Grant Management Handbook

A Beginner’s Guide to Managing Grants Administered by the Texas Education Agency
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Introduction
The purpose of this handbook is to provide individuals responsible for managing Texas Education Agency (TEA) grants with guidance on how to expend and account for grant funds in accordance with grant requirements. The following information is presented:

- **Online resources**: Websites referenced throughout the handbook
- **Definition of terms**: Common terms used in discussing grant management issues
- **System access**: How to gain access to the TEA grant management systems
- **Grant information**: Grant-related TEA resources available for eGrants and paper grants, as well as the resources available on the Grants and Grant Management Resources pages of the TEA website
- **Regulatory overview**: Various regulations governing the administration of TEA grants
- **Uniform Grant Management System (UGMS)**: How federal regulations are applied to all grants administered by TEA, whether state or federally funded
- **Education Department General Administrative Regulations (EDGAR)**: Grant-related guidance from Title 34 of the Code of Federal Regulations (34 CFR) that applies to independent school districts, open-enrollment charter schools, institutions of higher education, and nonprofit organizations
- **Office of Management and Budget (OMB) Circulars**: Guidance on allowable costs, according to the grantee’s entity type
- **Cost Allocation Guide for State and Local Governments**: Guidance on how to allocate costs, on direct and indirect administrative cost rates, and on time and effort documentation

This handbook is designed to be viewed in electronic form, with web links taking the form of anchor text (the TEA home page) rather than URLs (www.tea.state.tx.us). All websites referenced in this handbook are listed in the following section, with their URLs.

With feedback on this handbook, including topics that should be included in future versions, please email the Office of the Chief Grants Administrator at GAFPC@tea.state.tx.us.

Online Resources
The websites mentioned throughout this handbook are listed here for ease of reference, along with the description of how to navigate to them from the TEA home page (www.tea.state.tx.us).

Grants Page
The Grants page is produced by the Division of Grants Administration (512-463-8525; GAPFC@tea.state.tx.us). You can reach the page as follows:

1. From the TEA home page, select the Funding link in the left navigation bar.
2. On the page that opens, select the red Grants link on the lower left navigation bar.

Or use the following URL: http://www.tea.state.tx.us/grants/

Grant Management Resources
The Grant Management Resources page is produced by the Division of Grants Administration (512-463-8525; GAPFC@tea.state.tx.us). You can reach the page as follows:
1. From the **TEA home page**, select the Funding link in the left navigation bar.
2. On the page that opens, select the red Grants link on the lower left navigation bar.
3. In the Grant Management Resources section of the **Grants** page, select the Grant Management Resources link.

Or use the following URL: [http://www.tea.state.tx.us/grants/gmresources/](http://www.tea.state.tx.us/grants/gmresources/)

**TEA Grant Opportunities**

1. From the **TEA home page**, select the Funding link in the left navigation bar.
2. On the page that opens, select the red Grants link on the lower left navigation bar.
3. In the TEA Grant Opportunities Page section of the **Grants** page, select the TEA Grant Opportunities link.

Or use the following URL: [http://burleson.tea.state.tx.us/GrantOpportunities/forms/GrantProgramSearch.aspx](http://burleson.tea.state.tx.us/GrantOpportunities/forms/GrantProgramSearch.aspx)

**TEAL (TEA Login)**

1. From the **TEA home page**, select the “TEASE & TEAL Secure Applications” graphic on the right.
2. Select the “TEAL Login” graphic.

Or use the following URL: [https://pryor.tea.state.tx.us/](https://pryor.tea.state.tx.us/)

For more information about the TEAL secure environment and how to log in to secure applications using TEAL, see Accessing TEA Software Applications through the Secure Environment: TEASE and TEAL.

**TEASE (TEA Secure Environment)**

1. From the **TEA home page**, select the “TEASE & TEAL Secure Applications” graphic on the right.
2. Select the “TEASE Login” graphic.

Or use the following URL: [https://sequin.tea.state.tx.us/apps/logon.asp](https://sequin.tea.state.tx.us/apps/logon.asp)

As described in Accessing TEA Software Applications through the Secure Environment: TEASE and TEAL, TEASE is in the process of being replaced with TEAL. Until TEAL becomes fully operational, it is still possible to access many TEA secure applications, such as eGrants, through the legacy TEASE system. However, TEASE is scheduled to be phased out in the near future.

It is recommended that users begin accessing TEA secure applications through TEAL as soon as possible. Follow the instructions in Accessing TEA Software Applications through the Secure Environment: TEASE and TEAL to request a TEAL account.

**Education Department General Administrative Regulations (EDGAR)**

This page of the Ed.gov site provides links to all parts of EDGAR: [http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html](http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html).
Definition of Terms

This section provides a definition of basic grant-related terms used throughout the handbook.

Request for Application (RFA)

The request for application (RFA) is the official document describing a grant program and including the guidelines governing the program (General and Fiscal Guidelines, program guidelines), any legal provisions and assurances that apply to the grant program, as well as the grant application and instructions for completing it. The RFA for all TEA-administered grants is posted on the TEA Grant Opportunities page, as described in TEA Grant Opportunities Page.

The General and Fiscal Guidelines are those guidelines that apply to all TEA grant programs. These guidelines are updated periodically and are available on the Division of Grants Administration's Grant Management Resources page. All grant applicants and grantees should be familiar with these guidelines.

The program guidelines are those guidelines that are specific to a grant program. These guidelines are accessible from the TEA Grant Opportunities page and, for grants published electronically, through the eGrants system.

Once approved by TEA, the signed and submitted grant application is a legally binding contract that incorporates all parts of the RFA, as well as supporting and amending documents such as frequently asked questions (FAQs) and errata notices.

An RFA is different from the following other forms of request:

- Request for proposal (RFP): Generally associated with contracts rather than grants
- Request for qualifications (RFQ) or request for information (RFI): Means of gathering data about potential providers or suppliers

Application Type

TEA publishes grant applications via two methods: electronically, through the eGrants system, and on paper.

eGrant

An eGrant is a grant application that is published through eGrants, TEA’s electronic grants system. eGrants is accessible online through TEAL (see Accessing TEA Software Applications through the Secure Environment: TEASE and TEAL). For every eGrant, the eGrants system stores and makes available all grant-related documents, such as the grant application, general and fiscal guidelines, program guidelines, and any errata notices issued for the grant.

Paper Grant

A paper grant is a grant application that must be downloaded in Word from the TEA Grant Opportunities page, completed on the applicant’s desktop, then printed, signed, and mailed to the TEA Document Control Center. For every paper grant, all grant-related documents, such as the grant application, general and fiscal guidelines, program guidelines, and any errata notices issued for the grant are listed on the TEA Grant Opportunities page.
**Grant Type**

TEA administers two grant types: formula grants, and discretionary grants.

**Formula Grant**

Formula grants are also known as entitlement grants (see the Entitlement entry). Grantees are not required to compete for formula funds, although grantees are required to complete grant applications and comply with other grant requirements in order to ensure that grant funds are expended in accordance with the defined purpose and goals of the grant program. Almost all formula grants are eGrants.

Grantees are local educational agencies (LEAs), with grant awards determined by a mathematical formula defined in statute (either federal or state) that takes into account the LEA’s population intended to be served. For instance, for the Title I, Part A, grant program, an LEA’s funding depends on the number of “formula children” (that is, children who either come from low-income homes, live in foster homes, or live in facilities for neglected children) who reside within the LEA’s boundaries.

**Discretionary Grant**

Discretionary grant programs are often funded by federal or state legislation to address current social issues, such as the need to prevent students from dropping out of high school or to increase literacy rates. Almost all discretionary grants are paper grants.

State-funded discretionary grants are funded through legislation that permits the commissioner of education to make certain decisions about how the grant funds will be awarded; in other words, the grant program is designed to allow the commissioner to use discretion in determining how the grant program will be designed and who will be eligible for funding.

Federally funded discretionary grants are funded through legislation passed by the US Congress.

**Discretionary Competitive Grant**

TEA defines eligibility criteria, and eligible applicants are required to submit applications that conform to stated requirements. Applications are reviewed and scored to determine which applicants receive grant funding.

**Discretionary Competitive Continuation**

Grant funding is made available to only to grantees under the original grant application for an additional grant period than that specified in the original grant application. Continuation grant applications are not reviewed or scored.

**Discretionary Noncompetitive**

TEA determines the eligibility list and makes funds available to all eligible applicants that complete and submit a substantially approvable application.

**Funding Type**

TEA administers grants funded by two sources: federal funds and state funds.
State-Funded Grant

State-funded grants are authorized by legislation passed by the Texas Legislature. They may be either formula or discretionary grants.

