DESOTO INDEPENDENT SCHOOL DISTRICT

STATE & FEDERAL GRANTS MANUAL

2026-2027 | Administrative Procedures

Purpose

This manual establishes DeSoto ISD procedures for planning, approving, expending, monitoring, documenting, evaluating, and closing state, federal, and other supplemental awards. The award document, applicable law, TEA guidance, and Board policy control when a conflict exists.

Effective Date	July 1, 2026
Superintendent Approval	_____ Date: _____
Annual Review Owner	Manager, Grants & Special Revenue, in coordination with Finance, Purchasing, Payroll, Human Capital Management, and program administrators

Administrative regulations are implemented by the Superintendent under BP(LOCAL). Board action is obtained only when required by law, Board policy, or the subject matter of a separate Board action.

Document Control and Revision History

Version	Effective Date	Review/Action	Summary
2024-2025	July 2025	Prior annual version	Prior EDGAR-aligned manual.
2026-2027	July 1, 2026	Administrative review / Superintendent approval	Updated for 2025 TEA/UGG changes, FY2026-2027 state allotment changes, and district controls. Procurement thresholds retained at $10,000/$250,000.

Controlled Document

Official version: Superintendent-approved PDF retained by Administrative Services. Award-specific NOGAs, RFAs, guidelines, assurances, and amendments are incorporated by reference; prior versions are retained for audit and monitoring.

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1. Purpose, Authority, and Applicability

This manual applies to every DeSoto ISD employee, contractor, campus, department, and program that plans, requests, approves, receives, expends, records, monitors, or reports state, federal, pass-through, private, or other supplemental funds.

The district will follow the most restrictive applicable requirement when federal law, state law, the award, TEA guidance, Board policy, or district procedure differ. A procedure in this manual does not make a cost allowable when the governing award does not permit it.

- Federal authorities include 2 CFR Part 200, 2 CFR Parts 180 and 3474, applicable EDGAR provisions in 34 CFR Parts 75, 76, 77, 81, 82, 84, 97, 98, and 99, and program statutes and regulations.
- State authorities include the Texas Education Code, Texas Administrative Code, current FASRG, TxGMS when applicable, and TEA General and Fiscal Guidelines, Program Guidelines, provisions, assurances, and NOGAs.
- Local authorities include Board policies, administrative regulations, the annual budget, purchasing procedures, travel guidelines, compensation plans, records schedules, and approved grant plans.

Authority: 2 CFR 200.101, 200.303, 200.403; 34 CFR Parts 75 and 76; TEA General and Fiscal Guidelines for grants awarded on or after July 1, 2025; BP(LOCAL).

1.1 Governance and Review

The Superintendent is responsible for approving and enforcing this administrative manual. The manual is reviewed periodically and updated when federal or state law, TEA guidance, award terms, Board policy, or district procedures materially change. The Board may review administrative regulations as provided in BP(LOCAL); the manual itself is not adopted as Board policy unless a separate Board action is required.

The Manager, Grants & Special Revenue coordinates the annual review with the Chief Business Officer, Director of Accounting Services, Director of Financial Operations, Manager, Purchasing, Manager, Payroll, Human Capital Management, program administrators, and Administrative Services. Material changes may be issued during the year when law, TEA guidance, an award condition, an audit finding, or a district control change requires immediate implementation.

2. 2025 Federal Grant Regulation Changes

District Alignment Statement

Current district procedures have been reviewed and aligned to the July 1, 2025 TEA General and Fiscal Guidelines and provisions applicable to newly awarded TEA grants, including ESSA awards. The 2024 Uniform Guidance revisions apply according to the issue date and terms and conditions of each federal award.

OMB revised the Uniform Guidance with a government-wide effective date of October 1, 2024. TEA published a distinct set of General and Fiscal Guidelines and provisions for grants awarded on or after July 1, 2025. The district must identify which rules apply to each award based on the NOGA, GAN, RFA, award date, and pass-through guidance.

Change Area	District Procedure for 2026-2027
Applicability	The grant file identifies the governing guideline version and award terms. Staff may not assume that one rule version applies to all concurrent awards.
Equipment and supplies	Federal thresholds increased under the 2024 revisions. DeSoto continues to apply its more restrictive local capitalization and inventory controls where applicable.
Single Audit	The federal expenditure threshold is $1,000,000 for the revised rule. The external auditor and Chief Business Officer or designated finance administrator determine applicability for the district fiscal year.
Internal controls	Cybersecurity, segregation of duties, monitoring, corrective action, and safeguarding protected information are expressly incorporated into the district control system.
Mandatory disclosure	Credible evidence of fraud, conflict of interest, bribery, gratuity violations, or false claims must be escalated immediately under district reporting procedures.
Continuous improvement	Programs must retain evidence of implementation, outcomes, periodic review, and changes made in

Change Area	District Procedure for 2026-2027
	response to data.
Transition evidence	The Grants Office retains Region 10 and TEA transition guidance, training materials, annual manuals, and implementation communications for auditor review.

2.1 Transition Procedures

1. For every award, identify the award date, period of performance, Assistance Listing Number, governing guideline version, and any special conditions.
2. Update templates, requisition forms, contract clauses, inventory forms, and training materials before applying revised procedures.
3. Retain prior procedures for the full retention period because auditors review the rules in effect when the transaction occurred.
4. Document any mid-year threshold implementation date. Transactions initiated before the effective date follow the earlier approved procedure.
5. **Provide training and technical assistance to staff based on assigned responsibilities, material procedural changes, monitoring results, and identified risk.**

Authority: 89 FR 30046, effective October 1, 2024; TEA General and Fiscal Guidelines and Provisions and Assurances for grants awarded on or after July 1, 2025.

