. Prior approval required by TEA if costs are incurred specifically for a grant. These costs must be specifically budgeted and approved in the applicable grant application prior to expending funds.	Allowable for ordinary alterations unless prohibited in program requirements. Prior approval required by TEA if costs are incurred specifically for a grant. These costs must be specifically budgeted and approved in the applicable grant application prior to expending funds.
Reconversion Costs	Allowable to restore facility to condition existing immediately prior to the grant award (less costs related to normal wear and tear).	Allowable to restore facility to condition existing immediately prior to the grant award (less costs related to normal wear and tear).	Allowable to restore facility to condition existing immediately prior to the grant award (less costs related to normal wear and tear).
Recruiting and Relocation Costs	Not addressed.	Allowable as specified in OMB A-122.	Allowable as specified in OMB A-21.

Items of Cost	OMB Circular A-87	OMB Circular A-122	OMB Circular A-21
Reference Materials	Not specifically addressed, but allowable when related to the grant program.	Not specifically addressed, but allowable when related to the grant program.	Not specifically addressed, but allowable when related to the grant program.
Rental Costs	Allowable to the extent that the rates are comparable to that of other rental property in the locale and as specified in OMB A-87.	Allowable to the extent that the rates are comparable to that of other rental property in the locale and as specified in OMB A-122.	Allowable to the extent that the rates are comparable to that of other rental property in the locale and as specified in OMB A-21.
Royalties and Other Costs for Use of Patents	Not addressed.	Allowable as specified in OMB A-122.	Allowable as specified in OMB A-21.
Sabbatical Leave Cost	Not addressed.	Not addressed.	Allowable provided Institution has uniform policy.
Scholarships and Student Aid Costs	Not addressed.	Not addressed.	Allowable only when the purpose of the grant is to provide training to selected participants and with specific approval from TEA as specified in OMB A-21.
Selling and Marketing	Not addressed.	<b>Unallowable</b> for selling or marketing any products or services of the organization. Allowable as direct costs with specific approval from TEA when they are necessary for the performance of the grant program.	Unallowable.
Severance Pay	Allowable if required by law, employer-employee agreement, or agency policy as specified in OMB A-87, section 11 g. Specific prior approval required from TEA on a case-by-case basis for unusual or mass layoff costs	Allowable if required by law, employer-employee agreement, or agency policy as specified in OMB A-122. Specific prior approval required from TEA on a case-by-case basis for unusual or mass layoff costs.	Allowable if required by law, employer-employee agreement, or agency policy as specified in OMB A-21. Specific prior approval required from TEA on a case-by-case basis for unusual or mass layoff costs.
Souvenirs	<b>Unallowable.</b>	<b>Unallowable.</b>	<b>Unallowable.</b>
Specialized Service Facilities	Not addressed.	Allowable as specified in OMB A-122.	Allowable as specified in OMB A-21.

Items of Cost	OMB Circular A-87	OMB Circular A-122	OMB Circular A-21
Student Activity Cost	Not addressed.	Not addressed.	<b>Unallowable</b> unless specifically approved by TEA as part of the grant agreement. These costs must be specifically budgeted and approved in the applicable application prior to expenditures.
Subscriptions	Allowable for <u>business, professional, and technical</u> periodicals when related to grant program. Subscriptions must be in the name of the grantee organization and not in the name of an individual.	Allowable for <u>business, professional, and technical</u> periodicals when related to grant program. Subscriptions must be in the name of the grantee organization and not in the name of an individual.	Allowable for <u>business, professional, and technical</u> periodicals when related to grant program. Subscriptions must be in the name of the grantee organization and not in the name of an individual.
Taxes	Allowable except for self-assessed taxes.	Allowable as specified in OMB A-122.	Allowable as specified in OMB A-21.
Termination of Grant Award	Not addressed.	Allowable as specified in OMB A-122.	Allowable as specified in OMB A-21.
Training and Education	Training for employee development is allowable. Although not addressed in OMB A-87, college level courses are allowable only when the courses are relative to the field in which the employee is now working or may reasonably be expected to work.	Training for employee development is allowable. College level courses are allowable only when the courses are relative to the field in which the employee is now working or may reasonably be expected to work and are limited to the restrictions in OMB A-122.	Although not specifically addressed in OMB A-21, training for employee development is allowable. College level courses are allowable only when the courses are relative to the field in which the employee is now working or may reasonably be expected to work.
Transportation of Goods	Allowable for transporting goods purchased with grant funds.	Allowable for transporting goods purchased with grant funds.	Allowable for transporting goods purchased with grant funds.

