

TEXAS COUNCIL FOR DEVELOPMENTAL DISABILITIES Grants Manual

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TEXAS COUNCIL FOR DEVELOPMENTAL DISABILITIES

Grants Manual

Section I - Introduction

TCDD Mission

The mission of the Texas Council for Development Disabilities is to create change so that all people with disabilities are fully included in their communities and exercise control over their own lives.

The Texas Council for Developmental Disabilities (TCDD)

[The Texas Council for Developmental Disabilities](http://www.acl.gov/Programs/AIDD/DDA_BOR_ACT_2000/index.aspx) (TCDD) is established and funded pursuant to the Developmental Disabilities Assistance and Bill of Rights Act (See full text at: http://www.acl.gov/Programs/AIDD/DDA_BOR_ACT_2000/index.aspx. State and Federal law created TCDD to promote a comprehensive system of supports to assist individuals with developmental disabilities (DD) ([definition on TCDD's website](#)) to be independent, productive, and fully included in the community of their choice.

The Governor appoints members of the Council to direct and oversee the activities of the Council staff and to facilitate the distribution of Federal DD funds available to Texas. By Federal law, at least 60% of the members of the Council must be people with developmental disabilities, parents or guardians of children with developmental disabilities, or immediate relatives or guardians of adults with mentally impairing developmental disabilities who cannot represent themselves on the Council. The remaining members are representatives from relevant State agencies and entities that administer funds provided under Federal laws related to people with Developmental Disabilities, which includes Disability Rights Texas (the state protection and advocacy organization), Center for Disability Studies at the University of Texas and the Center for Disability and Development at Texas A & M University

The Council develops a five-year State Plan that guides the distribution of funds through advocacy, capacity building, and systemic change activities. The activities the Council may support include, but are not limited to:

- outreach activities,
- training for people who are individuals with developmental disabilities and/or their families and support personnel,
- technical assistance activities,
- activities to support and educate communities,
- interagency and collaborative activities,
- coordination with related councils, committees and programs,

- barrier elimination activities, system design and redesign activities,
- system design and redesign activities,
- coalition development activities,
- activities to inform policymakers, and
- activities to demonstrate new approaches to services and supports.

In addition, Federal law specifically states that the Council must also include in the State Plan a goal, for each year:

- to establish or strengthen a State self-advocacy organization led by people with developmental disabilities,
- to support opportunities for individuals with developmental disabilities who are considered leaders to provide leadership training to individuals with developmental disabilities, and
- to support and expand participation of individuals with developmental disabilities in cross-disability and culturally diverse leadership coalitions.

The Governor designated the Texas Education Agency (TEA) to receive, disburse and account for funds on behalf of TCDD and provide other administrative supports. TCDD has final approval over all grant project activities, budgets, and revisions.

Purpose and Policy

The DD Act stipulates it is the policy of the United States that all programs, projects, and activities receiving assistance under the Act be carried out in a manner that promotes the ability of ALL individuals, including those with the most severe developmental disabilities ([See TCDD's website for definition](#)), to achieve independence, productivity, and integration and inclusion in their communities. With education and support, communities can be responsive to the needs of individuals with developmental disabilities and their families. Communities that support the full inclusion of individuals with developmental disabilities and their families are enriched. Services and supports are most successful when they are provided in an individualized manner, directed by the individual receiving services, in accordance with that person's culture and in a way that maximizes their individual strengths. In addition, specific efforts must be made to ensure that individuals from racial and ethnic minority backgrounds experience effective and meaningful opportunities for full participation in the developmental disabilities service system.

Non-Supplantation of Funds

Funds and resources provided to the grantee under the terms of this grant may not be substituted for funds and resources from other sources, or in any way serve to reduce the resources, services or other benefits which would have been available to, or otherwise provided by the grantee according to law or contract had this grant not been executed.

Focus of Council Projects

The Council focuses its efforts on the needs of individuals with developmental disabilities. The primary goal of most funded projects is to produce long-term changes in current systems of services and supports, rather than to provide direct services. The Council recognizes and appreciates that these projects will most likely benefit people with and without developmental disabilities. However, the Council does fund some projects which demonstrate new approaches, and in doing so, provides direct services. These grants must document that the individuals receiving direct services paid for by the Council have developmental disabilities as that term is defined in the DD Act (See Act DD – 42 USC 15002, Section 102 Definitions (8) [AIDD - Developmental Disabilities Assistance and Bill of Rights Act](#) and on TCDD's website: <http://tcdd.texas.gov/resources/what-is-developmental-disability/>).

State Plan Activities

The Developmental Disabilities Act requires TCDD to spend at least 70% of its available federal funds for state plan activities. The State Plan can be found on TCDD's website <http://tcdd.texas.gov/about/state-plan/>

The Council determines the areas on which it wishes to focus through a planning process which takes into account, among other things, public input, the needs of geographic regions, the activities and initiatives of other agencies and organizations, past experience, and best practices. Project ideas are developed in response to the planning agenda, and grants are awarded, in most cases, through a competitive Request for Proposals (RFP) process that occurs several times per year. Grantees and contractors are expected to ensure that project activities are consistent with the RFP intent and the purpose and policies of the Council. Council staff monitor for compliance and provide technical assistance to grantees. Grants are typically awarded for several years, although the Council's Executive Committee reviews the progress of each grant at least yearly and may determine to terminate a grant at any time in special circumstances ([See Section 2.1.12 of this manual for information on termination](#)).

Rights of Individuals with Developmental Disabilities

The DD Act, and by reference, Texas Human Resources Code, Sec. 112.002(b), includes specific sections related to the rights of individuals with disabilities. Grantees must assure compliance with each element of this law.

TEXAS COUNCIL FOR DEVELOPMENTAL DISABILITIES

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Section II - Grants Administration

2.0 - Overview

Introduction

Procedures, forms and instructions in the following sections help to provide internal control for project functions and assure reliability of records and reports to TCDD.

The internal controls include:

- internal monitoring,
- fiscal/program coordination, and
- documentation.

Grantees are required to comply with federal regulations. TCDD staff monitor all grants for compliance, but the grantee is responsible for ensuring that federal regulations are followed. The purpose of this manual is to provide guidance to grantees for this activity.

Assurances

Grantees are expected to comply with the [assurances](#) signed as part of the grant application at all times. Exceptions to these assurances can only be approved by the TCDD staff.

Internal Monitoring

Regular reviews must include comparisons of program status to work-plan timelines. Reviews of financial records must focus on [allowable costs](#), match funds and rate of expenditures relative to the budget period.

Fiscal/Program Coordination

Delays or changes in project activities must be reported to TCDD staff as soon as the grantee recognizes that actual activities are not consistent with work plan activities. See [Budget Revision Form GM-021](#) and [Program Revision Form GM-005](#). TCDD recommends the following grantee staff maintain regular, coordinated control of project functions:

- Project Director and/or Coordinator,
- Financial Administrative Authority and/or project accountant, or
- other grantee decision-makers.

Documentation

Reports to TCDD must be supported by documentation in fiscal and program records. Grantees must [maintain records](#) of all activities and expenditures.