3. Organization, Roles, and Segregation of Duties

The district uses a functional accountability model. Job titles, not individual employees, control the responsibilities in this manual. Current incumbents and interim assignments are maintained in Human Capital Management or administrative assignment records rather than embedded in this manual.

3.1 Business and Grant Governance Structure

Governance Level	Responsible Position	Primary Grant Responsibility
Executive authority	Superintendent	Authorized official; final administrative approval; escalation of high-risk matters and corrective actions.
Executive finance oversight	Chief Business Officer	Executive financial oversight, internal controls, audit coordination, and designation of interim finance responsibilities.
Financial operations	Director, Financial Operations	Budget operations, accounts payable coordination, operational financial controls, and implementation support.
Grant compliance	Manager, Grants & Special Revenue	Applications, plans, budgets, allowability review, amendments, monitoring, evaluation, carryover, closeout, and audit evidence.
Purchasing	Manager, Purchasing	Procurement method, competition, vendor documentation, contract routing, and procurement history.
Payroll	Manager, Payroll	Payroll processing, extra duty, stipends, payroll distribution, and time-and-effort support.
Human Capital Management	Director, Human Capital Management	Position authorization, job descriptions, credentials, hiring records, and compensation alignment.
Accounting	Director, Accounting Services and assigned accounting staff	Journal entries, reconciliations, grant receivables/payables, financial reporting, and close responsibilities as assigned.
Administrative support	Assigned administrative support staff	Routing, records coordination, meeting support, and document control. Support staff do not own grant budgets or approve allowability.

Vacancies and Interim Assignments

A vacancy does not suspend a required control. The Superintendent, Chief Business Officer, or designated executive administrator assigns interim responsibility in writing. No employee may perform incompatible entry, approval, certification,

payment, and reconciliation functions for the same transaction.

3.2 Program Administrator Responsibility Matrix

Program Area	Responsible Position	Fiscal Partner	Typical Evidence / Documentation
Special Education	Specialized Instruction Services administrator	Grants and Finance	Program plan, eligibility/service records, IDEA application, MOE, time and effort, evaluation.
Career and Technical Education	CTE/CCMR administrator	Grants and Finance	Perkins plan, advisory input, program of study alignment, inventory, outcomes.
Gifted and Talented	Director, Advanced Academics & G/T	Finance and Grants	Identification, service design, state allotment plan, use documentation, and annual certification.
State Compensatory Education	Campus and district academic leaders; fiscal coordination by Grants	Grants and Finance	At-risk identification, DIP/CIP alignment, local tracking, evaluation, and evidence of services.
Bilingual/ESL and Title III	Multilingual education administrator	Grants and Finance	LPAC/eligibility records, Title III plan, PNP consultation, assessments, family engagement, evaluation.
Dyslexia	Dyslexia/Specialized Instruction administrator	Finance and Grants	Eligibility, service records, allowable use, inventory, 100 percent use documentation.
Early Education	Early childhood/Teaching and Learning administrator	Finance and Grants	PK-3 literacy/math plan, services, outcomes, 100 percent use documentation.
CCMR Outcomes Bonus	CCMR/CTE administrator	Finance and Grants	Grades 8-12 use, outcome data, 55 percent direct expenditure review.
Homeless/Foster	McKinney-Vento/Foster Care liaison	Grants and Finance	Eligibility, service verification, transportation, supplies, referrals, and confidentiality controls.

3.3 Segregation of Duties and System Access

Function	Entry / Preparation	Review / Approval	Certification / Release
Grant application	Program administrator and Grants	Finance, HR, Purchasing as applicable	Authorized official
Budget upload or revision	Grants / Accounting	Designated finance reviewer	System-authorized finance approver
Requisition	Requester / campus or department	Supervisor, program owner, Grants, Purchasing	Finance approval per workflow
Expenditure report / drawdown	Accounting or assigned preparer	Grants and designated finance reviewer	Separate ER certifier / authorized official
Payroll change	HR / Payroll preparer	Grants and budget owner	Payroll/finance approver
Journal entry	Accounting preparer	Director, Accounting Services or designated finance reviewer	Posted by an authorized role separate from approval where practicable
Inventory disposition	Program/campus request	Grants, Purchasing/Asset Control, TEA when required	Authorized disposition official

Authority: 2 CFR 200.303; TEA Internal Controls Handbook; district TEAL and ER role assignments.

4. Federal Program Planning and Expenditure Approval

Core Control

No grant-funded activity may begin and no purchase may be initiated until the need, activity, measurable result, funding source,

and required approval are documented in the applicable grant application and district or campus plan, or an approved amendment.

4.1 Annual Planning Requirements

Planning Element	Documentation / Evidence, as applicable	Owner
Needs assessment	Current quantitative and qualitative data, root cause, priority population, existing resources.	Program administrator / campus leader
Plan alignment	DIP/CIP strategy, grant goal, statutory purpose, and schoolwide or targeted assistance requirement.	Program administrator and Grants
Measurable objective	Baseline, target, measure, data source, review frequency, and responsible owner.	Program administrator
Activity design	What will occur, who will be served, implementation timeline, staffing/vendor needs, and evidence of completion.	Program administrator
Budget	Detailed object, function, organization, PIC, fiscal year, local code, and cost basis.	Grants and Finance
Allowability review	Necessary, reasonable, allocable, consistent, adequately documented, within period, and not prohibited.	Grants / Purchasing / Finance
Stakeholder input	Consultation evidence, including campuses, families, PNPs, staff, students, or community partners as required.	Program administrator
Approval	Program, fiscal, grants, procurement, HR, and authorized official approval as applicable.	Assigned approvers

4.2 Planning-to-Purchase Workflow

1. Identify and document the need.
2. Place the activity and measurable outcome in the approved grant plan and DIP/CIP when applicable.
3. Confirm the activity is within the approved grant application, budget, period of performance, and program rules.
4. Complete the allowability and procurement review, including prior approval or amendment analysis.
5. Initiate the requisition with the required evidence and full account code.
6. Issue the purchase order or execute the contract before ordering goods or beginning services.
7. Verify receipt, implementation, participant benefit, and performance before approving payment.
8. Retain financial, programmatic, procurement, and evaluation evidence in the grant file.