Items of Cost	OMB Circular A-87	OMB Circular A-122	OMB Circular A-21
Travel Costs (for employees)	<p>Allowable for employees traveling on official business incident to grant program.            Costs may not exceed maximum allowable rates for in-state or out-of-state travel.  <u>In-State Travel:</u>  <b>Mileage</b> not to exceed 35 cents per mile or local policy, whichever is <u>less</u>.  <b>Airfare</b> at lowest available airfare.  <b>Car rental</b> (allowable only where rental car is more cost effective than other transportation such as taxi or shuttle).            Actual cost of <b>lodging</b> not to exceed \$80 per night.            Actual cost of <b>meals</b> not to exceed \$30 per day.  <b>Registration fees</b> to attend conferences/seminars.</p>	<p>Allowable for employees traveling on official business incident to grant program.            Costs may not exceed maximum allowable rates for in-state or out-of-state travel.  <u>In-State Travel:</u>  <b>Mileage</b> not to exceed 35 cents per mile or local policy, whichever is <u>less</u>.  <b>Airfare</b> at lowest available airfare.  <b>Car rental</b> (allowable only where rental car is more cost effective than other transportation such as taxi or shuttle).            Actual cost of <b>lodging</b> not to exceed \$80 per night.            Actual cost of <b>meals</b> not to exceed \$30 per day.  <b>Registration fees</b> to attend conferences/seminars.</p>	<p>Allowable for employees traveling on official business incident to grant program.            Costs may not exceed maximum allowable rates for in-state or out-of-state travel.  <u>In-State Travel:</u>  <b>Mileage</b> not to exceed 35 cents per mile or local policy, whichever is <u>less</u>.  <b>Airfare</b> at lowest available airfare.  <b>Car rental</b> (allowable only where rental car is more cost effective than other transportation such as taxi or shuttle).            Actual cost of <b>lodging</b> not to exceed \$80 per night.            Actual cost of <b>meals</b> not to exceed \$30 per day.  <b>Registration fees</b> to attend conferences/seminars.</p>

Items of Cost	OMB Circular A-87	OMB Circular A-122	OMB Circular A-21
Travel Costs (for employees) (continued)	<p><b>Out-of-State Travel:</b> Reimbursement for mileage may not exceed the rate established by the Texas Comptroller <u>or local policy</u>, whichever is <u>less</u>. <b>Airfare</b> at lowest available airfare. <b>Car rental</b> (allowable only where rental car is more cost effective than other transportation such as taxi or shuttle). Actual cost of <b>lodging</b> and <b>meals not to exceed federal government rates</b> for the locale. <b>For all travel, if local policy is less, reimbursement may not exceed local policy. If local policy is more, any amount above the maximum allowable state rates must be paid from state or local sources.</b></p> <p>Specific approval required for travel of <u>officials</u> (i.e., Supt., Exec. Dir., etc.). For all other programs except Ed-Flex programs, such costs must be budgeted in the applicable application and approved by TEA prior to expenditure of funds. NOTE: Ed-Flex programs do not require specific approval.</p> <p>Air travel by <u>other than commercial airlines</u> is <b>unallowable</b>.</p>	<p><b>Out-of-State Travel:</b> Reimbursement for mileage may not exceed the rate established by the Texas Comptroller <u>or local policy</u>, whichever is <u>less</u>. <b>Airfare</b> at lowest available airfare. <b>Car rental</b> (allowable only where rental car is more cost effective than other transportation such as taxi or shuttle). Actual cost of <b>lodging</b> and <b>meals not to exceed federal government rates</b> for the locale. <b>For all travel, if local policy is less, reimbursement may not exceed local policy. If local policy is more, any amount above the maximum allowable state rates must be paid from state or local sources.</b></p> <p>Specific approval required for travel of <u>officials</u> (i.e., Supt., Exec. Dir., etc.). For all other programs except Ed-Flex programs, such costs must be budgeted in the applicable application and approved by TEA prior to expenditure of funds. NOTE: Ed-Flex programs do not require specific approval.</p>	<p><b>Out-of-State Travel:</b> Reimbursement for mileage may not exceed the rate established by the Texas Comptroller <u>or local policy</u>, whichever is <u>less</u>. <b>Airfare</b> at lowest available airfare. <b>Car rental</b> (allowable only where rental car is more cost effective than other transportation such as taxi or shuttle). Actual cost of <b>lodging</b> and <b>meals not to exceed federal government rates</b> for the locale. <b>For all travel, if local policy is less, reimbursement may not exceed local policy. If local policy is more, any amount above the maximum allowable state rates must be paid from state or local sources.</b></p> <p>Specific approval required for travel of <u>officials</u> (i.e., Supt., Exec. Dir., etc.). For all other programs except Ed-Flex programs, such costs must be budgeted in the applicable application and approved by TEA prior to expenditure of funds. NOTE: Ed-Flex programs do not require specific approval.</p>
Trustees	Not addressed.	Travel costs pertaining to the conduct of grant activities are allowable.	Travel costs pertaining to the conduct of grant activities are allowable.
Tuition and fees related to tuition	Allowable as it pertains specifically to the grant program.	Not specifically addressed, but allowable as it pertains to the grant program.	Not specifically addressed, but allowable as it pertains to the grant program.

<b>Items of Cost</b>	<b>OMB Circular A-87</b>	<b>OMB Circular A-122</b>	<b>OMB Circular A-21</b>
Underrecovery of Costs under Federal Agreements	Unallowable.	Not addressed.	Not addressed.
Utilities	Allowable for grant activities conducted before or after school, weekends, or during the summer.	Allowable for grant activities conducted before or after school, weekends, or during the summer.	Allowable for grant activities conducted before or after school, weekends, or during the summer.