Project Reviews

Introduction

TCDD staff will maintain contact during the grant period. Although at least quarterly contacts will be made, project review is an ongoing process. All project records, personnel, and activities must be accessible to the reviewer. All project staff -- and persons impacted by the project, if applicable -- should be available to talk with the reviewer. [See ADA standards in Section 2.0 "Accessible Formats & Activities"](#) for specific guidelines.

Onsite Review

Onsite reviews are intended to objectively analyze grantee's efforts to meet the objectives of their project as well as fiscal management, procedural implementation and internal control systems. It is important that the grantees be aware of the regulations ([UGMS](#) and [OMB New Circulars](#)) and periodically review their organization, its policies and procedures to comply with these guidelines.

TCDD staff will:

- Conduct an on-site review within the first quarter for new grantees and according to TCDD monitoring requirements as determined by the annual project risk assessment for subsequent years of the project;
- Schedule a date that is mutually convenient;
- Provide a copy of an onsite review checklist in advance;

- Provide a copy of the completed review with recommendations, timeframes and actions that may be required within 30 days. ([Form GM 006](#))
- Observe physical facilities for [accessibility](#). See Resources and Tools, Section P ([R&T – P](#)) for a checklist of accessibility specifics.

Grantees may be selected for additional on-site reviews under any of the following events (but not limited to):

- The independent audit report or internal control report reveal pertinent weaknesses;
- Independent audit requirements are not fully met;
- TCDD's risk assessment results in a high risk ranking relative to all other grantees; or
- A special review is suggested by other information that comes to the attention of TCDD's Grants Management.

Quarterly Review

Contacts will be made at least quarterly with each grantee and will focus on project activities related to the work plan, (e.g., PAC meetings, training sessions, etc.). Contacts may include e-mail, teleconferences, etc. to review project accomplishments and management control systems, provide any needed technical assistance, and jointly discuss issues, barriers, and strategies to determine if grant activities are proceeding according to the work plan.

Documentation

All records on grant activities should be available to the reviewers. Documentation includes, but is not limited to the following:

- books, journals, ledgers, and all other documentation of expenditures,
- individual files,
- log of individuals receiving training or technical assistance,
- service schedules, logs and reports,
- [personnel activity reports](#), time sheets,
- [subcontracts](#),
- individual service plans,
- documentation of compliance with all assurances stated in grant application,
- documentation supporting project activities, and
- documentation of progress monitoring, ([quarterly performance report form GM-007, for grantees not reporting in DD Suite](#)),
- evaluations, surveys, etc.

Dissemination Guidelines

Introduction

TCDD provides funding for model projects to enhance its ability to improve services and supports for persons with developmental disabilities. Through dissemination, a project may influence future service-delivery systems. Subject to TCDD approval, dissemination activities may be included in project objectives. TCDD may also request grantees to give reports or make special presentations related to the grant without additional compensation.

Methods of Dissemination

A wide variety of dissemination techniques may be considered to individualize each project. Project dissemination may relate to on-going activities, special reports, or a final report/package. Techniques for project dissemination include:

- a final (unpublished) report,
- brochures,
- project newsletter,
- press releases,
- professional papers delivered at statewide conferences,
- audio-visual presentations about the project at conferences, workshops or seminars,
- project displays/exhibits to promote public awareness and disseminate information about the project at professional, consumer or public meetings, seminars/workshops,
- training workshops and/or presentations at conferences to disseminate project findings on a local, regional or statewide basis,
- publication of final reports, articles, workshop presentations, and/or conference proceedings,
- technical assistance manuals, training modules (or instructor-free training manuals) as a guide to replication of the program model,
- electronic media and/or networks (e.g., electronic bulletin boards, home pages, teleconferences, video conferences, and other distance learning technologies)
- onsite visits of professional peers, and
- a list of project materials for publicizing through a general mailing list, newsletter, etc.

Dissemination Procedures

Approval

Any presentations, publications or articles that are developed on the grant project require TCDD approval. Unless otherwise stated in the work plan, development of grant products must include a timeline for TCDD staff approval prior to publication/printing ([See Resources & Tools List of Approvals](#)). Grantee will submit copies of outlines, initial draft and final product to TCDD. Timeframes for review shall be negotiated with TCDD staff.

Credits

The grantee must credit TCDD in all publications, news releases, videos or other electronic dissemination of information about activities funded solely or in part by the current grant. See examples in [Resources and Tools Section](#) (R&T – Section (Q)).

- Printed publications
 - Credit shall appear on the inside or outside front cover of the report, whichever position best lends itself to the artwork.
- Articles (newspapers, newsletters, magazines, journals or books)
 - Emphasize to editors/reporters that acknowledgment of the funding agency be included.
- Federal Regulations provide that all materials describing projects funded with Federal money shall clearly state
 - Percentage of total costs of projects funded with Federal money,
 - Dollar amount of Federal funds for the project, and
 - Percentage and dollar amount of total costs of projects that are funded by non-governmental sources (contact TCDD staff for clarification of federal guidelines).

Copyrights

TCDD reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for federal or state government purposes:

- (a) the copyright in any work developed under a grant, subgrant, or contract; and
- (b) Any rights of copyright to which a grantee, subgrantee or a contractor purchases ownership with grant support.

Disclaimer

A disclaimer statement must be added whenever positions on issues are presented, for example:

“The views contained herein do not necessarily reflect the position or policy of the funding agency[s]. No official endorsement should be inferred.”

Confidentiality

Information about individuals served must be held confidential unless consent of the individuals, or their representatives, is on file ([see sample release form – R&T – Section L](#)). TCDD will have access to the information about individuals being served by grants.

People-First Terminology

All grant products must be developed using people-first terminology. (See the TCDD Website, Publications Section: <http://tcdd.texas.gov/resources/people-first-language/>)

Accessible Formats and Activities

TCDD may request grantees to provide grant products in accessible formats for Brailing. Accessibility may also include Spanish translation for both materials and training activities. Teleconference and distance learning must be fully accessible to all participants. TCDD policy requires that all video products produced on behalf of the TCDD be accessible. (See the [Texas Governor’s Committee for People with Disabilities](#) for more resources on accessibility.)

TEXAS COUNCIL FOR DEVELOPMENTAL DISABILITIES

Grants Manual

Section II - Grants Administration

2.1 – Program Policies and Procedures

Project Advisory Committee

Background

TCDD grant projects are expected to establish and support a Project Advisory Committee (PAC) which provides input for the duration of the project by reviewing and commenting on project activities, and recommending strategies for accomplishing project goals. PACs review and comment on drafts of all materials, reports, publications and other items produced for dissemination by the project. The PAC's goal in reviewing drafts is to help the project produce materials that meet the highest professional standards.

Membership and Selection Process

PAC membership nominations shall be submitted to TCDD staff for review, comment and approval. (Submit Form [GM-008](#)) Include background information of each individual proposed as well as their organizational affiliation or category of appointment.