Authority: 2 CFR 200.302, 200.303, 200.403-200.405; 34 CFR 76.700; TEA General and Fiscal Guidelines.

5. Applications, Awards, Amendments, and Prior Approval

Grant applications are developed collaboratively and submitted only by an authorized official. No person may obligate the district or commit local match, staffing, facilities, or future costs without documented approval.

5.1 Application and Award File

- RFA, General and Fiscal Guidelines, Program Guidelines, provisions, assurances, errata, FAQs, and submission instructions.
- Approved application, detailed working budget, NOGA/GAN, negotiations, amendments, prior approvals, and award correspondence.
- Assistance Listing Number, FAIN, UEI, award period, budget period, grant manager, program manager, and reporting deadlines.
- Board or Superintendent authorization, match commitments, partner agreements, and subrecipient/contractor determinations.

5.2 Amendment Decision Matrix

Proposed Change	Application Amendment	Internal Budget Revision	Prior Written Approval / Other Action
New position or key personnel change	Usually yes; required when named or scope changes	Yes	HR and grant approval; prior approval if key personnel is identified in award
New service or activity	Yes if not described or scope changes	Yes	Procurement review and plan amendment
New vendor with no scope change	Not automatically	Maybe	Procurement and contract approval required
New equipment or capital outlay	Usually, based on application and program rules	Yes	Prior approval when required; inventory and disposition controls
Out-of-state travel	Yes when not approved or program requires	Yes	TEA prior approval or justification when required
Transfer exceeding allowable budget variation	Yes	Yes	Submit before exceeding approved variation
Change in project objective or scope	Yes	Yes	Prior written approval required
Move participant support costs to another category	Yes	Yes	Prior written approval required
No-cost extension	Yes or formal request	No	Prior approval or notice under award terms
Correction within approved activity and allowable variation	Usually no	Yes	Retain rationale and approval

Do Not Spend First

An amendment or prior approval must be obtained before the district incurs the cost when required. A later amendment does not automatically cure an unapproved obligation.

5.3 Consolidated Prior Approval Matrix

Activity / Cost	Review Required Before Commitment	Minimum Evidence
Out-of-state travel	Grant application/amendment and TEA prior approval when required	Agenda, purpose, attendees, cost estimate, plan alignment, approval form
Student field trip	Program and TEA approval when required	Instructional purpose, student eligibility, itinerary, safety, cost, evaluation
Hosting a conference	Program and TEA approval when required	Agenda, participants, purpose, venue, procurement, cost allocation
Capital outlay/equipment	Application approval and grant-specific prior approval	Need, specification, quotes/bid, inventory plan, useful life, location
Participant support costs	Application and prior approval as required	Participant definition, purpose, amount, classification, attendance
Construction/minor remodeling	Legal, facilities, procurement, TEA/USDE approval	Scope, ownership/lease, environmental and BABA review, contracts
Noncompetitive procurement	Written TEA approval when required	Sole source or emergency facts, market search, price analysis, approval
Pre-award cost	Written approval and award authorization	Necessity, timing, allowability, approval date
Special or unusual cost	TEA or awarding-agency approval	Written justification and cost basis

5.4 Cost Share and Match

When an award requires cash or in-kind match, the program administrator, Grants, and Finance maintain records sufficient to verify the source, amount, valuation, allowability, period, and reporting of the contribution. A contribution may not be

counted toward more than one federal award unless specifically authorized. Donated or in-kind contributions must meet the award terms and applicable federal valuation requirements.

Authority: 2 CFR 200.308, 200.407; TEA prior approval, disclosure, and justification forms; grant-specific RFA and NOGA.

6. Financial Management, Budget Control, and Grant Monitoring

The district accounting system must identify each federal award and trace funds from the approved budget to the general ledger, encumbrance, invoice, payment, drawdown, and final report. The detailed working budget is the operational control even when the grant application uses broader class/object categories.

6.1 Required Award Identification

Data Element	Required Record
Award identity	Grant name, fund code, FAIN, Assistance Listing Number, federal agency, pass-through entity, grant year.
Award period	Beginning date, ending date, budget periods, amendment deadline, liquidation and report deadlines.
Budget control	Approved budget by class/object and detailed local account codes; amendments and transfers.
Activity control	Approved plan, deliverables, performance measures, campuses, participants, and owners.
Financial activity	Budget, encumbrances, expenditures, revenue, receivables, payables, refunds, credits, indirect cost.

6.2 Grant Portfolio Review and Monitoring

Monitoring Area	Review Considerations	Response as Needed
Budget status	Allocation, current budget, expenditures, encumbrances, available balance, percent spent.	Resolve negative lines, miscoding, unsupported encumbrances, or inactive budgets.
Implementation	Activities completed, participants served, deliverables, barriers, and evidence.	Adjust implementation, assign owners, and update plan when needed.
Spending pace	Projected spend through end date, carryover exposure, lapsed-fund risk.	Create corrective spending plan or amendment.
Payroll	Positions, vacancies, distributions, benefits, time and effort, extra duty, stipends.	Correct distributions and collect documentation.
Procurement/contract	PO status, contract deliverables, invoice support, vendor performance.	Close stale POs, enforce terms, or revise procurement plan.
Inventory	Purchases, locations, transfers, losses, condition, use.	Update inventory and investigate discrepancies.
Risk	Late reports, missing evidence, turnover, findings, high carryover, low spending.	Increase monitoring, assign CAP, or escalate.
Outcome status	Progress toward measurable objectives and annual evaluation evidence.	Continue, modify, discontinue, or scale strategy based on results.