Federally Funded Grant

Federally funded grants are authorized by legislation passed by the US Congress. The US Department of Education (USDE) has oversight over most federal grants administered by TEA. Most of TEA’s federally funded grants fall under one of the following three major programs:

- Elementary and Secondary Education Act of 1965 (ESEA), as reauthorized by the No Child Left Behind Act of 2001 (NCLB)
- Individuals with Disabilities Education Act (IDEA)
- Carl D. Perkins Vocational and Technical Education Act (Perkins)

Although most grants under those three major federal programs are formula funded, federal grants may also be discretionary.

Entitlements

Entitlements may be federally or state funded.

In terms of grant awards, an entitlement is the amount that a grantee of a formula-funded grant program has access to, based on the requirements of a given grant. A grantee’s expenditures may not exceed the amount of the entitlement. All entitlements are based on population data from sources such as the US Census Bureau or information self-reported by the LEA and calculated using mathematical formulas published by the granting entity in statute (federal or state).

Entitlements are generally made available in phases, as follows.

Preliminary Planning Amounts

Much of the data used to calculate entitlements is not officially available until after the beginning of the school year.

In order to help school officials prepare their budgets for the coming school year, TEA calculates “preliminary planning amounts,” or estimated funding amounts, based on factors such as the previous year’s population data and USDE formulas. Preliminary planning amounts are issued with the understanding that amounts will be revised when data and formula information are received for the current year. These funds are immediately available to LEAs to draw down through the Expenditure Reporting (ER) system.

Planning Amounts

Planning amounts are calculated using current data and are thus much closer to the actual amount of a grantee’s entitlement. However, because new charter schools are unable to report data until after the beginning of the school year, and because federal funding is not officially available until October, these amounts are still considered estimates.
Revised Planning Amounts
Planning amounts may be required to be recalculated for a number of reasons, including changes to the amount of grant funding made available by the US Department of Education. If these recalculations occur, the resulting amount is known as a “revised planning amount.”

Maximum Entitlements
When both population data and statutory formulas are final, entitlements are calculated for the last time. This amount, the “maximum entitlement,” is the final calculated formula entitlement the LEA is eligible for and receives for the formula-funded grant.

Negotiations
When an applicant submits a substantially approvable grant application to TEA, or is selected for funding if the grant is competitive, grant negotiators review the application to ensure it complies with all applicable requirements of the grant. If changes must be made to the application to make it compliant, a negotiator contacts the applicant and assists the applicant in making those changes.

An application is said to have been “negotiated to approval” when the change process is complete and the application meets all requirements. At that point, a Notice of Grant Award (NOGA) may be issued (see the Notice of Grant Award entry).

Grant negotiators also negotiate amendments to the application (see the Amendment entry).

Notice of Grant Award (NOGA)
When a submitted application has been negotiated to approval, TEA issues a Notice of Grant Award (NOGA). The NOGA includes the following information:

- Grant and grantee information: LEA name, county-district number, vendor ID, name of campus (if applicable), ESC region, and school year of the grant.
- FAR Fund Code: The code that identifies the grant in systems such as the Public Education Information Management System (PEIMS); used by TEA in order to identify what LEAs are receiving grant funds. Also identifies whether the grantee is receiving funds as an independent grantee or the fiscal agent of a shared services arrangement.
- FAR Rev Code: The code used by TEA for federal reporting purposes.
- Fed Awd #/CFDA #: Information drawn from the federal NOGA received by TEA. The CFDA (Catalog of Federal Domestic Assistance) number identifies the grant program by statute.
- TEA Use Only: Identifies grant funds by the project ID assigned by TEA (first four digits), the year during which funds were awarded to TEA by the federal government (next two digits), and the accounting subcategory to which funds are assigned (last two digits). Note that a NOGA may include more than one line of information for a single grant. In that case, the grantee may have been awarded carryover. The two digits indicating year may be different in this case.
- Begin and end date of the grant: Indicates the period of availability for grant funds. Refer to the General and Fiscal Guidelines as well as Title 34 of the Code of Federal Regulations (34 CFR) 76.707. (See EDGAR: Title 34 of the Code of Federal Regulations for more information about obligation of funds.)
- Increase (Decrease): The amount by which the reissued NOGA has increased or decreased. (See Definition of Terms, Entitlements, for an explanation of how NOGA amounts may increase or decrease.)
- Amount: The amount of grant funds being awarded in the NOGA.

**Expenditure Reporting (ER) System**

Grantees use the electronic expenditure reporting (ER) system to report allowable expenditures by class/object code and request reimbursement for those expenditures.

**Amendment**

An approved grant application describes the grant program the grantee has contracted with TEA to provide. Certain changes to the grant program being delivered must be approved in writing by TEA through the grant amendment process. All amendments must meet grant requirements in order to be approved. For information on when an amendment is required, refer to “When to Amend the Application,” in the Amendments section of the Grant Management Resources page.

The schedule for amending the grant application is included with every eGrants and paper RFA.
Accessing TEA Software Applications through the Secure Environment: TEASE and TEAL

TEA software applications that incorporate sensitive user data, such as details of grants awarded, are “secured” to prevent access by unauthorized users.

Access to all TEA secure software applications, including ER (the electronic expenditure reporting system, used to request reimbursement for allowable grant-related expenditures) and eGrants (the electronic grant management system), is managed through a “secure environment,” or secure portal.

The legacy secure environment is the TEA Secure Environment, or TEASE. ER and eGrants are both accessed through TEASE. However, TEASE is being phased out, and TEA is now making the transition to a new secure environment, known as TEA Login, or TEAL.

Transition from TEASE to TEAL

At some point in the near future, access to ER and eGrants will transfer to TEAL. To prepare as best as possible for that transition, it is important for program directors to have access to both the TEASE and TEAL portals.

The following sections describe:

1. How to request a TEAL user account.
2. How to request a TEASE user account by requesting access to ER.
3. How to request access to another secure software application, in this case eGrants, once you have TEASE access.
4. How to log in to TEAL.
5. How to link to/from TEAL to TEASE applications.
6. How to access TEASE applications through TEAL.

How to Request a TEAL User Account

Follow these steps to request a TEAL user account.

1. On the TEA home page, select the graphic at the right of the page that reads “TEASE & TEAL Secure Applications.” (Note that the student art displayed on the TEA home page changes regularly. The art shown in the following screenshot is likely to have been replaced with new art by the time this handbook is published.)
2. On the TEA Secure Applications Information page that opens, select the “TEAL Login” graphic.
3. On the TEA Login (TEAL) page that opens, select the “Request New User Account” link.
4. On the form that opens, complete all required fields and select the Submit button.

Within two business days of the submission of an approvable request, TEA’s TEAL administrators will reply with the user’s account information.

**How to Request a TEASE User Account by Requesting ER Access**

As described above, TEA is transitioning away from its legacy secure environment, TEASE, to a new secure software portal, TEAL. Two of the main systems program directors use in administering TEA grants, ER and eGrants, are still accessed through TEASE. Therefore, in addition to TEAL access, you must also request access to TEASE.

While you are waiting for your TEAL account to be created, follow the steps in the following section to request TEASE access. Note that TEASE access is granted through a request for access to a secure application. (That is, you apply for access to ER or eGrants and for TEASE access at the same time.) The following instructions describe how to request access to ER at the same time that you request a new TEASE account.

To request access to ER at the same time that you request a new TEASE account, follow these steps:

1. On the [TEA home page](#), select the graphic at the right of the page that reads “TEASE & TEAL Secure Applications.” (The student art displayed on the TEA home page changes regularly. The art shown in this screenshot is likely to have been replaced by the time this handbook is published.)
2. The screen that opens displays a list of applications accessed through both the TEASE and TEAL portals. Scroll down in the list to ER Expenditure Reports. Select the “Request Access Online” link in the center column.

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</thead>
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<td></td>
<td></td>
<td><a href="#">Request Access Online</a> or Request Form (print and send)</td>
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<tr>
<td></td>
<td></td>
<td><a href="mailto:egrants@tea.state.tx.us">egrants@tea.state.tx.us</a> (512) 463-7025</td>
</tr>
</tbody>
</table>


4. On the Request New TEASE User Account screen that opens, select Expenditure Reporting from the drop-down list.
5. Complete the form that opens. (Note that the following screenshot reproduces only part of the form, which in its entirety takes up a full screen.)

![Provide and Verify Applicant Information](image)

6. Complete the remaining screens as prompted.

The TEASE administrators will respond as soon as possible to requests for TEASE access.