- Membership will be limited to 8-12 individuals who will be able to offer support to the project because of their areas of expertise or responsibility. Each PAC should include individuals who are able to engage in policy planning and implementation on behalf of the organization they represent at a local, regional or state level.

- Membership will include representation from:
 - self-advocates and family members,
 - experts in the field of service addressed by the project,
 - key cooperating agencies,
 - appropriate licensing/standards entities, and

- potential funding sources,
 - individuals who are able to influence in diverse areas (i.e., faith-based communities, other cultures such as African American, Hispanic, etc., leaders in other industries and disciplines, etc.).
- Membership will be finalized during the negotiations process prior to the Notice of Grant Awards or as soon after as possible.
- A TCDD staff will serve as liaison to the PAC.
- Nominees or members who resign must be replaced by the grantee informing TCDD in writing and including a recommendation for replacement.
- The grantee must immediately forward to TCDD, with staff comments, any major PAC recommendations for changes in the work plan. TCDD and project staff will jointly determine appropriate action.

Exclusions to PAC membership:

- Current Council members may not serve as PAC members;
- Individuals who are on the PAC are prohibited from presenting at a formal grant training activity for that specific grant;
- Any individual who might experience personal financial gain from the grant is prohibited from serving on the PAC (e.g., contractual agreements).

Exceptions:

- With TCDD approval, individuals from existing committees that advise the grantee organization (e.g., Board of Directors) may serve as PAC members.
- Grantees are encouraged to collaborate with other grantees through informal networking, memoranda of understanding, consultation, contracts, etc.; however, an exception must be obtained from TCDD staff to include current grantees from other projects or individuals who may be serving on multiple PACs.

Meeting Procedures

- The PAC must be convened within 30 days after the approval from TCDD.
- Meetings must be held at least quarterly for the duration of the project unless an exception is approved by TCDD.
 - Meetings may be convened via teleconference or videoconference after the initial meeting, but shall be held in person a minimum of once per year unless an exception is granted by TCDD.
 - Meeting notices, agendas and materials must be sent to all committee members and to TCDD staff at least one week before the meeting date.

- Meetings must have a quorum present to discuss the agenda items. TCDD defines quorum as simple majority, 51% of the approved members in attendance at each meeting.
- Grantees shall submit copies of committee meeting minutes or summary reports to TCDD as an attachment to their Quarterly Program Reports, and these reports must include:
 - members attending,
 - update of actions taken based on recommendations from a previous meeting,
 - major discussion points, and
 - committee recommendations for future actions.

Committee Expenses

Expense reimbursement to PAC members may be budgeted and paid by the grantee. The budget for committee travel must be based on the membership list approved by TCDD on the [PAC Nomination Form GM-008](#). Travel reimbursement is limited to state travel rates for the current fiscal year, which can be found at the [State Comptroller's travel rates](#) of reimbursement.

The value of time and effort of PAC members in their roles as advisors to the grantee may be budgeted as project match. The value may be prorated at an amount up to \$75 for a half day meeting and \$150 for a full day meeting per person. Such efforts may be reported as match if it has been approved in the project budget, and attendance at PAC meetings must be documented. The [Committee Meeting Log](#) (see R&T—Section (F)) or the [Donated Services Time Sheet](#) (see R&T—Section (F)) will assist with this procedure.

Administrative Requirements

Key Project Personnel

Key project personnel shall receive training concerning TCDD procedures and guidelines. Grantees shall report to TCDD immediately in writing any changes in project personnel. Notification of changes shall include a new [Personnel Revision form \(Form GM-009\)](#) (Grant Continuation, Part III, Organizational Structure and Qualifications of Personnel). If salaries change, please submit Part IV A. Budget Detail.1. Personnel Services. (Form [GM020C](#)) Grantee shall schedule training sessions for new key personnel ([see training checklist](#)) with TCDD staff.

Personnel Expenses

Grantees must

- submit for approval, any changes in personnel whose compensable efforts are
 - funded by the grant, or
 - used to meet match obligations.
- maintain Personnel Activity Reports ([PAR](#) in Resources and Tools, Section D) for all staff whose activities are
 - funded in whole or in part by the grant, or
 - used to meet match obligations' and

[PAR](#) information must correspond to the Position Description of program-related duties/activities and percentage of time devoted to the program. Each PAR must account for the total grant related and non-grant related activity for which the employee is paid.

Grantee must have obtained written prior approval by TCDD for any alternative methods of documentation.

PAR information must be

- traceable to the grantee's payroll accounting records to verify salary and fringe benefits expenditures reported on the [Annual Report of Estimated Expenditures](#) (Form GM-024), and
- auditable.

PARs must be completed at least monthly, and may cover one or more pay periods. Under the Department of Labor and Fair Labor Standards, the grantee must document hours worked each day by non-professional or nonexempt personnel.

TCDD requires professorial and non-professional staff employed by universities to complete a PAR each academic term, but not less than once every six months ([OMB New Circulars](#)).

Financial Administration Authority

Grantee will have a financial administration authority (FAA) to request, receive, and manage grant funds. There shall also be an alternate FAA to function in the absence of

the FAA. See Grant Continuation Part III B ([Form GM-003C](#)). The FAA cannot be the project director.

Management

Grantee agrees to administer the project in accordance with federal, state and TCDD regulations and policies in effect at the time of award. The grantee is accountable for fiscal and programmatic management of the grant, and for completion of any special conditions prescribed for the conduct of the project.

Special grant conditions may be imposed if TCDD determines that the grantee may:

- have a history of poor performance, or
- have a management system that does not meet the standards outlined in these guidelines.

Employment Practices

Grantees are required by law to avoid discrimination (P.L. 88-352, Title VI, Civil Rights Act of 1964, as amended) and to take affirmative action (Rehabilitation Act of 1973, as amended) in the employment and advancement of individuals with disabilities. See ([Form GM-020D](#)) Assurances (14) and (15).

Changes in Location

Grantee agrees to notify TCDD in writing of any proposed change in physical location for work performed under this grant at least thirty days in advance of change ([see R&T – P for accessibility checklist](#)).

Assignments

Grantee shall not transfer, pledge, or otherwise assign this grant or any interest therein, or any claim arising thereunder, to any party or parties, bank, trust company, or other financial institution.

Severability of Provisions

Any provision of a grant that is held to be invalid, illegal, or unenforceable, shall not affect the remainder of the project.

Funding

Funding is allocated annually to TCDD by the federal government to establish authority to distribute funds for grants. The U.S. Department of Health and Human Services, Administration on Intellectual and Developmental Disabilities is the source of funding for State Developmental Disabilities Councils. <http://www.acf.hhs.gov/programs/add/>

Reauthorization of Grant Funding

Although TCDD grants are frequently awarded for “up to” several years, funding from TCDD to a grantee for continuation from one year to the next is not automatic. Continuation funding is based on, but not limited to:

- successful completion of initial year activities,
- compliance with rules and regulations as defined in the grants manual and
- fulfillment of the requirements as defined in the RFP.

Grants will not be extended beyond the initial award period without the Council reauthorizing the grant.