The district conducts periodic grant portfolio reviews based on award deadlines, spending, implementation status, carryover exposure, and identified risk. Portfolio reviews are generally performed on a quarterly cadence, but frequency may vary by grant. High-risk, closing, or rapidly changing awards may be reviewed more frequently.

Authority: 2 CFR 200.302, 200.303, 200.308, 200.329; 34 CFR 76.722 and 76.732.

7. Federal Cash Management and Interest

DeSoto ISD primarily uses the reimbursement method. The district pays allowable costs with local cash, records the expenditures, reconciles the general ledger, and then requests reimbursement through the applicable system. An advance may be used only when authorized by the award and supported by immediate cash needs.

7.1 Drawdown and Reimbursement Procedure

1. Accounting generates a grant expenditure report from the general ledger and reconciles expenditures to the approved budget and NOGA.
2. The Grants Office reviews allowability, period of performance, unusual transactions, credits, amendments, and documentation status.
3. A preparer enters the payment request or expenditure report. A separate authorized certifier reviews and submits it.
4. The district requests only recorded, allowable expenditures net of refunds, rebates, discounts, and other applicable credits.
5. Revenue is posted to the correct grant and reconciled to the payment received.
6. Differences, rejected costs, or overpayments are corrected promptly and refunds are returned through the required TEA process.

7.2 Advances and Cash Forecasting

- Advance requests are limited to the minimum amount needed for immediate disbursement and must minimize the time between receipt and payment.
- Cash forecasts must identify pay dates, vendor due dates, expected grant reimbursement, and any significant cash concentration risk.
- Advance cash is maintained in an insured, interest-bearing account unless an allowable exception applies.
- Program income must be used before requesting additional federal cash when required by the award.

7.3 Interest Earned on Federal Funds

Control	District Procedure
Tracking	Finance identifies interest attributable to federal advances and maintains the calculation with bank and cash records.
Retention	The district may retain up to $500 per year for administrative expenses when permitted by 2 CFR 200.305.
Remittance	Interest above the permitted amount is remitted in accordance with federal and pass-through instructions.
Documentation	Retain calculation, bank statement, journal entry, remittance confirmation, and correspondence.

Authority: 2 CFR 200.302, 200.305, 200.307, 200.406; TEA ER instructions and award terms.

8. Allowability, Supplement Not Supplant, and Cost Classification

A cost may be charged only when it is necessary, reasonable, allocable, consistently treated, within the approved period and budget, adequately documented, permitted by the program, and not used for another federal purpose or match unless authorized.

8.1 Allowability Decision Test

Question	Supporting Evidence / Considerations
Why is it needed?	Needs assessment and plan strategy.
Who benefits?	Eligible students, staff, campus, program, or cost objective.
How does it advance the award?	Approved activity, measurable objective, deliverable, or statutory purpose.
Is the amount prudent?	Quotes, market research, prior purchase, rate, allocation method, or price analysis.
Is it allocable?	Relative benefit, usage, FTE, participant, square footage, or other reasonable method.
Is it consistently treated?	Same type of cost treated consistently as direct or indirect in like circumstances.
Is it documented?	Plan, requisition, PO, contract, invoice, receipt, attendance, time and effort, proof of benefit.
Is approval required?	Application, amendment, prior approval, procurement, travel, HR, or Board approval.

8.2 Supplement Not Supplant

Supplement not supplant requirements differ by program. Title I, Part A uses a methodology-based test for the allocation of state and local funds. Other programs may use presumptions or program-specific tests. Staff must use the current program guidance rather than applying one test to every grant.

Risk Indicator	District Response
Cost was paid with local funds in prior years	Document why circumstances changed and why the federal program may now pay the cost.
Cost is required by state or local law	Do not charge unless the program specifically allows and the supplement test is satisfied.
Same service is provided to nonparticipants with local funds	Document the supplemental enhancement and eligible population.
Central administration or general operations	Presume local/indirect unless the cost is integral, specifically identifiable, and approved.
Title I schoolwide activity	Document methodology, schoolwide plan, needs, and proportional benefit when consolidating funds.

8.3 Allowable and Unallowable Examples

Example	General Treatment	Documentation / Risk Note
Instructional coaching tied to an approved strategy	Often allowable	Job duties, participants, plan, schedule, time and effort, outcome evidence.
Director-level central administration	Usually indirect or unallowable as a direct charge	Direct charge only when integral, specifically identified, consistently treated, and within administrative limits.
Professional development	Potentially allowable	Document need, sustained/job-embedded design, attendance, implementation, and impact.
Recruitment and retention incentive	Program-specific	Must be authorized, reasonable, supplemental, and supported by a written plan and compensation rules.
Campus implementation support	Depends on purpose and beneficiary	Allocate based on relative benefit and use correct function/PIC.
General district operations	Unallowable as direct grant cost	Use local funds or approved indirect cost.
Extra duty and stipend	Potentially allowable	Preapproval, function ID, written duties, dates, rate, sign-in/time record, supervisor verification, payroll evidence.
Advertising or promotional items	Usually unallowable	Allow only when necessary for program outreach or required communication, not institutional promotion.
Entertainment, alcohol, memorabilia	Unallowable	No exception for alcohol; entertainment requires a direct programmatic purpose and award authorization.

Authority: 2 CFR 200.403-200.476; ESSA program statutes; TEA Supplement, Not Supplant Handbook; current Funding Reference Manuals.

9. Procurement and Contract Administration

FY2026-2027 District Procurement Framework

Following Purchasing review, DeSoto ISD will retain the district's more restrictive $10,000 micro-purchase threshold and $250,000 simplified acquisition threshold for federal grant procurements. The current $25,000 local Board approval threshold for a single purchase or contract remains unchanged and is separate from the aggregate thresholds below. Any future increase requires separate policy and Board action before implementation.