**How to Request Access to Another Secure Software Application (eGrants)**

At this point, you have submitted requests for the following access:

- TEAL user account
- TEASE user account
- ER system access

You will also require access to the eGrants system. Because eGrants is accessed through TEASE, you must wait for your TEASE user account to be issued before you apply for access to eGrants.

Once you receive your TEASE user account, follow these steps to gain access to eGrants:
1. On the TEA home page, select the graphic at the right of the page that reads “TEASE & TEAL Secure Applications.” (The student art displayed on the TEA home page changes regularly. The art shown in this screenshot is likely to have been replaced by the time this handbook is published.)

2. On the TEA Secure Applications Information page that opens, select the “TEASE Login” graphic.
3. Using the username and password supplied by the TEASE administrators, log in to TEASE.

4. On the Application List screen that opens, select “Add/Modify Application Access” in the upper right corner.

5. From the drop-down list on the Add/Modify Application Access screen that opens, select eGrants Production. A message will display to alert you that your employer’s vendor ID number is required to complete the request. Your business office should have this number.

6. Complete the remaining screens as prompted.

At this point, you have access to both secure environments, TEAL and TEASE, and to the two main secure software applications, ER and eGrants.

The following section describes how to log on to TEAL and how to link your TEASE applications to your TEAL account. Once you complete this step, you will access those linked applications directly through TEAL (without having to log separately onto TEASE).

**How to Log onto TEAL**

Follow these steps to log onto TEAL:

1. On the TEA home page, select the graphic at the right of the page that reads “TEASE & TEAL Secure Applications.”

2. On the TEA Secure Applications Information page that opens, select the “TEAL Login” graphic.
3. On the TEA Login page that opens, use the username and password supplied by the TEAL administrators to log onto TEAL.

On your first login, you will be prompted to change your password. Follow the instructions to choose a password that conforms to system requirements.

**How to Link TEASE Applications to TEAL**

After you log on to TEAL for the first time, you must link from TEAL to any secure applications you continue to access through TEASE. Once you have completed this step, you will be able to access all your secure applications directly through TEAL. The TEAL administrator will complete approvable link requests within a day.

Follow these steps to link from TEAL to your TEASE applications:

1. In the left navigation bar, under the Self-Service heading, select “Link TEASE Accounts.”

2. On the screen that opens, select “Link a TEASE account.”
3. Complete the screen that opens with the requested information.

![TEASE account link](image)

**Accessing TEA Secure Applications through TEAL**

Once you have linked to your TEASE applications through TEAL, links to all your TEA secure applications are available on the Welcome page. Links are organized in accordance with the secure environment you use to open the secure application:

- Applications accessible directly through TEAL are listed to the left of the page, under the Applications tab.
- A link to your TEASE account is available to the right of the page, under the TEASE User Accounts heading.

The following screenshot displays the applications available to the sample user, Virginia Beck. On the left side, the only TEAL application available is Time and Effort Reporting. On the right side, Virginia has access to her TEASE account through her user ID link.

![TEAL and TEASE application list](image)

To open a secure application accessible through TEAL, select the link to the application.

To open a secure application accessible through TEASE, follow these steps:

1. Select the user ID link, which lists your TEASE login.
2. The TEASE Application List page opens, with all available applications listed under the “Your Applications” heading. (Note, as in the circled entry on the screenshot below, that applications accessible directly through TEAL are no longer linked through TEASE.)
3. Under the “Your Applications” heading, select the application you want to open.

The following two sections provide basic information about using the ER and eGrants software applications.

**Help and Further Information**

The following sections provide basic information concerning access to TEASE and TEAL and use of TEAL.

**For Assistance with TEAL and/or TEASE Access**

For assistance with your TEAL and/or TEASE access request, contact the Computer Access team by email at computeraccess@tea.state.tx.us.

**TEASE Help**

The Division of Grants Administration Grants page includes a TEASE Accounts section (at the bottom of the page) that provides helpful links for users in need of help with their TEASE accounts.

In addition, from within TEASE itself, the TEASE help module is linked to the Application List screen that opens after you log in, as shown in the following screenshot.

**TEAL Help and Online Training Modules**

The Division of Grants Administration Grants page includes a TEAL Accounts section (at the bottom of the page) that provides helpful links for users in need of help with their TEAL accounts.

TEAL is also equipped with online help and training modules that provide step-by-step instructions on how to use TEAL. The help and online training modules are linked to the Welcome screen that opens after you log in to TEAL, as shown in the following screenshot.
Budgeting Funds

A primary part of applying for grant funds, and managing a grant program, is the process of preparing and maintaining a program budget. Essentially, budgeting funds means dividing them into the category of planned expenditure. TEA has defined five categories for expenditure of grant funds. Grant applicants must budget funds using those categories, and grantees must report their expenditures in terms of those categories. Each category is assigned a number, known as a “class/object code,” so that funds budgeted or expended in that category can be easily identified.

The following table delineates the categories of expenditure TEA has defined, along with the corresponding class/object code and the schedule of the grant application where those costs are budgeted.

<table>
<thead>
<tr>
<th>Category of Expenditure</th>
<th>Class/Object Code</th>
<th>Schedule of the Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll costs</td>
<td>6100</td>
<td>Schedule #7—Payroll Costs (6100)</td>
</tr>
<tr>
<td>Professional and contracted services</td>
<td>6200</td>
<td>Schedule #8—Professional and Contracted Services (6200)</td>
</tr>
<tr>
<td>Supplies and materials</td>
<td>6300</td>
<td>Schedule #9—Supplies and Materials (6300)</td>
</tr>
<tr>
<td>Other operating costs</td>
<td>6400</td>
<td>Schedule #10—Other Operating Costs (6400)</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>6600/15XX (15XX is for use by open-enrollment charter schools)</td>
<td>Schedule #11—Capital Outlay (6600/15XX)</td>
</tr>
</tbody>
</table>

Using the Budget Schedules

To qualify for TEA-administered grant funding, applicants must complete a set of forms known as the budget schedules. Each schedule is named with the category of expenditure and the corresponding class/object code, as shown in the preceding table. The line items in the budget schedules call for applicants to break out certain items, along with the projected amount to be spent on those items, for TEA approval.

The following screenshot shows a portion of Schedule #10—Other Operating Costs (6400).
This screenshot shows the following:

- Schedule title at top is hyperlinked to instructions for completing the schedule
- Spaces for county-district number and amendment number (if an amendment is being submitted)
- Under Expense Item Description heading:
  - The class/object code of the specific cost (used only with frequently budgeted items, to help the grantee enter expenditures into ER and to report information as needed into PEIMS)
  - Description of the specific cost
- Space to fill in amount being budgeted
- Space to fill in amount of the amount being budgeted that is being budgeted specifically as pre-award costs (only applicable to grants in which pre-award costs are authorized, as described in General and Fiscal Guidelines, Obligation of Funds.

If grant funds are being budgeted for a cost described on a line item, the budgeted amount must be entered on the appropriate line. For example, if you plan to expend funds on out-of-state travel for employees, you must calculate the amount you anticipate spending and enter it on this line.

Changes to approved budgets must be made in accordance with “When to Amend the Application,” posted in the Amendments section of the Grant Management Resources page.

Not all costs are required to be budgeted as line items. Many costs do not require specific approval, as described in the following section.

**Costs That Do Not Require Specific Approval**

The guidance titled “Costs That Do Not Require Specific Approval,” posted on the Grant Management Resources page, lists certain costs that are not required to be broken out on the budget schedules. Instead, these costs are listed together on the “remaining costs” line of the budget schedule. The following screenshot shows that line from the budget schedule where other operating costs are scheduled in class/object code 6400.

<table>
<thead>
<tr>
<th>Class/Object Code</th>
<th>Description</th>
<th>Budgeted Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>6400</td>
<td>Remaining 6400—Other operating costs that do not require specific approval</td>
<td>$***$</td>
</tr>
</tbody>
</table>

In-state travel for employees does not require specific approval. Field trips consistent with grant program guidelines do not require specific approval. See TEA Guidelines Related to Specific Costs for more information about field trips. For a list of unallowable costs and costs that do not require specific approval, see the guidance posted on the Division of Grants Administration Grant Management Resources page.
Time and Effort Documentation

Guidance describing the requirements for documenting payroll costs is provided on the Grant Management Resources page. You must ensure that state-funded and federally funded grants bear their fair share of cost. To support charges to payroll for personnel who spend time on a grant, time and effort documentation requirements must be satisfied.

State-Funded Grants

For state-funded grants with personnel salaries prorated between or among different funding sources, you must do the following:

- Maintain personnel activity reports that confirm services provided by each funding source.
- Adjust payroll records and expenditures based on this documentation.