Non-Waiver of Performance

In no event shall any payment to the grantee, or any other act or failure of TCDD to insist in any one or more instances upon the terms and conditions of this grant, constitute or be construed in any way to be a waiver by TCDD for any breach of covenant or default which may then or subsequently be committed by the grantee. Neither must such payment, act, or omission in any manner impair or prejudice any right, power, privilege, or remedy available to TCDD to enforce its rights hereunder, which rights, powers, privileges, or remedies are always specifically preserved. No representative or agent of TCDD may waive the effect of this provision.

Measure of Liability

In consideration of full and satisfactory performance of services by the grantee, TCDD shall make payments to the grantee based on the workplan, subject to the limitations and provisions set forth in this section.

1. It is expressly understood and agreed by the parties that TCDD's obligations under this section are contingent upon the actual receipt of adequate federal funds to meet TCDD's liabilities under this grant. If adequate funds are not available to make payments under this grant, the TCDD will notify the grantee in writing at the earliest date possible after such fact has been determined. TCDD may, at its option, either reduce the amount of its liability or terminate the grant

and must negotiate with each grantee individually for a final determination. TCDD must not be liable for further payments due to the grantee under the grant.

2. It is expressly understood that this grant in no way obligates the General Fund or any other monies or credits of the State of Texas.
3. TCDD shall not be liable for any cost or portion thereof which has been paid, reimbursed, or is subject to payment or reimbursement, from any other source.
4. TCDD shall not be liable to the grantee for costs incurred which are not in strict accordance with the terms of the grant.
5. TCDD should not be obligated or liable under the grant to any party other than the grantee for payment of any monies or for provision of any goods or services.

Hold Harmless/Indemnification

It is expressly understood and agreed by both parties that TCDD is contracting with the grantee as an independent contractor and that as such, the grantee must indemnify, save, and hold the designated state agency and its employees, TCDD, and the State of Texas harmless from all liability of any nature, including costs and expenses for, or on account of, any claims, audit exceptions, demands, suits, or damages of any character whatsoever resulting from injuries or damages sustained by the persons or property, resulting in whole or in part from the performance or omission, including gross negligence, of any employee, agent, or representative of the grantee.

Excess Payments

If TCDD reasonably determines that TCDD is due a refund of money paid to the grantee pursuant to a grant, the grantee must pay the money due to TCDD within 30 days of the grantee's receipt of written notice that such money is due to TCDD. If the grantee fails to make timely payment, TCDD may obtain such money from the grantee by any means permitted by law, including, but not limited to, set off and counterclaim against any money otherwise due to the grantee by TCDD.

Ownership of Property

Capital equipment purchased with grant funds paid by TCDD shall become the property of TCDD.

The grantee must follow and abide by the property management standards set out in [Title 45 CFR Part 74.30 through 74.3](#) or, [Title 45 CFR Part 92.32 and 92.33](#) depending on organizational

type; provided, however, that the words "recipient" and "grantee" as used in such Regulations shall mean TCDD in every instance in which they are used in connection with title to, use, and disposition of all property. More information: <https://www.tsl.texas.gov/ld/funding/OnlineGrantHandbook/index.html>

Unexpended Funds

Grantees are monitored to determine the rate of accurately projected expenditures. TCDD reserves the right to re-appropriate or recapture unexpended funds. The use of grant funds is restricted to expenditures that address the approved work plan, especially activity timelines and budget as approved by the Notice of Grant Award.

Insurance

The grantee must observe sound business practices with respect to providing such bonding and insurance as would provide adequate coverage for projects under this grant.

Actual losses not covered by insurance as required by this section are not allowable costs under this grant.

Maintenance of Effort

The grantee's accounting system must document that federal grant funds are used to support the scope of activities that were already being supported by the grantee from resources that existed before receipt of the grant consistent with Generally Accepted Accounting Principles.

Americans with Disabilities Act (ADA)

Among other provisions, ADA requires state and local government entities to comply with ADA provisions in both their direct services and their contracted or granted activities. TCDD grantees therefore share compliance responsibilities either on their own or through the grant relationship.

Record and Retention Access

Grantee must retain for three years all records pertaining to a grant supported project. The retention period begins on the date grantee submits to TCDD final financial and program reports for the budget period.

However, if any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the three year period, the records must be retained until completion of the action and resolution of all issues arising from it, or until the end of the three year period, whichever is later.

Regulations

Grantees are required to comply with the following Federal Regulations (links at the end of this section):

- Uniform Administrative Requirements, Cost Principles, and Audit Requirements are compiled in the Code of Federal Regulations under 2 C. F. R., Chapter II, Part 200. – <http://www.ecfr.gov/>
- Texas Uniform Grant Management Standards (UGMS) - Internet Link for <https://www.tsl.texas.gov/ld/funding/OnlineGrantHandbook/index.html>
- Internet Link for the Code of Federal Regulations: <http://www.ecfr.gov/>

Program Reports

Grantees are required to maintain documentation onsite to show that project activities have been performed according to the workplan and meeting the intent of the RFP ([see R&T – O for TCDD grants reports calendar](#)). The following reports are required during each grant budget period:

Quarterly Program Performance Reports

- [Quarterly Program Performance Report \(QPPR\)](#) (Form GM-007 for grantees not reporting in DD Suite) is
 - required for each quarter of the budget period,
 - due 15 days after the reported quarter.
- If a Change of Budget Period ([Form GM-027](#)) has been approved, the project shall continue to report on the quarterly schedule and shall submit a supplementary performance report within 15 days after the budget extension period concludes.
- The QPPR includes:
 - a comparison of accomplishments to goals for the budget period,
 - a status review of all project activities,

- significant accomplishments,
 - efforts to achieve sustainability,
 - all measurable outcomes, and
 - a plan for corrective actions to resolve barriers and concerns.
- Use the Program Revision Form to request approval of any changes in activities or timelines during the budget period. ([See Form GM-005](#))

Final and Interim Reports of the Project

A Final Project Report is required from all grantees in their last year of funding and is due no later than 60 days after the end of the project. Final Project Report shall include but is not limited to:

- a summary of project goals and objectives met,
- list and explanation of goals and objectives that were not met,
- review of project impact,
- additional outcomes and approved costs exceeding the original budget , sustainability (as defined in the application packet, Section II), any recommendations to TCDD for future projects.

Additional Final Financial Reports is required from all grantee in their last year of funding no later than 60days after the end of the projcet period.Due Include:

- **Final Financial Reports Final Report of Expenditure (Form GM-028),**
- **Final Equipment Purchase List (Form GM-029)**
- **Grant Related Income Report (Form GM-023).**

Depending on the project, Interim Project Reports may be required. If needed, the due dates are negotiated during the development of the yearly budget and workplan.

Project reports help TCDD influence and strengthen services to persons with disabilities. This report is received and reviewed by the Council and the findings and recommendations figure importantly in determining future funding activities.

Project Revision

Grantees may request revision of the project objectives and activities during the budget period (see [Form GM-005](#)). However, TCDD does not approve revisions that alter the purpose for which the project was funded.