9.1 Current Procurement Thresholds

Aggregate Amount for Like Items	Required Method	District Minimum Documentation
$1-$10,000	Micro-purchase	Document price reasonableness and equitable distribution when practicable; retain requisition, PO, invoice/receipt, and justification. Quotes are not required but may be used.
$10,001-$99,999	Simplified acquisition	Obtain price or rate quotations from an adequate number of qualified sources, as determined by Purchasing; retain quote requests, responses, and selection rationale.
$100,000-$250,000	Texas formal procurement plus federal simplified acquisition	Use an authorized TEC 44.031 method; retain the solicitation, evaluations, award decision, price support, and executed contract.
$250,001 and above	Federal formal procurement and Texas requirements	Use sealed bids or competitive proposals/RFQ as appropriate; retain public notice, documented evaluation, award, and cost or price analysis.
Noncompetitive	Only an authorized exception	Retain written facts, market research, price analysis, approval, and TEA prior approval when required by the award or applicable guidance.

Thresholds are applied to the aggregate value of like items or services over the applicable 12-month period and across funding sources when required by law and district procedures. Splitting purchases to avoid competition or approval is prohibited.

9.2 Procurement Standards

- Use documented procedures and maintain full and open competition.
- Avoid unnecessary or duplicative items and analyze lease versus purchase when appropriate.
- Use clear specifications that do not unduly restrict competition. Use brand name or equivalent only when justified.
- Award only to responsible contractors and verify suspension and debarment for federal awards.
- Maintain procurement history, including method, rationale, vendor selection or rejection, and price basis.
- Include all applicable Appendix II contract provisions, federal terms, termination rights, records access, and performance requirements.
- Monitor contractor performance, deliverables, invoices, timelines, and corrective action before payment.
- Apply domestic preference, recovered materials, small/minority/women/veteran business outreach, and prohibited telecommunications requirements as applicable.

9.3 Cooperative Purchasing

A cooperative contract does not eliminate the district obligation to verify federal compliance. The procurement file must demonstrate the cooperative solicitation method, applicable federal clauses, responsible contractor review, price reasonableness, and district-specific scope. Purchasing determines whether additional quotes or a cost/price analysis are required.

9.4 Contract Administration

Control Point	Typical Supporting Evidence
Before service	Executed contract, PO, scope, deliverables, dates, rate, funding, procurement record, required clauses.
During service	Meeting notes, work products, attendance, progress reports, issue logs, performance monitoring.
Invoice review	Detailed dates, personnel, locations, units, rates, deliverables, approved amount, account code.
Payment approval	Program verification of performance, Grants allowability review, AP/Finance controls.
Closeout	Final deliverables, final invoice, property/data return, contract evaluation, record retention.

Authority: 2 CFR 200.318-200.327 and Appendix II; TEC 44.031; TEA Federal Grant Threshold Changes Update, November 6, 2025; CH(LEGAL/LOCAL).

10. Personnel, Payroll, Extra Duty, and Time and Effort

Compensation charged to a grant must be supported by an authorized position or assignment, written duties, approved compensation, actual services, payroll records, and time-and-effort documentation that reflects the work performed.

10.1 Grant-Funded Position Controls

Before a grant-funded position is created, moved, reclassified, continued, or charged to a grant, the district reviews grant allowability, alignment to the approved application and plan, budget availability, account coding, compensation, payroll distribution, and required personnel documentation. The approval and supporting records are retained in the grant and personnel files.

10.2 Time and Effort Requirements

Work Pattern	Documentation
Single cost objective	After-the-fact certification at least semiannually unless a valid waiver or alternate system applies.
Multiple cost objectives, variable schedule	Personnel Activity Report or equivalent after-the-fact record reflecting total compensated activity, completed at least monthly and coinciding with pay periods.
Multiple cost objectives, set schedule	TEA-approved substitute system, employee schedule and certification, completed after the fact at least every six months.
Schedule changes more than 10 percent	New schedule/certification and payroll distribution review.
Extra duty/stipend	Preapproval, written supplemental duty, function ID, dates/hours or deliverable evidence, rate, supervisor certification, payroll record.

Current TEA Control

Substitute system approval is annual. A request submitted by December 1 may be retroactive to July 1; a later request is effective on the submission date. The district retains employee schedules and certifications locally.

Authority: 2 CFR 200.430; TEA Substitute System of Time and Effort Reporting; district compensation plan and function ID procedures.

11. Equipment, Supplies, Inventory, and Disposition

The district applies the more restrictive local capitalization and inventory rules. Federal guidance generally defines equipment at the lesser of the district capitalization level or $10,000 per unit under the revised Uniform Guidance. DeSoto continues to track grant-funded technology, durable, portable, sensitive, and theft-prone items below the capitalization threshold.

11.1 Required Property Records

Required Field	Examples
Description and identification	Asset type, serial number, tag number, model.
Award information	Fund, grant year, FAIN/ALN when applicable, federal contribution percentage.
Acquisition	Date, vendor, cost, PO, invoice.
Custody and use	Title holder, campus/department, room, assigned user, program purpose.
Condition and verification	Condition, last physical inventory date, verifier, transfer history.
Disposition	Approval, date, method, fair market value, proceeds, incident/police report when applicable.

11.2 Inventory Monitoring

- Physical inventory is conducted on the cycle required by federal and local procedures. The district may use more frequent verification for grant-funded equipment and sensitive items based on risk.
- Transfers require prior notice and an updated location/custodian record.
- Missing, stolen, damaged, or unused items are reported immediately, investigated, and documented.
- Property remains in use for the original program as long as needed, then follows the federal priority for other federal education programs and other federal programs.
- Disposition requires TEA or awarding-agency approval when applicable and must follow current fair-market-value thresholds and district disposal procedures.