Federally Funded Grants

For federally funded grants, time and effort documentation must conform to the federal cost principles applicable to the grantee organization, as follows:

- Charges to payroll must be documented according to federal requirements.
- Employee job descriptions for each employee must be current and must delineate all program or cost objectives under which the employee works. Job descriptions should be updated as new assignments are made.
- Daily class schedules for teachers and instructional aides may be used in lieu of time and effort reports for these personnel.
- Salaries and wages of employees used to meet cost share or matching requirements must be supported with time and effort records in the same manner.

Semi-Annual Certification

Semi-annual certification applies to employees who do one of the following:

- Work 100% of their time under a single grant program
- Work 100% of their time under a single cost objective

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.”

These employees are not required to maintain time and effort records. However, all employees must certify in writing, at least semi-annually, that they worked solely on the program for the period covered by the certification. The certification must be signed by the employee or by the supervisor having firsthand knowledge of the work performed. Grant charges must be supported by the semi-annual certifications.

Alternative Time and Effort Reporting: New Guidance Forthcoming

The US Department of Education recently issued guidance that would permit TEA to collect semiannual certifications for employees who work less than 100% of their time under a single grant program. TEA has
reviewed the new guidance and is awaiting clarification from USDE on one item before issuing guidance to LEAs.
Expenditure Reporting (ER) System

The Expenditure Reporting (ER) system is used to request reimbursement for allowable expenditures.

Entering an Expenditure Request

After logging in to ER, you will be asked to enter your county-district number. On the screen that opens, you will select a school year then select the Show NOGAs button to return a list of all NOGAs issued in that school year. The following example is drawn from the 21st Century Community Learning Centers grant for school year 2012-2013, with identifying information redacted.

The top portion of the screen that opens shows the following information:

- NOGA ID and name of the grant; name of the grantee and ESC region number
- Begin and end date of the grant
- The grantee’s DUNS and CCR numbers, as well as Congressional district number
- The budget approved for the grant
- Cumulative expenditures reported to date, along with the amount of reimbursements paid out by TEA
- Eligible remaining grant funds

The next portion of the screen, titled “Enter a New Expenditure Report below,” requires user input, as follows:

1. Enter reporting date range: Set the dates to correspond to the range during which the expenditure(s) were made.

2. This report type is a: Select “Periodic” for a reimbursement request made during the grant period, “Final” to enter the final expenditure report for the grant.

3. Enter cumulative expenditure amount: Leave this field blank.
The next portion of the screen is titled “Expenditure Report Details.” The “Program Costs” column will be prefilled with the cumulative amount of expenditure requests approved and paid to date. Note that costs are broken out by class/object code. To enter a new expenditure request, follow these steps:

1. Determine the correct class/object code.
2. Add the amount being requested to the amount shown in the Program Costs column, so that the Program Costs column shows the cumulative amount requested to date.

The bottom portion of the screen shows the history of payment requests that have been paid and processed to date. A new reimbursement request cannot be entered until all previous, pending requests are processed.
The ER help module is linked to each screen of the ER system (upper right corner).

In addition, the Expenditure Reporting (ER) Reference and Training Manual is posted in the Grant Management Guidance section of the Division of Grants Administration page. Refer to the manual for instructions on how to use the ER system.

**Approval of Requests for Reimbursement – Manual Review Process**

The majority of expenditure reimbursement requests are automatically paid once the request passes several “automated filters” that are programmed into the ER system. However, in order to comply with federal regulations OMB Circulars A-21, A-87, and A-122, TEA monitors expenditure reimbursement requests through a manual review and approval process. If a reimbursement request triggers any of the pre-programmed filters, then the request is manually reviewed and approved by TEA staff before issuing payment.

If a reimbursement request requires manual approval, TEA staff contacts the grantee and asks for a narrative justification for the request.

Based on the narrative justification provided, TEA staff may approve the reimbursement; request additional supporting documentation; or refer the reimbursement to the Division of Federal Program Compliance for an expedited review, including but not limited to the general ledger, payroll ledger, and copies of payroll checks, invoices, receipts, and travel vouchers.

For information about how requests for expenditure are manually reviewed and approved, including detailed information on the justification required, refer to “Expenditure Reimbursement Request Requiring Manual Approval,” also posted in the Grant Management Guidance section of the Division of Grants Administration page.
Request for Extension of Expenditure Reporting Deadline

Under certain circumstances, if a final expenditure reporting deadline is missed, the grantee may be able to apply for an extension to that deadline. A link to information about the process of requesting an expenditure reporting extension, including the required timeline, is posted as “Request to Extend Expenditure Reporting Deadline” in the Grant Management Guidance section on the Grant Management Resources page. Requests are reviewed on a case-by-case basis.

For Assistance with ER

For assistance using the ER system, contact the Division of Grants Administration Cash Management/Fund Control Unit by email at CashManagement@tea.state.tx.us or by phone at (512) 463-8525.
**eGrants**

As described in Definition of Terms, TEA publishes some of its grants electronically, through the eGrants system. eGrants serves several functions:

- Applicants apply for grant funds by completing eGrants forms and applications.
- Grantees meet grant requirements by completing eGrants forms and accessing information.

**Accessing eGrants**

To access the eGrants system, you need the following:

- TEAL user account
- TEASE user account
- ER system access
- TEASE applications (i.e., eGrants) linked to TEAL account

Refer to Accessing TEA Software Applications through the Secure Environment: TEASE and TEAL to complete those steps.

**Opening eGrants**

Follow the instructions given in Accessing TEA Secure Applications through TEAL.

**eGrants User Guide**

The eGrants User Guide is posted in the General Grant Resources section of the Division of Grants Administration Grants page. Refer to the manual for instructions on how to use the eGrants system.

The following sections provide a basic introduction to the information available on eGrants.

**For Assistance with eGrants**

Contact information for assistance with various aspects of eGrants is displayed on the right of the screen, in the gray Contact Information box, after a specific application has been selected.

- For help with questions related to the grant program itself, contact the TEA program staff listed. Depending on the grant program, this contact information will change.
- For help with questions related to the fiscal aspects of grant management, contact the TEA funding staff listed. This staff person may be reached by phone at (512) 463-8525 or via email at GAFPC@tea.state.tx.us.
- For technical assistance using the eGrants system, contact the eGrants Help Desk by phone at (512) 463-7025 or via email at eGrants@tea.state.tx.us.
TEA Grant Opportunities Page

All grants administered by TEA are listed on the TEA Grant Opportunities page, whether they are issued in paper or electronically via the eGrants system. For paper grants, the TEA Grant Opportunities page is the only online location for basic grant-related information. For eGrants, the TEA Grant Opportunities page replicates information that may be found in the eGrants system.

The following sections describe how to navigate the TEA Grant Opportunities page and what grant information is listed there.

Navigating the TEA Grant Opportunities Page

The TEA Grant Opportunities page is shown in the following screenshot, with the primary means of returning and narrowing search results marked on the image:

1. Application Name: This drop-down list includes the names of all TEA-administered grants published since the 2005–2006 school year. (Older grants are retained to satisfy archiving requirements.) If you know the full name of your grant, including the school year, you can simply select it from this list.

2. School Year: You can use this drop-down list to narrow search results to a single grant year. Use this drop-down list by itself or in combination with the Application Type drop-down list.

3. Funding Type: Select “Federal” or “State” from this list to view grants that are funded from either source. If grants are funded from both sources, they will be listed under “Federal.”

4. Application Type: With this list, choose the type of grant to view (discretionary competitive, discretionary continuation, discretionary noncompetitive, or formula).

It is also possible to search TEA grants by additional means:

- Using the Program/Subject Area drop-down list will return results tagged with your selected program/subject area; however, if a grant program was tagged with a different program/subject descriptor than the one you searched for, the grant will not be returned in your list.
- The Posting Status drop-down list is most useful for TEA users.
- Using the Funding Type drop-down list will separate results by funding type (federal or state).
- Using the Between Dates calendar boxes will return results for grants whose availability or due dates are already known.
In the following screenshot, “2012–2013” is selected in the School Year drop-down list, and “Discretionary Competitive” is selected in the Application Type drop-down list. The results returned are all TEA grants that meet those two criteria.

To view information for a grant, select the magnifying glass icon under the View heading.

**Grant Information**

The grant page that is displayed when a specific grant is selected is too big to be captured in a single screenshot. The following sections describe the grant information found in each part of a specific grant page.

**Grant Page Heading**

The following screenshot shows the heading of a specific grant page. To the left is the full name of the grant, including the school year. To the right is the grant type (discretionary competitive, in this case) and the SAS and RFA numbers, both of which are used in identifying the grant.