If a revision has been made and approved, the Grantee must report on those activities in subsequent quarterly Program Performance Reports.

Remedial Actions - Grantee Performance

Overview

Remedial actions, either temporary or permanent, may be taken by TCDD when it is determined that the grantee has not complied with the terms or the intent of the proposal (RFP). TCDD must inform the grantee by letter if a condition exists that could cause suspension or termination of the grant.

Suspension

When TCDD notifies the grantee that a condition exists that may result in suspension, the grantee must respond in writing within ten (10) workdays of the date of such notice, and the response must include a plan of correction.

If TCDD does not view the responses as satisfactory, the grantee's authority to obligate grant funds may be suspended. The notice of suspension must:

- be sent by certified mail,
- set the effective date(s) of the suspension, and
- identify any allowable costs which the grantee may incur during the period of suspension.

Suspensions remain in effect until:

- the grantee has submitted a plan of corrections to address those deficiencies or exceptional items noted by TCDD and the grantee provides verification of the implementation of the plan of corrections, or
- the grant is terminated.

TCDD will provide written notification of reinstatement.

Termination

A decision to terminate a grant may be made if corrective actions are not taken during the suspension period, or if the deficiency is serious enough to warrant immediate termination. See [appeals procedures](#) in this manual.

A grant or portion thereof, may also be terminated at the grantee's request.

TCDD shall provide the grantee:

- a written termination notice, and
- written instructions for termination or closeout procedures.

In the case of a partial termination, TCDD may end the grant entirely if the remaining portion will not accomplish the purpose for which the grant was made.

A termination may occur under the following conditions:

- **cause;**
 - when grantee does not comply with standards set forth in this Grants Manual,
 - after suspension has failed to correct a problem;
 - if it is determined that TCDD's interest is not adequately protected.

With cause, a grant may be terminated for cause without notice of suspension.

- **mutual agreement;**
 - when parties agree upon the conditions, including the effective date, and, in the case of partial termination, the portion to be terminated, and the
 - agreement is in writing, signed by the authorizing official of the grantee and by the TCDD executive director;
- **termination by the grantee, when grantee's authorized official gives written notification to TCDD setting forth the**
 - reasons for the termination,
 - the effective date, and
 - in the case of partial termination, the portion to be terminated.

Termination Procedures

- The grantee will incur no new obligations for the terminated portion of the grant after the effective date, and cancel outstanding obligations.
- TCDD must assume the federal share of any obligations which cannot be canceled.
- Within 30 workdays after the effective date of termination, the grantee shall furnish:
 - A Final Report of Expenditures ([Form GM-028](#))

- A Final Program Performance Report ([Form GM-007](#) for the final quarter, use form for those not using DD Suite), and
 - A Final Equipment Purchase List ([Form GM-029](#)).
- The grantee must refund any amount for which they are not entitled within 30 days of the request for such refund.

Denial of Refunding

TCDD may decide to deny refunding of a grant or a portion of a grant beyond the current budget period if:

- adequate federal funds are not available to support the project,
- the recipient has not complied with the terms and conditions of the award,
- the grantee's program performance is unsatisfactory,
- TCDD's interest is not adequately protected, or
- TCDD has changed its funding priorities.

TCDD may deny refunding by allowing the grant to expire at the end of the current budget period. In most instances, TCDD will provide a notice of at least 30 days. The grantee may appeal that action (see appeal procedures below).

Appeal & Reconsideration Procedures

Appeals may be submitted from applicants for grants who did not receive funding or from grantees whose grants have not been awarded continuation funding. Grantees may also request reconsideration of a suspension of funding or of a decision to terminate funding before the end of a grant period.

When a grantee requests a review under the grants appeal or reconsideration process:

- no grant closeout action will be taken during the review until a final determination is made, but
- submitting the appeal or a request for reconsideration does not affect TCDD's authority to suspend the further grant expenditures during the proceedings.

TCDD shall resolve, with fairness and promptness all appeals and requests for reconsideration from applicants for grants:

- who did not receive initial funding or were denied continuation funding, or
- whose grants have been suspended or terminated.

The complete TCDD Policy regarding Appeals of Funding Decisions, and Suspension and Termination of Grant Funding is available at:

<http://tcdd.texas.gov/about/governance/#Policies/>

Source: [Texas Administrative Code Title 40 Social Services; Part 21, Texas Council for Developmental Disabilities, chapter 877.4](#)

TEXAS COUNCIL FOR DEVELOPMENTAL DISABILITIES

Grants Manual

Section II - Grants Administration

2.2 – Financial Regulations

Federal & State Regulations

Each grantee is responsible for project management. The following document details the organizational and managerial requirements: "*Administration of Grants.*" See the website: <https://www.tsl.texas.gov/ld/funding/OnlineGrantHandbook/index.html>

Cost Principles

Introduction

Uniform Administrative Requirements, Cost Principles, and Audit Requirements are compiled into the Code of Federal Regulations under 2 C. F. R., Chapter II, Part 200 – Subpart E – Cost Principles <http://www.ecfr.gov>. Texas Uniform Grant Management Standards (UGMS) <https://www.tsl.texas.gov/ld/funding/OnlineGrantHandbook/index.html>. Internet Link for the Code of Federal Regulations provides principles to be applied in establishing allowability or unallowability of certain items of cost. These principles apply whether a cost is treated as direct or indirect. A cost is allowable for Federal or state reimbursement only to the extent it conforms to the general policies and principles stated in Attachment “A” of UGMS, Section 2. Failure to mention or list a particular item of cost in these sections is not intended to imply that it is either allowable or unallowable; rather, determination of allowability in each case should be based on the treatment or standards provided for similar or related items of cost.

General Cost Principles

All project expenses must conform to federal and state regulations for determining allowable project costs. Further information can be found in the Uniform Grants Management Standards: <https://www.tsl.texas.gov/ld/funding/OnlineGrantHandbook/index.html>

Factors affecting allowability of costs include prior approval under an approved budget, and must be:

- necessary and reasonable for project administration,
- chargeable to a particular product or service,
- conformable to any limitations or exclusions set forth in applicable cost principles, or in the award as to types or amount of cost items,
- accorded uniform and consistent treatment, whether or not the cost is federally financed,
- in accordance with generally accepted accounting principles,
- not included as a cost, and not used to meet cost sharing or matching requirements of any other federally financed program in either the current or prior period, and
- adequately documented.

Allowable Costs

Applicable cost principles, TCDD regulations, and specific terms of the award determine the allowability of expenditures. In addition to the specific allowability of the expenditure, the cost must be:

- reasonable (does not exceed what another prudent person would spend under similar circumstances),
- necessary (is required for efficient and effective project operation).
 - All costs (including cost allocations for administrative time) to be reimbursed by federal funds must be used for the conduct of the project. The following website provides a summary of costs considered allowable (*Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards – Subpart E – Cost Principles*) - <http://www.ecfr.gov/>
 - Detailed information for allowable costs can be found at the following website: <https://www.tsl.texas.gov/ld/funding/OnlineGrantHandbook/index.html>

Lobbying Restrictions

Grant funds provided on behalf of the Texas Council for Developmental Disabilities may not be used for the salary of an individual (staff or contractor) required to register as a lobbyist with the Texas Ethics Commission, nor for lobbying expenses incurred by the grantee organization pursuant to Government Code Chapter 556.