Authority: 2 CFR 200.310-200.316; TEA property management and disposition guidance; district fixed asset procedures.

12. Federal Grant Audit Evidence and Record Retention

The district retains sufficient evidence to show what was approved, what occurred, what was paid, who benefited, what result was achieved, and how the district verified compliance. Electronic records are acceptable when secure, complete, accessible, readable, and protected from unauthorized alteration.

12.1 Audit Evidence Matrix

Area	Typical Supporting Evidence, as applicable
Planning	Needs assessment, DIP/CIP or program plan, measurable objectives, stakeholder input, annual evaluation.
Application and amendment	RFA, approved application, NOGA/GAN, detailed budget, negotiations, amendments, eGrants approvals, prior approvals.
Procurement	Specifications, quotes, bids, public notice, evaluations, conflict forms, selection rationale, cost/price analysis, cooperative compliance.
Contracts	Executed agreement, required federal clauses, deliverables, monitoring, invoices, performance verification.
Travel	Prior approval, agenda, travel request, receipts, reimbursement, attendance, implementation evidence.
Payroll	Position authorization, job description, pay notice, payroll register, distribution, time and effort, extra-duty records.
Equipment	PO/invoice, tag, inventory record, location, physical verification, transfer, loss, disposition.
Cash management	Expenditure report, reconciliation, reviewer/certifier evidence, payment request, deposit, interest and refund records.
Donations/external funds	External Funds Notification Form, donor restriction, approval, valuation, receipt, inventory, accounting entry, acknowledgement.
PNP/equitable services	Consultation, invitations, needs, affirmation, service records, expenditure tracking, inventory, assessments.
Homeless/foster	Eligibility/service verification, transportation logs, supply distribution, referrals, inventory, confidentiality.
Monitoring/evaluation	Periodic reports, risk assessment, CAP, evidence review, outcome analysis, closure documentation.

12.2 Retention Period

Federal records are retained for at least three years from the applicable final expenditure or financial report, unless a longer federal, state, local, audit, litigation, property, or award-specific period applies. DeSoto applies the longer period in its records schedule and retains prior manuals and procedures for transactions governed by those versions.

- Records connected to an audit, monitoring review, claim, investigation, litigation, or unresolved finding are retained until final resolution.
- Property records are retained through final disposition and the applicable post-disposition period.
- The official grant file is maintained in district systems, Title I Crate or successor compliance platform, Plan4Learning, approved shared drives, Frontline TEAMS, and Administrative Services records systems as applicable.

Authority: 2 CFR 200.334-200.338; Texas local records schedules; TEA monitoring documentation requirements.

13. External Funds, Donations, and In-Kind Support

Donations, sponsorships, drives, foundation support, grants from outside entities, and externally funded activities must be disclosed and approved before acceptance or use. External funds are not outside district controls.

13.1 External Funds Notification Procedure

1. Program or campus submits the External Funds Notification Form before soliciting, accepting, or committing the district.
2. The form identifies donor, purpose, restrictions, estimated value, recipient, inventory needs, reporting, and any required match or future cost.
3. Grants, Finance, Purchasing, Legal/Administration, Communications, and the Superintendent review as applicable.
4. Finance determines the correct fund, revenue recognition, cash receipt, in-kind valuation, and accounting treatment.
5. Purchasing and Asset Control record donated equipment and verify any vendor or procurement interaction.
6. Program owner documents distribution, use, beneficiary, outcome, acknowledgement, and donor reporting.

13.2 Interaction with Federal Awards

- A donation may not be used as cost share or match unless the award permits it and the value is documented under federal rules.
- Donation restrictions may not override federal, state, or district requirements.
- Federal and donated funds must not be commingled in a way that prevents identification of source and use.
- Items donated to support a federal activity must be included in inventory and service documentation when applicable.
- Donor recognition must not create an unallowable advertising, endorsement, conflict, or procurement advantage.

Authority: 2 CFR 200.306, 200.307, 200.403, 200.434; district cash handling, donation, inventory, and External Funds Notification procedures.

14. Equitable Services and Private Nonprofit Schools

The district provides equitable services in accordance with each applicable program. Services are controlled and administered by the district or its contractor. Funds are not paid directly to a private nonprofit school unless specifically authorized by law.

Compliance Step	Supporting Records / Evidence
Identify eligible PNPs	Outreach list, contacts, eligibility verification, response records.
Timely and meaningful consultation	Invitations, agenda, meeting notes, needs, service options, delivery method, evaluation, complaints, written affirmation.
Determine proportional share	Enrollment data, calculation, administrative reservation, carryover treatment.
Plan services	Eligible participants, assessment, service description, provider, schedule, location, safeguards.
Procure and implement	District contract/PO, provider monitoring, attendance, materials, student/staff service records.
Inventory	District title and control, tags, location, use, annual verification, removal/disposition.
Evaluate	Annual assessments, outcome data, consultation on effectiveness and modifications.
Retain records	Consultation, affirmation, calculations, expenditures, service and inventory evidence.

Title III Focus

Title III files must include documentation of identified English learners served, assessment or language-support evidence, consultation, services, expenditures, and annual evaluation for participating PNPs.

Authority: ESSA equitable services provisions; 34 CFR 200.62-200.67 as applicable; current TEA program guidance.

15. Homeless and Foster Care Grant Activity Documentation

The McKinney-Vento and Foster Care liaisons coordinate with Grants, Finance, Transportation, Student Services, and campuses to document eligibility, immediate enrollment, services, and expenditures while protecting student confidentiality.