**Program Information**

The following screenshot shows the Program Information section of a specific grant page. This section includes the following information:

- **Program description**: Describes the goals and purpose defined for the grant program.
- **Eligibility**: Lists criteria applicants must meet to be eligible to apply for the grant.
- **Statutory authority**: Cites the statute (federal or state) authorizing funding of the program.
Funding Information

The following screenshot shows the Funding Information section of a specific grant page. This section includes the following information:

- Expected number of awards
- Any cost share or matching requirements
- Minimum/maximum grant award amounts
- Grant ID and description
- Grant start and end dates
- Funding type (federal or state) and source (CFDA number), along with percentage of award that comes from each source
- Amount of funding available

<table>
<thead>
<tr>
<th>Funding Information</th>
<th>Percentage allowable per award BIA</th>
<th>Percentage allowable per award MIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant ID</td>
<td>CTE-Advanced Technical Credit</td>
<td>FTE-Advanced Technical Credit</td>
</tr>
<tr>
<td>Grant Description</td>
<td>08/10/2013</td>
<td>01/10/2013</td>
</tr>
<tr>
<td>Grant Start Date</td>
<td>08/10/2013</td>
<td>01/10/2013</td>
</tr>
<tr>
<td>Fund Type</td>
<td>Federal</td>
<td>Federal</td>
</tr>
<tr>
<td>Grant ID</td>
<td>15PRE0201</td>
<td>15PRE0201</td>
</tr>
<tr>
<td>CTE-Advanced Technical Credit</td>
<td>08/10/2013</td>
<td>01/10/2013</td>
</tr>
<tr>
<td>Total Funding Available</td>
<td>$140,000.00</td>
<td>$140,000.00</td>
</tr>
</tbody>
</table>

Application and Support Information

The following screenshot shows the Application and Support Information section of a specific grant page. This section provides links to the grant application and any additional application-related documents, such as frequently asked questions and errata notices.

Note that the purpose of this section is different for paper grants and eGrants:

- For eGrants, the application is completed and submitted from within the eGrants system; the links available on the TEA Grant Opportunities page are for reference only.
- For paper grants, the grant application is actually accessed from the links available in this section of the TEA Grant Opportunities page. The applicant would download all the grant materials, complete the application on his or her desktop, then print the completed application and submit it in accordance with the rules described in the General and Fiscal Guidelines.
Critical Events

The following screenshot shows the Critical Events section of a specific grant page. This section includes the following information:

- If the grant is competitive, Texas Register notice publication date and notice of intent to apply due date
- Application availability and due dates
- Reporting periods, along with due dates for various required reports
- Last date for submitting amendments

<table>
<thead>
<tr>
<th>Critical Events</th>
<th>Grant Description</th>
<th>Event</th>
<th>Reporting Period</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>Texas Register Notice, Date of Publication</td>
<td>-</td>
<td>-</td>
<td>02/08/2012</td>
</tr>
<tr>
<td>All</td>
<td>Application Available Date</td>
<td>-</td>
<td>-</td>
<td>04/20/2012</td>
</tr>
<tr>
<td>All</td>
<td>Notice Of Intent Due Date</td>
<td>-</td>
<td>-</td>
<td>06/20/2012</td>
</tr>
<tr>
<td>All</td>
<td>Application Due Date</td>
<td>-</td>
<td>-</td>
<td>06/20/2012</td>
</tr>
<tr>
<td>All</td>
<td>Annual Progress Report</td>
<td>9/30/2012-11/30/2013</td>
<td>01/14/2013</td>
<td></td>
</tr>
<tr>
<td>All</td>
<td>Financial Progress Report</td>
<td>11/30/2012-02/29/2013</td>
<td>03/14/2013</td>
<td></td>
</tr>
<tr>
<td>All</td>
<td>Final Amendment Due Date</td>
<td>-</td>
<td>-</td>
<td>06/20/2012</td>
</tr>
<tr>
<td>All</td>
<td>Program Progress Report</td>
<td>06/20/2012-05/31/2013</td>
<td>08/15/2013</td>
<td></td>
</tr>
<tr>
<td>CTE Advanced Technical Credit</td>
<td>Final Technical Report</td>
<td>06/30/2012-06/30/2013</td>
<td>08/01/2013</td>
<td></td>
</tr>
<tr>
<td>CTE Advanced Technical Credit</td>
<td>Final Technical Report</td>
<td>06/30/2012-06/30/2013</td>
<td>08/01/2013</td>
<td></td>
</tr>
<tr>
<td>CTE Advanced Technical Credit</td>
<td>Program Improvement Report</td>
<td>06/30/2012-06/30/2013</td>
<td>08/01/2013</td>
<td></td>
</tr>
<tr>
<td>All</td>
<td>Targeted Grant Payment Date</td>
<td>-</td>
<td>-</td>
<td>Late July 2013</td>
</tr>
</tbody>
</table>

Contact Information

The following screenshot shows the Contact Information section of a specific grant page. This section includes the following information:

- Program contact: The person to email or call with questions related to the delivery of the grant program.
- Funding contact: The person to email or call with questions related to the funding of the grant program.
- Program evaluation contact: The person to email or call with questions related to any required evaluation of the program, if applicable.
- Contact for Electronic Access Issues: The email address and phone number to use for help with eGrants. (The following screenshot is from the specific grant page for a paper grant, so no eGrant contact information is listed.)
Grants Page of the TEA Website

The Grants page provides links to high-level topics related to grant administration and management, such as communications and links to entitlement amounts. This page can be reached easily through the following alias: http://www.tea.state.tx.us/grants/.

The following sections provide a brief outline of the content available on the page.

TEA Grant Opportunities Page

A link is provided to the TEA Grant Opportunities page, which provides information about all TEA-administered grants.

Secure Environment: TEASE and TEAL

Links are provided to the TEASE and TEAL secure environments, as described in Accessing TEA Software Applications through the Secure Environment: TEASE and TEAL.

Office of the Chief Grants Administrator

On this section of the Grants page, links are provided to grant-related communications from the chief grants administrator. This section is regularly updated as new communications are issued. A link to the To the Administrator Addressed letter listing current mileage and travel reimbursement rates is provided here. Also provided are links to communications on topics of current interest, such as sequestration.

Division of Grants Administration

The Division of Grants Administration produces the Grants page, which the division uses to post general grant-related information such as the following (list is not inclusive):

- Links to the pages where entitlement amounts are listed for federal and state formula grants
- The list of applicants selected for competitive grant funding
- Link to the Grant Management Resources page
- List of general grant resources, such as a link to the page where users may join the Grants Administration listserv
- Links to state and federal grant awards for the two preceding school years

TEASE and TEAL Accounts

In these two sections, links are provided to screens where users may request new accounts, log on, and get help with either of the two secure environments.

For more information about TEASE and TEAL, refer to Accessing TEA Software Applications through the Secure Environment: TEASE and TEAL.
Grant Management Resources Page

The Grant Management Resources page lists basic information useful in managing a TEA grant. This page can be reached easily through the following alias: http://www.tea.state.tx.us/grants/gmresources. The following sections provide a brief outline of the content available on the page.

General and Fiscal Guidelines

As noted in Definition of Terms, the General and Fiscal Guidelines are part of every RFA published by TEA, and all program directors should be familiar with the content of this document. Updated periodically, it contains the guidelines that pertain to every TEA grant.

Provisions and Assurances

Every grant application submitted to TEA includes a section devoted to the legal provisions of the contract that the applicant enters into when it is awarded grant funds by TEA (when the applicant becomes a grantee).

General provisions apply to all grants administered by TEA, and all program directors should be familiar with the content of this document.

Depending on the source of grant funding, a number of provisions and assurances can apply to a grant. The grant application lists the provisions and assurances that apply to the grant (in Schedule #2—Required Attachments and Provisions and Assurances).

Amendments

As noted in Definition of Terms, once a grant application is negotiated to approval, the grantee may submit an amendment to make changes to the approved application.

This section of the Grant Management Resources page lists the following:

- When to Amend the Application consists of two tables, one for state grants and one for federal grants, showing what changes to the grant program do and do not require the grantee to submit an amendment. See Amendments: 34 CFR 80.30 for a citation of the federal regulation governing amendments to the application.
- 2012-2013 Request for Amendment consists of the schedule to be used when requesting an amendment to grants for the 2012-2013 school year.
- Previous School Years Request for Amendment consists of the schedule to be used when requesting an amendment to grants for school years previous to 2012-2013.