Partially Allowable Grant Costs

In budget preparation, it may be necessary to divide the cost of a line item between project and non-project-related sources. Distribution of project costs must be based on allocation methods detailed in the budget.

Indirect Costs

Indirect costs are those: (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved. The term “indirect costs,” applies to costs of this type originating in the grantee department, as well as those incurred by other departments in supplying goods, services, and facilities.

Indirect costs are those incurred by the organization that benefit more than one project or program including the grant. The Uniform Grants Management Standards (UGMS) – <https://www.tsl.texas.gov/ld/funding/OnlineGrantHandbook/index.html> allows indirect cost rates which have been negotiated with the grantee’s federal funding agency (e.g., the Department of Health and Human Services Division of Cost Allocation) to be used to compute allowable indirect costs. If Negotiated Indirect Cost rates is used on a grant, line items covered by the NICR may not be budgeted as additional grant costs.

§200.414 - Indirect Costs

- 1) Indirect costs of up to 10% of all direct federal expenses are allowable for non-federal entities that do not have a negotiated indirect cost rate. This eliminates a potential administrative barrier to receiving and effectively managing financial assistance from TCDD.
- 2) Indirect costs above 10% of all direct federal expenses are allowed by TCDD only as match contributions and only if the non-federal organization has a negotiated indirect cost rate with a cognizant federal (or state) agency.
- 3) An extension of a federally approved negotiated indirect cost rate may be approved for one period of up to 4 years

Match Funds

Each grantee is required to contribute to the cost of the project. This contribution is called "match." Grant match is based on the total program cost and need not be applied on a line-item basis.

If by the end of the approved budget period, a grantee fails to satisfy the minimum match obligation as outlined in the *Notice of Grant Award*, the grantee must return to the TCDD office the portion of the federal award not properly matched. Reporting match expenditures above the budgeted amount is therefore encouraged.

Formulae for calculating match

- For non-poverty areas:
(Amount of Federal Funds Received) / 3 = Match required
- Programs located or providing services in poverty areas are only required to provide match of 10% of total program costs with non-federal dollars. For poverty areas use the following formula:
(Amount of Federal Funds Received) / 9 = Match required
- Poverty area status must be verified with TCDD. A county is classified as a poverty area if 20% or greater of the total population is below poverty level. See [Resources and Tools R&T- G Poverty Guidelines](#)

Management and accounting standards must be kept for the match share, just as for the federal share of grant awards.

Sources for Match

Federal funds must not be used as match. Funds used to match other federal grants may not be used to match Developmental Disabilities grants.

All match fund sources must be identified in the work plan, and the grantee must maintain documentation of the non-federal share of the funds. See Grant Forms [GM-020C Budget Detail](#) (Grant Continuation) *Work plan, Part IV.C, Financial Management System Questionnaire*

Match funds may be derived from the following sources:

- state and/or local funds;
- cash contributions;
- in-kind contributions, if allowable and properly valued, when
 - identifiable from the grantee's records;
 - properly documented according to the generally accepted accounting principals;
 - not included as match for any other federally assisted program;
 - necessary and reasonable for proper and efficient accomplishment of program objectives;
 - allowable (e.g., new services or the expansion of existing services to serve additional geographic territories).

(see UGMS – Section III . State Uniform Administrative Requirements For Grants and Cooperative Agreements Subpart C—Post-Award Requirements)

<https://www.tsl.texas.gov/ld/funding/OnlineGrantHandbook/index.html>

Documentation and Allocation of Costs

No program cost is allowable without documentation. Acceptable kinds of documentation are:

- written,
- independently generated or verifiable by a disinterested third party,
- generated at the point of occurrence of the transaction,
- in support of the amounts reflected on the books, and
- easily retrieved according to a consistent filing method.

Documentation of direct costs, charged to either the federal or match side of the budget, must show relevance and application to the program. Documentation may include:

- invoices,
- sales receipts,
- payroll stubs,
- mileage logs,
- postal or photocopy logs,
- activity reports, and
- contracts.

A cost allocation plan for charging costs to the match share of the budget must show that the costs are traceable through books and records, and that rationales for allocation are based on:

- logic,
- relevance to the program, and
- documentation.

The same is inherent for allotting costs under the Negotiated Indirect Cost Rates (NICR.)

Sample Allocation Methods

Typical allocation formulas include:

- salary ratio -- the percentage computed by dividing the total grant personnel salaries by the total salaries for the entire organization (large multi-divisional organizations should seek special advice on this matter),
- square foot ratio - the percentage computed by dividing the number of square feet of a building used by the total usable square feet of that building,

- funding ratio - the percentage computed by dividing the amount of funds received from TCDD by the total funding received from either all sources or all similar sources, and
- individuals served ratio - the percentage computed by dividing the number of individuals the project serves by the total number of individuals served.

Other Methods

Additional cost allocation methods are acceptable if applied consistently, and do not produce unjustifiably high results. Allocated costs are reviewed during the work plan negotiation process.

Grant Related Income

Program Income

Grantee must report anticipated program income (e.g., fees, work contracts, sale of grant products, conference registration or training fees, etc.) to TCDD on the Quarterly Grant-Related Income Report [Form GM-023](#)

Program income must be used for program support under alternatives stated in [Title 45 CFR Part 74.24](#) and [Title 45 CFR Part 92.25](#). The alternative selected by the grantee must be approved by TCDD.

Procurement Standards

Procedures for acquiring goods (e.g., equipment and supplies) and services (e.g., consultant contracts) must be established in writing to ensure efficiency, economy, and compliance with federal law.

For small purchases, price or rate quotations must be obtained from an adequate number of qualified sources.

Sources

Procurements totaling more than \$15,000, by state and local governments, must conform to standards contained in Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards:

- Title 45 CFR Part 92.36 - <http://www.gpo.gov/fdsys/pkg/CFR-1996-title45-vol1/pdf/CFR-1996-title45-vol1-sec92-36.pdf> and

- [Texas Uniform Grant Management Standards](#) Sec .36 (d) Methods of procurement to be followed.

Procurement standards for institutions of higher education, hospitals, other nonprofit organizations, and commercial entities appear in Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards *Subpart D – Post Federal Award Requirements – Procurement Standards* - <http://www.ecfr.gov/>

Subpart C 36 and 37 of [Texas Uniform Grant Management Standards](#) contains procurement standards for all grants awarded by State agencies in Texas.

Travel

Current State of Texas travel rates apply to mileage, lodging and meals for all travel by grantee staff and contractors unless an exception has been approved by TCDD.

Local

Grantee must document in project travel files the project relevancy of local travel.

In-State Travel

In-state travel outside the local/regional service area also must relate to project objectives. Costs incurred either before or after the budget period are allowable only with prior written approval from TCDD. (See the [in-state travel rates](#).)