Activity	Supporting Records / Evidence, as applicable
Transportation	Eligibility/service determination, route or mileage log, dates, student identifier, cost basis, invoice or payroll, approval.
Hygiene/clothing/supplies	Need verification, purchase, inventory or controlled distribution log, recipient code, date, staff certification.
Emergency or academic support	Referral, eligibility, service description, provider, dates, outcome/follow-up.
Hotel/motel or temporary support, if authorized	Program/legal approval, eligibility, dates, rate, safety, invoice, confidentiality.
Partner donation or drive	External Funds Notification, restrictions, valuation, receipt, inventory/distribution, acknowledgement.
Program evaluation	Students served, timeliness, attendance/engagement indicators, barriers, improvement actions.

Authority: McKinney-Vento Homeless Assistance Act, ESSA, TEHCY guidance, foster care transportation requirements, award terms.

16. Program Evaluation and Continuous Improvement

Grant-funded programs are evaluated at the intervals required by the award and program guidance, and generally at least annually for continuing programs. Multiyear and high-risk awards may be reviewed more frequently. Evaluation addresses implementation, financial performance, participant reach, outcomes, equity, sustainability, and needed changes.

Evaluation Component	Evaluation Question	Potential Evidence
Need	Is the original need still supported by current data?	Updated data, stakeholder feedback, root cause review.
Implementation	Was the activity implemented as designed and on time?	Schedules, attendance, deliverables, site observations.
Reach	Did intended participants receive the service?	Eligibility, rosters, demographics, dosage.
Outcome	Did the activity improve the identified measure?	Baseline/target, assessment, survey, performance data.
Fiscal efficiency	Were funds used timely and reasonably?	Cost per participant, budget variance, carryover, procurement.
Compliance	Were documentation and approvals complete?	Monitoring checklist, audit evidence, findings.
Decision	Should the strategy continue, change, scale, or end?	Written conclusion, next steps, plan amendment.

Evaluation results inform the next needs assessment, annual plan, budget, procurement, staffing, and grant application. Material results may be incorporated into periodic or annual reports and shared with the Board when required or useful for governance.

Authority: 34 CFR 77.1 continuous improvement definitions; 34 CFR 76.722 and 76.732; program-specific performance reporting requirements.

17. Risk-Based Monitoring, Findings, and Corrective Action

The district uses risk-based monitoring to increase oversight where the likelihood or impact of noncompliance is greater. The district risk process is separate from TEA annual risk status and may result in enhanced local controls even when TEA assigns a lower risk level.

Risk Factor	Examples	Possible Enhanced Response
Financial condition	Cash constraints, delayed drawdowns, deficit, unreconciled balances.	More frequent reconciliation, drawdown schedule, executive review.

Risk Factor	Examples	Possible Enhanced Response
Staffing	Vacancy, turnover, new program owner, incompatible access.	Interim assignment, training, secondary review.
Spending	Low pace, high carryover, late purchases, negative lines.	Monthly plan, amendment, purchasing cutoff, CAP.
Documentation	Missing plans, time and effort, quotes, inventory, evaluations.	Pre-payment hold, evidence review, site visit.
Prior findings	Audit, monitoring, complaint, questioned cost.	Corrective action tracker, validation, closure evidence.
Program complexity	Large, multiyear, construction, multiple partners/subrecipients.	Dedicated governance, contract monitoring, quarterly executive report.

17.1 Corrective Action Procedure

1. Document the issue, source, requirement, affected transaction or program, and immediate containment action.
2. Assign an owner, due date, evidence requirement, and reviewer.
3. Correct accounting, payroll, procurement, inventory, plan, or program records and return funds when required.
4. Provide training or revise procedures to address the root cause, not only the individual error.
5. Validate completion through independent review and retain closure evidence.
6. Report unresolved or material matters to the Superintendent, Board, auditor, TEA, federal agency, or OIG as required.

17.2 Mandatory Disclosure and Whistleblower Protection

Credible evidence requiring disclosure under 2 CFR 200.113 is promptly elevated to the Superintendent or designee and disclosed in writing to the applicable federal agency, the agency's Office of Inspector General, and the pass-through entity when required. The district informs employees in writing of applicable federal whistleblower rights and protections under 41 U.S.C. 4712.

Authority: 2 CFR 200.113, 200.217, 200.303, 200.339; TEA Corrective Actions Related to Federal Grants; district fraud and whistleblower policies.

18. Carryover Monitoring and Grant Closeout

Carryover is not a substitute for timely implementation. The district plans to use funds during the initial award period and monitors carryover limits, reallocation risk, lapsed funds, amendment deadlines, and end-of-grant benefit throughout the award.

18.1 Carryover Controls

- Periodic projections identify expected carryover by grant year and compare it with statutory, SSA, program, and risk-assessment limits. Review frequency is based on award deadlines, spending pace, and risk.
- Title III SSA carryover is monitored against the applicable 50 percent limitation and current SSA guidance. Non-SSA carryover follows the award and TEA rules.
- Title I, Part A carryover above the statutory limit requires a waiver when available and must be requested timely.
- Perkins does not use Tydings carryover unless the current award expressly provides otherwise.
- Discretionary grants end at the stated period of performance unless a no-cost extension is approved. A request must describe continuing services, not merely a desire to spend remaining funds.

18.2 Closeout Checklist

Closeout Stage	Required Action
120-90 days before end	Review balance, open POs, payroll, contracts, inventory, deliverables, amendments, and final purchasing cutoff.
Before obligation deadline	Issue valid POs/contracts and ensure goods/services can provide substantial benefit before the award ends. No stockpiling.
At award end	Stop new obligations; verify services performed, travel taken, goods received, and payroll earned within period.

Closeout Stage	Required Action
Liquidation period	Pay valid obligations, cancel unsupported POs, resolve credits, receive final invoices, and complete refunds.
Final reporting	Reconcile ledger to NOGA and approved budget; submit final expenditure and program reports; calculate indirect cost.
Property and records	Complete final inventory review, disposition/continued-use determination, grant file index, and retention schedule.
Carryover	Confirm allowable carryover, reallocation, or lapse and update next-year application and budget.
Closeout status	Document completion, unresolved matters, and any follow-up required by the award or district process.