Grant Management Guidance

This section provides links to user guides (ER and eGrants) and to grant-management related guidance on the following:

- Indirect costs: Information about indirect costs, as well as a worksheet for calculating the maximum indirect costs that may be claimed for a grant
- Request to extend expenditure reporting deadline: Information and a link to the form that permits grantees, under certain circumstances, to request an extension to an expenditure reporting deadline
- Time and effort: Information about how to document time and effort in accordance with federal regulations

**Budgeting Guidance**

This section provides guidance to applicants planning a program budget or completing the budget schedules of a grant application. Note that additional guidance is provided in the instructions to the budget schedules of the application. (Instructions are hyperlink to the budget schedules themselves; see the budget schedule headings in the application.)

**TEA Allowable Cost Guidance**

This section provides links to two guidance documents that contain important basic information for program directors:

- Federal Cost Principles Side-by-Side: A summary of costs that are allowable (and unallowable) for various entity types, in accordance with OMB Circulars A-87, A-122, and A-21. (See Office of Management and Budget (OMB) Circulars.)
- TEA Guidelines Related to Specific Costs: Lists specific costs along with a description of how and when the cost is allowable.

**Training**

Regularly, TEA prepares training for nonprofit grantees. The training materials are linked here. While the training is prepared specifically for nonprofit grantees, many topics apply to TEA grantees in general.

**Travel Guidelines**

This section provides a link to the page of the comptroller’s site where current travel policies, procedures, and rates are listed.

**Federal Guidance**

The remaining three sections provide links to various types of federal guidance:

- Federal cost principles: The three OMB circulars listed here apply to the entity types eligible to apply for TEA grants
  - OMB Circular A-21 applies to institutions of higher education, including open-enrollment charter schools operated by a college or university
  - OMB Circular A-87 applies to independent school districts, education service centers, open-enrollment charter schools operated by a government entity, and other government entities
  - OMB Circular A-122 applies to nonprofit organizations, including open-enrollment charter schools operated by a nonprofit organization
- Uniform Administrative Requirements for Grants: General guidance related to federal grant funds
- Audits: Audit requirements for federally funded grants
Regulatory Overview

Grant management is based on the regulations contained in multiple federal sources, including the following:

- Education Department General Administrative Regulations (EDGAR), Title 34 of Code of Federal Regulations (typically written such as 34 CFR 80.20)—Revised as of July 1 of the year
- Office of Management and Budget (OMB) Circulars
  o A-21 for institutions of higher education (IHEs), including charter schools where the charter holder is an IHE
  o A-87 for state and local governments (includes ISDs and ESCs)
  o A-122 for nonprofit organizations (NPOs), including charter schools where charter holder is an NPO
  o A-133 for audits of states, local governments, and nonprofit organizations
- Cost Allocation Guide for State and Local Governments (often called the “green book” due to color of the cover)

EDGAR: Title 34 of the Code of Federal Regulations

The Code of Federal Regulations (CFR) is published by the Office of the Federal Register and details how the statutory authority in United States Code (USC) is to be interpreted.

The CFR is divided into 50 “titles” that correspond to federal regulatory subject areas. As new general and permanent rules are determined by the departments and agencies of the federal government, the rules are promulgated, or presented for public comment, in the Federal Register, where the new rules are also published after the comment period is over. Each title is updated once a year to include all rules and regulations published over the preceding year in the Federal Register. At the bottom of every section of the CFR is a reference to the corresponding USC authority, along with citations from the Federal Register detailing when the rule was promulgated and published.

The title that pertains to TEA grants is the Education Department General Administrative Regulations, or EDGAR, which is Title 34 of the CFR (written as “34 CFR”). EDGAR is updated every year on July 1.

This handbook provides a brief overview of those parts of EDGAR that are used most frequently in managing TEA grants.

Accessing EDGAR

EDGAR is available on the ED.gov website. Parts of EDGAR (those parts that apply to all education grant programs, as described in General and Specific Parts of 34 CFR) are published in hard copy, along with the applicable federal cost principles, in EDGAR Plus.

It is recommended that program directors bookmark EDGAR on their web browsers and become familiar with the regulations described in this overview.

Reading CFR Citations

In regulations cited from the CFR, the title, part, and section numbers are used as follows: 34 CFR 80.22 (in which 34 is the title number, 80 is the part number, and 22 is the section number). A section symbol ($) is not used in CFR citations.
General and Specific Parts of 34 CFR

EDGAR consists of four large volumes containing both general regulations that apply to all education grant programs and specific regulations that apply to particular federal grant programs:

- 34 CFR Parts 74–86 and 97–99 apply generally to all education grant programs.
- The remaining parts of EDGAR contain regulations that apply specifically to particular federal grant programs.

Entity Types: 34 CFR Parts 74 and 80

Depending on the grantee’s entity type, different parts of 34 CFR apply, as delineated in the following sections. Note that 34 CFR 74 mirrors much of 34 CFR 80.

Institutions of Higher Education and Nonprofit Organizations: 34 CFR Part 74

IHEs, NPOs, and charter schools operated by an IHE or NPO are covered by 34 CFR 74. As stated in 34 CFR 74.1, 34 CFR 74 “establishes uniform administrative requirements for federal grants and agreements awarded to institutions of higher education, hospitals, and other nonprofit organizations.”

Independent School Districts and Education Service Centers: 34 CFR Part 80

Independent school districts, education service centers, and open-enrollment charter schools operated by an independent school district are covered by 34 CFR 80. As stated in 34 CFR 80.1, 34 CFR 80 “establishes uniform administrative rules for federal grants and cooperative agreements and subawards to state, local, and Indian tribal governments.”

Obligation of Grant Funds/Records Retention: 34 CFR Part 76

Obligations: 34 CFR 76.707

The table below is taken from 34 CFR 76.707 and defines when obligations are made for various kinds of property and services. The first column of the table describes categories of expenditures that could be made with grant funds. The second column describes when, if grant funds are to be used in any of those categories, the encumbrance is considered to be incurred—i.e., when the obligation to expend grant funds is made.

As described in the General and Fiscal Guidelines, Obligation of Funds section, “Program funds shall not be obligated for expenditure before the beginning date of the grant or after the ending date of the grant unless pre-award costs are expressly permitted for the individual grant program.”

<table>
<thead>
<tr>
<th>If the Obligation Is For—</th>
<th>The Obligation Is Made—</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of real or personal property</td>
<td>On the date the grantee makes a binding written commitment to acquire the property</td>
</tr>
<tr>
<td>Personal services by an employee of the grantee</td>
<td>When the services are performed</td>
</tr>
<tr>
<td>Personal services by a contractor who is not an employee of the grantee</td>
<td>On the date on which the grantee makes a binding written commitment to obtain services</td>
</tr>
<tr>
<td>Performance of work other than personal services</td>
<td>On the date on which the grantee makes a binding written commitment to obtain the work</td>
</tr>
<tr>
<td>Public utility services</td>
<td>When the grantee receives the services</td>
</tr>
</tbody>
</table>
If the Obligation Is For— | The Obligation Is Made—
---|---
Travel | When travel is taken
Rental of real or personal property | When the grantee uses the property

**When Grantees May Begin to Obligate Funds:** [34 CFR 76.708](https://www.federalregister.gov/a/34 CFR 76.708)

As stated in [34 CFR 76.708](https://www.federalregister.gov/a/34 CFR 76.708)(a)(1) and (2), for formula grants, grantees may begin to obligate funds on the date the funds are available (effective date on state’s grant award from USDE, usually July 1) or the date the applicant submits its application to the state in substantially approvable form, whichever is later.

As stated in [34 CFR 76.708](https://www.federalregister.gov/a/34 CFR 76.708)(c), for discretionary grants, grantees may begin to obligate funds when the award is made to the grantee (on the NOGA date, unless pre-award is allowed).

**Rules Applicable to Obligations Made during a Carryover Period:** [34 CFR 76.710](https://www.federalregister.gov/a/34 CFR 76.710)

The statute and regulations that apply to a program remain in effect during any carryover period. As stated in [34 CFR 76.710](https://www.federalregister.gov/a/34 CFR 76.710), “A State and a subgrantee shall use carryover funds in accordance with: (a) The Federal statutes and regulations that apply to the program and are in effect for the carryover period; and (b) Any State plan, or application for a subgrant, that the State or subgrantee is required to submit for the carryover period.”

**Records Requirements:** [34 CFR 76.730](https://www.federalregister.gov/a/34 CFR 76.730)

This section defines the required contents of records kept by the grantee.

“A State and a subgrantee shall keep records that fully show: (a) The amount of funds under the grant or subgrant; (b) How the State or subgrantee uses the funds; (c) The total cost of the project; (d) The share of that cost provided from other sources; and (e) Other records to facilitate an effective audit.”