Out-of-State Travel

- All out-of-state travel requires prior TCDD approval:
 - in the workplan Budget Detail and Justification, or
 - by memo.
- The request for prior approval must state:
 - how, where, when, individuals will travel,
 - breakdown of the amount requested, and
 - which objective(s) the travel will serve.

(See Texas Travel Management Program website:
<http://www.window.state.tx.us/procurement/prog/stmp/>

Financial Management System

Upon award of TCDD funds, the grantee must apply a financial management system that incorporates generally accepted accounting principles which include but are not limited to:

- Accrual basis accounting that requires costs be recorded when incurred, not when paid, or
- Cash basis accounting that requires sufficient additional records to allow for preparation of financial reports on the accrual basis.

Accounting records must show the exact nature of all expenditures and their relevance to the grant.

Request for Advance or Reimbursement

- The grantee shall report on the *Request for Advance or Reimbursement* ([RAR](#)), Form GM-025, all program expenditures of both TCDD and match funds.
- The grantee shall indicate the amount of funds requested as an advance, the amount as a reimbursement, or both.
- TCDD does not allow advances of more than 30 days operating expenses. The grantee should anticipate 20 days processing time for payment.
- Under an Interagency Contract, reimbursable costs for services performed are paid only by vouchers.

Audit Requirements

Independent Audits

- *Uniform Administrative Requirements, Cost Principles, and Audit Requirements are compiled into the Code of Federal Regulations under 2 C. F. R., Chapter II, Part 200 – Subpart F – Audit Requirements.*
- <http://www.ecfr.gov/>
- provides principles to be applied to grantees expending more than \$750,000 per year in federal financial assistance from all sources. A grantee must have an annual audit performed by an independent certified public accountant

licensed by the Texas State Board of Public Accountancy, for the fiscal years that cover any portion of a grant period.

- Non-federal entities receiving more than \$750,000 from only one funding source may conduct a program-specific audit instead of a single (organization-wide) audit. Those audit costs are allowable as a grant expense.
- Grantees that receive less than \$750,000 from all federal sources are required by TCDD to conduct audit activities (i.e., agreed upon procedures engagements or independent review by a CPA) by an independent auditing firm to determine if appropriate internal controls are in place to minimize risk. The cost of such activities is an allowed expense in the grantee's budget.
- Grants that are less than \$75,000 in federal funds are not subject to an independent audit. **However, TCDD reserves the right to require a grantee to be audited based on the grantee's performance by risk assessment.**
- State agencies or institutions that are audited by the state auditor may substitute that audit to fulfill this requirement.
- CPA's in Texas that perform reviews or audits are required to undergo a practice-monitoring review (peer review) at least once every 3 years to ensure they have adequate internal quality control systems in place. Governmental Auditing Standards (GAGAS) also requires that the auditor provide their most recent external peer review report along with any letter of comments and corrective action plan to any party with whom they contract for audits, reviews or other engagements. Based on these generally accepted audit requirements, TCDD requires organizations receiving grants to forward a copy of their auditor's latest peer review report and letter of comments along with their audit, review or engagement.

High Risk Designation

TCDD may designate a grantee as "high risk" and attach special conditions to a grant award if one of the following (but not limited to) conditions exists:

- a history of poor performance (i.e., unjustified delays or substandard accomplishment of program objectives),
- financial instability (i.e., poor debt history, significant cash flow problems, unallowable costs, etc.),

- a management system which fails to meet the standards in federal or TCDD project guidelines, or
- grantee did not conform to conditions of previous awards, or is otherwise irresponsible.

Special conditions of a grant award to a high-risk grantee may include:

- making grant payments on a reimbursement basis,
- requiring additional and more detailed financial reports (i.e., monthly reports, requiring all source documents),
- mandating additional program monitoring (i.e., quarterly Onsite Reviews),
- establishing additional "prior approval" requirements,
- requiring the grantee to provide evidence of acceptable performance during a specific funding period prior to proceeding to the next phase of the award,
- requiring the grantee to obtain technical or management assistance, and
- other requirements deemed necessary by TCDD.

TCDD will notify the grantee as early as possible, in writing, of any special conditions required.

Audit Submission Dates

The independent audit reports and their respective management letters are due:

- not later than nine months after the end of the grantee's fiscal year(s) for which an audit is performed. See OMB Circular 133 Subpart C Auditees, Section 320 http://www.whitehouse.gov/sites/default/files/omb/assets/a133/a133_revised_2007.pdf,
- within nine months of the fiscal year end, grantees receiving more than \$750,000 in total federal financial assistance must submit a copy of their A-133 audit-reporting package to the U. S. Bureau of the Census at the following address:

Federal Audit Clearinghouse
 U.S. Bureau of the Census
 1201 E. 10th Street
 Jeffersonville, Indiana 47132
 (812) 288-3541

TEXAS COUNCIL FOR DEVELOPMENTAL DISABILITIES

Grants Manual

Section II - Grants Administration

2.3 - Financial Guidelines

Principles for Developing and Reporting Grant Budgets

Budget Period Obligation

The standard grant budget period is one year, June 1 through May 31. Other periods may be negotiated based on requirements of TCDD or of the grantee.

Funds granted for a project may be used only as described in the approved budget work plan, and within the budget period as awarded.

Any change to the project workplan or budget period must have the prior written approval of TCDD.

Budget Revision

A budget revision must be approved by TCDD prior to making any expenditures under the proposed revision. Complete Form GM-021 for this purpose. **All revisions must be approved before the end of the budget period.**

The grantee shall make a budget revision when:

- a line item cost is requested that had not been previously approved, or
- proposed expenditures are for items that explicitly require prior written TCDD approval, such as insurance costs or capital equipment purchases (see *Section 2.2.1 of the Grants Manual Financial Regulations – [Cost Principles](#)*).

A revision is required when the total amount of the funds being transferred between categories in the approved budget is expected to exceed: (see [Budget Revision Flowchart](#) in Resources and Tools Section)

- 10% of the total budget for **State or local governments**;
- 5% percent of the total budget for institutions of **higher education, nonprofit, and for-profit organizations**.

If funds expended exceed original budgeted amount in a category, the budget change must be explained on the RAR. ([Form GM-025](#)).

All other changes to budgets do not require Council staff approval, however, grantees must notify TCDD staff, in writing, of any change desired prior to making those changes. Also, all expenditures must be justified as reasonable and necessary, and for the specific benefit of the project.

All reports submitted after a Budget Revision Form is approved must contain the latest approved budget. When rebudgeting line items, be sure to keep the budget totals TCDD and match of the award unchanged.

For details, see [Budget Revision Form Instructions](#) and [Budget Revision Form GM-021](#). Budget revisions will not be approved after the budget period ends.

Change of Budget Period

A Change of Budget Period form ([GM-027](#)) is used in special cases, e.g., to extend the budget period to allow expenditure of interim savings.

Grantee must closely monitor expenditures in the final months, or the extension, of a budget period so that all funds awarded can be approved and used.