FY2026-2027 Closeout Focus

Stronger Connections remains active through September 30, 2026 and is managed as an active closeout grant. The prior PLTW Impact Fund award ended May 31, 2026 and moves to closeout/historical status unless a renewal applies. Grow Your Own Cycle 6 and ESSER awards remain archived.

Authority: 2 CFR 200.344; 34 CFR 76.707-76.710; TEA General and Fiscal Guidelines; award-specific closeout instructions.

19. State Allotment and FY2026-2027 PIC Updates

Major State Change

The fixed 55 percent State Compensatory Education spending requirement was repealed. Beginning FY2026-2027, PIC 26, 28, 29, and 30 are removed from FASRG. PIC 24 may be retained for local tracking, but TEA will consolidate reported PIC 24 expenditures into PIC 11 for state reporting.

State Program	PIC	Direct Expenditure Requirement for FY2026-2027	District Control
Bilingual Education	25	55%	Annual budget/spend review and J-4 reporting as applicable.
Career and Technical Education	22	55%	Annual budget/spend review.
State Compensatory Education	24 local tracking; state reporting consolidated	No fixed percentage	Maintain at-risk plans, local expenditure tracking, evaluation, and evidence of services.
CCMR Outcomes Bonus	38	55%	Use in grades 8-12 to improve CCMR outcomes.
Dyslexia	37, 43	100%	Track allowable services and costs.
Early Education	36	100%	Track PK-3 literacy/math services and outcomes.
Gifted and Talented	21	100%	Track GT services, expenditures, and annual certification.
Special Education	23, 33	55%	Track state program expenditures and services.

The Grants Office and Finance monitor state allotment requirements using current Summary of Finance data, FASRG, SAMP methodology, PEIMS coding, program plans, and annual audit requirements. Program administrators remain responsible for eligibility, service, and outcome documentation.

Authority: TEA State Allotment Programs webpage and current FASRG; HB 2, 89th Legislature; applicable TEC Chapter 48 provisions.

20. Controlled Annual Exhibits and Working Records

The district maintains current operational records outside this manual, including the detailed grant inventory, award-specific deadlines and compliance calendar, current technical-assistance contacts, incumbent assignments, and program

ownership. These records are updated as awards, guidance, deadlines, or staffing change and do not require revision of this manual unless the underlying procedure changes.

The current NOGA/GAN or award agreement, approved application and amendments, applicable RFA and guidance, and current TEA or federal requirements control award dates, amounts, Assistance Listing information, deadlines, and program-specific conditions.

Appendix A. Internal Controls Narrative

Control Environment. DeSoto ISD establishes expectations for integrity, stewardship, compliance, segregation of duties, documentation, and accountability through Board policy, administrative procedures, job descriptions, training, and supervision. Grant responsibilities are assigned by position and continue during vacancies through written interim assignments.

Risk Assessment. The district evaluates program complexity, staffing, spending patterns, cash management, carryover, procurement, payroll, inventory, audit history, data security, and external conditions. Risk ratings determine monitoring frequency and evidence review.

Control Activities. Preventive controls include approved plans, budgets, requisitions, purchase orders, contract execution, system roles, prior approval, and training. Detective controls include reconciliations, periodic portfolio reports, inventory verification, time-and-effort review, invoice testing, and monitoring. Corrective controls include journal entries, payroll corrections, refunds, amendments, CAPs, and procedure changes.

Information and Communication. The district communicates requirements through methods that may include annual manuals, training, Federal Friday updates, grant planning meetings, periodic reports, compliance calendars, and written approvals. Records are maintained in designated systems and shared with auditors and monitors upon request.

Monitoring. The Grants Office, Finance, Purchasing, Payroll, HR, program administrators, external auditors, TEA, and other awarding agencies monitor compliance. Findings are tracked to closure, and material matters are escalated to the Superintendent and Board as appropriate.

Cybersecurity and Confidentiality. Access is role-based and reviewed when employment or duties change. Staff protect PII and sensitive program information, use district systems, follow password and device controls, and report suspected incidents promptly.

Authority: 2 CFR 200.303; GAO Green Book; COSO framework; district Process and Internal Control documents.

Technical Assistance. Use the current ESC Region 10 Federal Programs directory and the program/fiscal contact listed in the applicable TEA RFA, NOGA, or award document. Current contact information controls over any prior-year training material.

Appendix B. Official Reference Links

TEA Guidelines, Provisions, and Assurances: https://tea.texas.gov/data-reports/grants/grants-administration/guidelines-provisions-and-assurances

TEA EDGAR Materials and Resources: https://tea.texas.gov/data-reports/grants/edgar-materials-and-resources

TEA Federal Grant Threshold Changes Update, November 6, 2025: https://tea2.tea.texas.gov/taa-letters/federal-grant-threshold-changes-update

TEA State Allotment Programs: https://tea.texas.gov/data-reports/financial-compliance/state-allotment-programs

TEA Administering a Grant: https://tea.texas.gov/data-reports/grants/grants-administration/administering-grant

TEA Substitute System of Time and Effort: https://tea.texas.gov/data-reports/grants/substitute-system-time-and-effort-reporting

Electronic Code of Federal Regulations, 2 CFR Part 200: https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200

U.S. Department of Education EDGAR: https://www.ed.gov/grants-and-programs/grants-manage-grants/education-department-general-administrative-regulations-edgar

DeSoto ISD Administrative Regulations: https://www.desotoisd.org/board_of_trustees/administrative_regulations

DeSoto ISD Financial Services: https://www.desotoisd.org/departments/financial_services_department