**Definitions That Apply to USDE Regulations:** [34 CFR Part 77](https://www.federalregister.gov/a/34 CFR Part 77)

This part defines applicable grant terms not defined further in [34 CFR 74.2](https://www.federalregister.gov/a/34 CFR 74.2) and [34 CFR 80.3](https://www.federalregister.gov/a/34 CFR 80.3). In addition, this part provides a reference to grant terms defined in Parts 74 and 80.

Of particular interest to program directors are the full definitions of the terms “grantee” and “local educational agency,” both contained in this part ([34 CFR 77.1](https://www.federalregister.gov/a/34 CFR 77.1)).

**Grantee:** [34 CFR 77.1](https://www.federalregister.gov/a/34 CFR 77.1)

“Grantee” is defined as follows:

“Grantee means the legal entity other than a Government subject to 34 CFR part 80 to which a grant is awarded and which is accountable to the Federal Government for the use of the funds provided. The grantee is the entire legal entity even if only a particular component of the entity is designated in the award document. For example, a grant award document may name as the grantee one school or campus of a university. In this case, the granting agency usually intends, or actually intends, that the named component assume primary or sole responsibility for administering the grant-assisted project or program. Nevertheless, the naming of a component of a legal entity as the grantee in a grant award document shall not be construed as relieving the whole legal entity from accountability to the Federal Government for the use of the funds provided. (This definition is not intended to affect the eligibility provision of grant programs in which eligibility is limited to organizations which may be only components of a legal entity.) The term “grantee” does not include any secondary recipients such as subgrantees, contractors, etc., who may
receive funds from a grantee pursuant to a grant. The definition of “grantee” for State, local, and tribal
governments is contained in 34 CFR 80.3.”

Local Educational Agency: 34 CFR 77.1
“Local educational agency” is defined as follows:

“Local educational agency means: (a) A public board of education or other public authority legally
constituted within a State for either administrative control of or direction of, or to perform service functions
for, public elementary or secondary schools in: (1) A city, county, township, school district, or other political
subdivision of a State; or (2) Such combination of school districts or counties a State recognizes as an
administrative agency for its public elementary or secondary schools; or (b) Any other public institution or
agency that has administrative control and direction of a public elementary or secondary school. (c) As
used in 34 CFR parts 400, 408, 525, 526 and 527 (vocational education programs), the term also includes
any other public institution or agency that has administrative control and direction of a vocational education
program.”

ISDs, ESCs, and Charters Operated by an ISD: 34 CFR Part 80
This part is applicable to ISDs and ESCs, as well as to open-enrollment charter schools operated by an
ISD. Part 80 mirrors much of Part 74, which applies to IHEs, NPOs, and open-enrollment charter schools
operated by either an IHE or NPO.

Definitions: 34 CFR 80.3
This section defines grant-related terms used in 34 CFR Part 80, including but not limited to the following:

- Administrative and program requirements
- Cost sharing or matching
- Obligations

It is recommended that program directors be familiar with the definitions in this section.

High-Risk Grantees, Special Conditions For: 34 CFR 80.12
This section does the following:

- Defines the conditions (as follows) that may lead TEA to consider a grantee “high risk” (34 CFR
  80.12(a)(1) through (5)). Please note that meeting any one of these conditions is technically
  sufficient to lead to high-risk consideration.
  - History of unsatisfactory performance
  - Not financially stable
  - Management system does not meet the management standards set forth in 34 CFR Part 80
  - Failure to conform to terms and conditions of previous awards
  - Otherwise not responsible
- Defines the special conditions or restrictions (as follows) that may be imposed on a high-risk
  grantee (34 CFR 80.12(b)(1) through (6):
  - Payment on a reimbursement basis
  - Withholding authority to proceed to the next phase until receipt of evidence of acceptable
    performance within a given funding period
  - Requiring additional, more detailed financial reports
Additional project monitoring
- Requiring the grantee or subgrantee to obtain technical or management assistance
- Establishing additional prior approvals
- Defines the means by which TEA shall notify a grantee of high-risk status

**Financial Management Systems: 34 CFR 80.20**
This section defines the required standards for financial management systems used by grantees covered by this part. (The standards applicable to IHEs and NPOs are cited in 34 CFR 74.21.)

As stated in 34 CFR 80.20(a), the management system “must be sufficient to permit preparation of reports required by this part and the statutes authorizing the grant, and (2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.”

The standards the management system must meet are defined as follows, with further detail provided in the regulations:

- Financial reporting
- Accounting records
- Internal control
- Budget control
- Allowable cost
- Source documentation
- Cash management

**Allowable Costs and Applicable Federal Cost Principles: 34 CFR 80.22**
This section specifies that grant funds may be used only for the allowable costs of entities engaged in carrying out grant activities (34 CFR 80.22(a)).

This section also defines the set of federal principles that grantees shall use to determine what costs are allowable under a grant (cost principles), depending on the grantee’s entity type. The following table is derived from the table given in 34 CFR 80.22(b). See Office of Management and Budget (OMB) Circulars for a detailed description of the cost principles.

<table>
<thead>
<tr>
<th>OMB Circular</th>
<th>Type of Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-87</td>
<td>State and local governments, including ISDs and ESCs</td>
</tr>
<tr>
<td>A-122</td>
<td>Nonprofit organizations, including charter school operated by NPOs</td>
</tr>
<tr>
<td>A-21</td>
<td>Institutions of higher education, including charter schools operated by IHEs</td>
</tr>
</tbody>
</table>

**Period of Availability: 34 CFR 80.23**
This section describes when costs may be charged to the grant, as follows: “Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period.” (See 34 CFR 76.707 for a table outlining when obligations of different types are made.)

**Matching or Cost-Sharing Requirements: 34 CFR 80.24**
This section provides a detailed description of how match or cost share requirements may be met.
Taking all qualifications and exceptions into account, match or cost share requirements can basically be satisfied by one or both of the following (34 CFR 80.24(a)):

- Allowable costs incurred by the grantee, subgrantee or a cost-type contractor under the assistance agreement. This includes allowable costs borne by non-Federal grants or by others cash donations from non-Federal third parties.
- The value of third party in-kind contributions applicable to the period to which the cost sharing or matching requirements applies.

**Program Income:** 34 CFR 80.25
This section specifies that grantees “are encouraged to earn income to defray program costs” (34 CFR 80.25(a)) and defines program income and how program income is to be used (i.e., for the purposes of the grant from which it was generated).

**Amendments:** 34 CFR 80.30
This section specifies that grantees may make changes to their approved grant project and that in certain cases, the prior written approval of the awarding agency shall be required (i.e., an approved amendment to the application).

Refer to the Amendments section of this handbook; also refer to TEA’s When to Amend the Application document, a set of tables outlining the conditions under which an amendment is or is not required for state and federal grants.

**Real Property:** 34 CFR 80.31
This section details the title, use, and disposition of real property (i.e., land and buildings) acquired with grant funds.

**Equipment:** 34 CFR 80.32
This section details the title, use, and disposition of equipment acquired with grant funds. (Per 34 CFR 80.3, “equipment” is defined as “tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit.”)

See the General and Fiscal Guidelines, Use and Disposition of Equipment Purchased with Grant Funds, for details on the disposition of equipment acquired with grant funds.

**Supplies:** 34 CFR 80.33
This section details the title and disposition of supplies acquired with grant funds: “If there is a residual inventory of unused supplies exceeding $5,000 in total aggregate fair market value upon termination or completion of the award, and if the supplies are not needed for any other federally sponsored programs or projects, the grantee or subgrantee shall compensate the awarding agency for its share.”

**Procurement:** 34 CFR 80.36
Paragraphs (b) through (i) of this section detail the regulations associated with procuring property and services with grant funds, including but not limited to the following topics:

- Procurement standards
- Code of conduct for staff
- Procedures for avoiding purchase of unnecessary of duplicate items
- Abilities of contractors to perform service
- Records and documentation
- Protest procedures
- Full and open competition
- State procurement processes
- Sole source procurement

**State Administration of Subgrants:** 34 CFR 80.37
This section describes the processes states shall follow in awarding and administering subgrants. See Uniform Grant Management Standards (UGMS).

**Monitoring:** 34 CFR 80.40
This section defines the state’s responsibility for managing the day-to-day operations of grant and grantee activities: “Grantees are responsible for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function or activity” (34 CFR 80.40(a)).

**Financial Reporting:** 34 CFR 80.41
This section details financial reporting requirements, most of which apply to TEA rather than its grantees. Included in this section is the requirement that grantee not have more grant funds on hand than to meet three days needs (34 CFR 80.41(b)(3)).