Continuation Funding

Certain projects can take more than one year to complete, and may be funded for more than a single one-year budget period. TCDD will review those projects at the end of each one-year period. Continuation funding will depend upon but not limited to:

- The availability of federal funds;
- Demonstration of accomplishments and progress toward goals, objectives and activities outlined in the workplan;
- Progress towards achieving the intent of the proposal (RFP);
- Compliance with TCDD's assurances, policies and procedures;
- Proposal of a work plan for each subsequent year of the project;
- Approval of all continuation funding requests is determined by TCDD.

Fiscal Reporting Requirements

TCDD staff will ensure that grantees submit the following:

- Request for Advance or Reimbursement;
- Annual Report of Estimated Expenditures;
- Quarterly Grant Related Income Report;
- Final Report of Expenditures;
- Equipment Inventory List;
- Independent Audit Report.

Allowable Costs

Personnel

The personnel section of the proposed budget should show each position by job title, the number of hours per week that each person will work on the project and each position's hourly rate of pay.

- Fringe benefits are to be shown as a separate line item in the personnel category.
- Salary and wages for a position should be distributed between the federal and local match (if applicable) and written separately.

Travel

Only reasonable and necessary travel expenses relating to the project's objectives, are allowable. Grantee must limit travel costs to current State of Texas maximum lodging, meals, and mileage rates for state employees, (see <https://fm.x.cpa.state.tx.us/fm/travel/travelrates.php>) unless otherwise approved by TCDD. The Project Director assures that supporting documentation is maintained and travel is approved consistent with grantee's policy.

Purchased Services

Purchased services would be costs that include essential services that cannot be met by the grantee. Those costs may include but are not limited to:

- [Consultant contracts](#);
- Project advisory committee travel;
- Maintenance agreements;
- Audit services;

- Personal Assistance Services;
- Job coaches;
- Volunteer services;
- Printing, etc.

Supplies and Materials

- Consumables (office supplies, copier supplies, etc.)
- Computer parts, supplies and software: Supplies, non-capitalized computer parts, and software costing less than \$1,000.
- Subscriptions/Periodicals/Information Services: Subscriptions & publications not for permanent retention; e.g., directories, journals, etc.

Capital Equipment

Equipment and other capital expenditures as noted in new circulars: Effective December 26, 2014, all Uniform Administrative Requirements, Cost Principles, and Audit Requirements are compiled into the Code of Federal Regulations under 2 C. F. R., Chapter II, Part 200 – Subpart E – Cost Principles – 200.439 <http://www.ecfr.gov/>

- a. As used in this paragraph, the following terms have the meanings set forth below:
- (1) "Equipment" means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of (a) the capitalization level established by the organization for the financial statement purposes, or (b) \$5000. The unamortized portion of any equipment written off as a result of a change in capitalization levels may be recovered by continuing to claim the otherwise allowable use allowances or depreciation on the equipment, or by amortizing the amount to be written off over a period of years as negotiated with the Federal cognizant agency.
 - (2) **Acquisition cost** means the net invoice unit price of an item of equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges, such as taxes, duty, protective in-transit insurance, freight, and installation shall be included in or excluded from acquisition cost in accordance with the organization's regular written accounting practices.

Inventory of property must be maintained.

Note: TCDD reserves the right to require transfer/return equipment that is purchased under this grant.

Rental and Leasing

Rental and leasing are costs that include but are not limited to:

- Office space;
- Meeting and conference space;
- Media/AV equipment;
- Telephone equipment;
- Copy machines; and

- Computers.

Utilities

Utilities are direct costs for grant operations that include but are not limited to:

- Water;
- Gas;
- Telephone bills; and
- Electricity.

Contracts/Agreements

Contracts/agreements must:

- be executed and approved by TCDD;
- cover specific activities in a grantee's work plan;
- include measurable outcomes consistent with the work plan;
- include travel expenses; Travel cannot exceed current state rates (see <https://fm.xcpa.state.tx.us/fm/travel/travelrates.php>) (see [Resources and Tools R&T – J for Sample Agreement.](#)) and
- allow for any exceptions for consultant/professional services lodging expense if the policy as stated in the [State Travel guidelines](#) for lodging expense is followed.

Grantees shall:

- review sample agreement ([Resources and Tools R&T – J](#)) to assure that all required elements are included in the contract;
- report the accomplishment of contractors and consultants in their quarterly report to TCDD; and
- write contracts and agreements so that activities and outcomes may be timely reported.

Purchasing of Service from TCDD Grantees or Sister Agencies:

Grantees are prohibited from contracting for service (i.e., speakers, consultants, etc.) with other TCDD grantee staff who are paid from TCDD funds or whose time and effort are recorded as match on the grant. The grant staff may be reimbursed for travel expenses only.

Grantees are restricted from contracting for service with key staff at TCDD sister agencies, i.e., Disability Rights Texas (the state protection and advocacy organization), Center for Disability Studies at the University of Texas and the Center for Disability and Development at Texas A & M University, however, staff travel may be reimbursed if it is

determined that funds are unavailable from the respective organization. Any exception to these procedures must be approved by TCDD in advance.

Other allowable costs can be found at the following website: <http://www.ecfr.gov>

Photocopying and Postage

Grantee must create a system for documenting project-related postage and photocopying costs. The costs must be traceable from grantee's accounting records. The system may include:

- postage/photocopy logs which describe specific use and cost (See [Resources and Tools R&T – Section H](#) , or
- other approved allocation methods (e.g., an allocated portion of copier lease and copier supply costs).

Costs Allowable with TCDD Approval

The cost categories listed below require that the grantee formally submit their request in writing, and receive approval from TCDD, before incurring the cost or contracting for the service.

- **Advertising:** radio, TV, and printed matter for public information, or recruitment of project staff.
- **Computer equipment (purchase or lease):** PCs, printers, keyboards, terminals, etc.
- **Furniture & equipment (capitalized):** purchase or lease of furnishings and equipment which cost over \$1,000.

Note: In-state travel costs incurred either before or after the budget period are allowable only with prior written approval from TCDD. [In-state travel costs](#)

Valuation of Donated Facilities

To claim a match contribution for donated use of facilities, the grantee must obtain a written opinion of fair rental value

- from an independent licensed real estate brokerage firm, or
- based on observation, knowledge of, or prior experience with subject property or comparable properties in comparable locations.
- In lieu of reimbursement for grantee – owned facilities (e.g., use allowance), a valuation of space may be used as match.

Property and Inventory

- Capital equipment policy as described in Cost Principles. Effective December 26, 2014, all Uniform Administrative Requirements, Cost Principles, and Audit Requirements are compiled into the Code of Federal Regulations under 2 C. F. R., Chapter II, Part 200 – Subpart E – Cost Principles – 200.439. <http://www.ecfr.gov/>
- Grantee must maintain a property inventory and do periodic reviews of property records.
- If property is no longer used in program-related activities, grantee must contact TCDD for disposition instructions.

TCDD may require transfer or return of equipment (including title) upon termination of project support, or when the equipment is no longer needed for program-related activities.