**Records Retention Requirements:** 34 CFR 80.42
This section details the requirements for retaining grant records and providing access to them. Federal law requires that except as otherwise provided, records must be retained for three years after last (final) expenditure report is submitted (34 CFR 80.42(b)). TEA does provide otherwise; TEA's required records retention policy is described in the General Provisions and Assurances, Item O, which specifies a records retention period of five years.

**Enforcement Action:** 34 CFR 80.43
This section details the following:

- The steps TEA may take (as follows) if a grantee demonstrates material noncompliance with the terms of a grant, as stated “in a Federal statute or regulation, an assurance, in a State plan or application, a notice of award, or elsewhere” (34 CFR 80.43(a)):
  - Temporarily withhold cash payments pending correction of the deficiency by the grantee or subgrantee or more severe enforcement action by the awarding agency
  - Disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance
  - Wholly or partly suspend or terminate the current award for the grantee's or subgrantee's program
  - Withhold further awards for the program
  - Take other remedies that may be legally available
- The opportunity TEA shall offer for appeal of a planned enforcement action
- The conditions determining allowability of costs that were incurred during a suspension or after termination of the grant

**Family Educational Rights and Privacy Act (FERPA):** [34 CFR 99](#)

The purpose of FERPA is to protect student and family privacy. This part provides information about FERPA, with highlights described in the following sections.

**Rights of Parents and Students:** [34 CFR 99.4](#) and [34 CFR 99.5](#)

Under FERPA, parents are accorded full rights. Parents also have the right to view the educational records of their children, until their children reach the age of 18.

**Access to Records:** [34 CFR 99.10](#)

This section describes the conditions under which students and parents may inspect educational records.

**Amending Records:** [34 CFR 99.20](#)

This section describes the procedure for amending educational records. If the educational institution decides not to meet the request for amendment, it must inform the parent/student of his or her right to a hearing under [34 CFR 99.21](#).

**Conditions for Disclosure of Information:** [34 CFR 99.30](#) and [34 CFR 99.31](#)

These two sections describe when prior consent is and is not required in order for an educational institution to disclose information. Basically, the educational institution must have the prior written consent of the parent or eligible student (i.e., student aged 18 or older) except circumstances such as the following (list is not inclusive):

- The disclosure is to other school officials, including teachers, within the agency or institution whom the agency or institution has determined to have legitimate educational interests
- The disclosure is, subject to the requirements of § 99.34, to officials of another school, school system, or institution of postsecondary education where the student seeks or intends to enroll, or where the student is already enrolled so long as the disclosure is for purposes related to the student's enrollment or transfer
- The disclosure is to authorized representatives of certain federal agencies or departments
- The disclosure is in connection with financial aid for which the student has applied or which the student has received

**Enforcement Procedures:** [34 CFR 99.60 through 99.67](#)

This subpart of [34 CFR 99](#) describes how FERPA is enforced.
Uniform Grant Management Standards (UGMS)

In accordance with the Uniform Grant and Contract Management Standards Act of 1981, codified in Chapter 783 of the Texas Government Code, the state of Texas has developed a set of standards to “promote the efficient use of public funds in local government and in programs requiring cooperation among local, state, and federal agencies.”

The Uniform Grant Management Standards (UGMS) officially apply federal regulations to TEA’s administration and management of state grants. While federal regulations clearly apply to federally funded grants, it is because of UGMS that the same federal regulations also apply to state-funded grants.

Office of Management and Budget (OMB) Circulars

As stated in 34 CFR 80.22(b), “For each kind of organization, there is a set of Federal principles for determining allowable costs.” These sets of federal principles, otherwise known as federal cost principles, are published as “circulars” by the Office of Management and Budget (OMB). In keeping with OMB’s responsibility for federal program effectiveness evaluation and oversight of funding priorities, the goal of the OMB circulars is to define a standard approach to the determination of what costs are allowable and to help ensure compliance with grant requirements.

The OMB circulars are incorporated into the Code of Federal Regulations as listed in the following table.

<table>
<thead>
<tr>
<th>OMB Circular</th>
<th>Code of Federal Regulations</th>
<th>Entity Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments</td>
<td>2 CFR Part 215 and 220</td>
<td>State and local governments, including ISDs, ESCs, and open-enrollment charter schools operated by an ISD</td>
</tr>
<tr>
<td>OMB Circular A-122, Cost Principles for Nonprofit Organizations</td>
<td>2 CFR Part 225</td>
<td>Nonprofit organizations, including open-enrollment charter schools operated by a nonprofit organization</td>
</tr>
<tr>
<td>OMB Circular A-21, Cost Principles for Educational Institutions</td>
<td>2 CFR Part 230</td>
<td>Institutions of higher education, including charter schools operated by institutions of higher education</td>
</tr>
</tbody>
</table>

Allowability of Costs

The OMB circulars provide basic guidelines on what makes a cost allowable. The cost must be the following:

- Reasonable and necessary
- Allocable
- Not prohibited under state or local law or regulations
- Conform to limitations as to types or amounts, consistent with policies, regulations, and procedures
- Consistent treatment of costs
- In accordance with generally accepted accounting principles
- Not be a cost used to meet matching or cost-sharing requirements
- Adequately documented
In addition, the OMB circulars discuss composition and classification of costs as direct or indirect and define allowable costs by specific types of costs, including time and effort documentation required to support payroll costs.

Accessing the Circulars

Because OMB is a Cabinet-level office, the OMB circulars are available on Whitehouse.gov.

The following section lists links to the specific OMB circulars pertinent to TEA grantees.

Entity Types

The federal principles determining allowable costs vary depending on the entity type. A cost may be allowable for an IHE that is not allowable for an ISD. The following sections, in accordance with the table presented in 34 CFR 80.22(b), list the OMB circulars that apply to entities eligible for TEA-administered grants.

State and Local Governments, Including ISDs, ESCs, and Open-Enrollment Charter Schools Operated by an ISD
These grantees must refer to OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments.

Nonprofit Organizations, Including Open-Enrollment Charter Schools Operated by a Nonprofit Organization
These grantees must refer to OMB Circular A-122, Cost Principles for Nonprofit Organizations.

Institutions of Higher Education, Including Charter Schools Operated by Institutions of Higher Education
These grantees must refer to OMB Circular A-21, Cost Principles for Educational Institutions.

Federal Cost Principles Side-by-Side

As described in TEA Allowable Cost Guidance, the Federal Cost Principles Side-by-Side is a TEA document drawn from the OMB circulars that outlines the allowability of various costs for different types of grantees. The side-by-side is broken down by type of cost, making it a quick and easy reference tool. The following screenshot reproduces a sample of the side-by-side.

From this sample, a grantee can see that scholarships are not allowable for nonprofit grantees while they are allowable for IHEs. The sample also shows how the Item of Cost column can be consulted for a quick determination of whether a cost is allowable under a particular circular.
<table>
<thead>
<tr>
<th>Item of Cost</th>
<th>OMB Circular A-87</th>
<th>OMB Circular A-122</th>
<th>OMB Circular A-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sabbatical Leave</td>
<td>Not Addressed</td>
<td>Not Addressed</td>
<td><strong>Allowable:</strong> Provided the institution has a uniform policy.</td>
</tr>
<tr>
<td>Scholarships, Fellowships, and Other Student Aid Costs</td>
<td>Not Addressed</td>
<td><strong>Unallowable</strong></td>
<td><strong>Allowable:</strong> Only when the purpose of the grant is to provide training to selected participants and with prior specific approval from TEA as specified in OMB A-21, section 45</td>
</tr>
<tr>
<td>Selling and Marketing</td>
<td><strong>Unallowable:</strong> Unless allowed under Attachment B, section 1 as allowable public relations costs or under Attachment B, section 33, as allowable proposal costs.</td>
<td><strong>Unallowable:</strong> Unless allowed under section 1, as allowable public relations costs or allowable as direct costs with prior specific approval from TEA when they are necessary for the performance of federal programs.</td>
<td><strong>Unallowable:</strong> Unless allowed under J.1 as allowable public relations costs or under J 38 as allowable proposal costs.</td>
</tr>
</tbody>
</table>
Cost Allocation Guide for State and Local Governments

The Cost Allocation Guide for State and Local Governments is intended to provide “assistance to state and local governments determining indirect cost and allocation methodologies in accordance with OMB Circular A-87 and agency regulations.” The guide does the following:

- Defines key terms in allocating costs
- Defines indirect costs and indirect cost rate calculations
- Discusses consistent treatment of costs
- Defines restricted and unrestricted indirect cost rates
- Discusses limitations of administrative costs and time and effort documentation

The USDE’s Office of the Chief Financial Officer has produced an excerpt from the guide, along with answers to common questions.
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