

Grants Administration Division

**NOTICE OF
GRANT AWARD
ENCLOSED**

September 18, 2018

Mr. Juan E. Cabrera
Superintendent
El Paso ISD
P.O. Box 20100
El Paso, TX 79998-0100
County District Number: 071-902

Subject: Notice of Grant Award (NOGA) for 2018-2020 Transformation Zone Planning Continuation and Implementation Grant
NOGA ID Number: **196101217110002**

This letter contains important information pertaining to your approved Texas Education Agency (TEA) grant application, expenditure reporting requirements for the above-mentioned grant, and the use of the expenditure reporting (ER) system to request grant payments.

TEA, as the pass-through entity, is the grantee from the U.S. Department of Education (USDE) and TEA awards subgrants to non-federal entities such as local educational agencies (LEAs), including school districts, charter schools, and education service centers, and to a lesser degree institutions of higher education (IHEs), and nonprofit organizations (NPOs) who are the agency's subgrantees. These guidelines apply to all subgrantees of TEA, regardless of whether referenced herein as subgrantee or grantee. For purposes of this NOGA transmittal letter, TEA may use the terms grantee and subgrantee synonymously for its subrecipients.

Notice of Grant Award (NOGA)

The approved application, NOGA, and Supplement to NOGA are enclosed with this letter. All pages of the approved application should be reviewed for any changes made during negotiation to ensure all funds are expended and all activities are conducted according to the terms and conditions of the approved grant.

Project Period

The project period for the above-mentioned grant is stated on your NOGA. All encumbrances/obligations shall occur on or between the beginning and ending dates of the subaward unless pre-award costs are expressly permitted for the individual grant program.

In general, goods or services delivered near the end of the grant period may be viewed by TEA as not necessary to accomplish the objectives of the current grant program; however, TEA will evaluate such expenditures on a case-by-case basis. A TEA monitor or an auditor may disallow those expenditures if the subgrantee is unable to (1) document the need for the expenditures, (2) demonstrate that program beneficiaries receive benefit from the late expenditures, or (3) negate the appearance of "stockpiling" supplies or equipment.

The subrecipient must receive the benefit and liquidate (record as an expenditure) all obligations incurred under the subaward no later than the revised final expenditure report due date. An encumbrance cannot be considered an expenditure or accounts payable until the goods have been received and the services have been rendered. Obligations that are liquidated and recognized as expenditures must meet the allowable cost principles in 2 CFR Part 200 of EDGAR (as applicable) and program rules, regulations, and guidelines contained elsewhere. This provision applies to all grant programs, including state and federal, discretionary and formula.

Fingerprinting Requirement

Per Section 22.0834 of the Texas Education Code (TEC), any person offered employment by any entity that contracts with TEA or receives grant funds administered by TEA (i.e., a subgrantee or a contractor of the subgrantee) is subject to the fingerprinting requirement. TEA is prohibited from awarding grant funds to any entity, including nonprofit organizations, that fails to comply with this requirement. For details, refer to the General and Fiscal Guidelines, Fingerprinting Requirement.

Amendments

If the subgrantee needs to amend the application to request authorization for changes that require approval, the subgrantee must obtain approval from TEA by submitting an amendment prior to the date the subgrantee encumbers such funds and/or such services are rendered. Refer to the "When to Amend the Application" document and accompanying training presentation posted in the Amendment Submission Guidance section of the Administering a Grant page. An amendment is effective on the day it is received by TEA in substantially approvable form yet is subject to negotiation.

The last day to submit an amendment to TEA is stated on the TEA Grant Opportunities page.

25% Budget Variation Cannot Be Exceeded

A budget amendment is required when cumulative transfers among direct cost categories exceed or are expected to exceed 25% of the *total current approved budget*. A subgrantee may transfer funds among existing budgeted categories without submitting an amendment as long as the total amount of funds transferred is 25% or less of the total current approved budget. This provision does not allow for the purchase of additional units of equipment, but it does allow for the purchase of previously approved items that cost more than budgeted amounts. The total expenditures for programs budgeted cannot exceed the total amount approved for each program budget.

Cash Management Requirements

The subgrantee must account for and expend federal funds in accordance with federal statute, state laws, and the terms and conditions of the award.

There are two types of methods available to a subgrantee to request payments. These include: reimbursement and cash advances.

Reimbursement: In a reimbursement method, a subgrantee draws down federal funds from the expenditure reporting (ER) system after the subgrantee has already paid the funds. In an effort to allow subgrantees with additional flexibility, TEA has defined reimbursement as drawing down funds on, or after, the day the subgrantee has mailed, delivered, or submitted an electronic payment. For audit purposes, the subgrantee must track the date it mailed, delivered, or submitted an electronic payment as proof for reimbursement method. Under the reimbursement method, a subgrantee is not required to deposit funds in an interest bearing account.

Cash Advance: Under the cash advance method, a subgrantee draws down federal funds in advance of when the funds will be paid out. The use of this payment method requires the subgrantee to have written procedures that minimizes the time elapsing between when the subgrantee requests a draw down and when the subgrantee will issue the payment for the program purpose.

Advance payments must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements for direct program or project costs and the proportionate share of any allowable indirect costs.

Subgrantees must have written procedures and internal controls for cash management to ensure that only the actual amount of cash needed will be requested, and that the cash received will be paid out. Procedures should show that the subgrantee plans carefully for cash flows for grant projects and reviews cash requirements before each request for payment. Cash management procedures are monitored during monitoring visits and during the annual independent audit.

Requesting Payment through the Expenditure Reporting (ER) System

Subgrantees in good standing are required to use the expenditure reporting (ER) system to record expenditures and request payment. Subgrantees may generally enter total expenditures by class/object code into the ER system up to 30 days following the ending date of the grant. The subrecipient is responsible for ensuring the Grantee Manager and/or Grantee Official, or such person using the Grantee Manager or Grantee Official's credentials, has been authorized by the subrecipient organization to enter the organization into legally binding agreements for grant payment purposes prior to the Grantee Manager or Grantee Official certifying and submitting expenditure payment requests in the ER system. This authorized official must certify each request for payment as described in 2 CFR § 200.415.

Accessing ER

To access ER, all individuals reporting and certifying expenditures are required to have an individual TEASE username and password. For security purposes, the TEASE username and password are not to be shared with any other user. The ER system is designed to accommodate a segregation of duties between the staff member who enters the drawdown into the ER system and the authorized official who certifies and submits the request. Failure to have such segregation of duties could be a sign of insufficient internal controls indicating risk of inadequate fund management. TEA strongly recommends the segregation of duties and may impose additional specific conditions on subgrant awards when risk is identified.

Each user will have a unique username and password. If you have not yet applied for a TEASE username and password, you can access the [application form and instructions](#). The username and password will be emailed to you.

To access ER, go directly to [TEASE](#) or [TEAL](#) to login.

Enter your username and password and click the **Continue** button. In TEASE click on **Expenditure Reporting** from the application list. In TEAL, under **TEASE User Accounts** on the right side of the screen, click on your **User ID**, then click on **Expenditure Reporting**.

Expenditure Reporting by Class/Object Code in ER

Expenditures must be reported in the ER system by class/object code. TEA implements this process to demonstrate compliance with federal monitoring expectations/auditing standards and to mitigate the need for subgrantees that are not identified as high-risk by TEA to submit supporting expenditure documentation for payment requests that exceed grant threshold requirements. High-risk subgrantees are required to submit requested supporting documentation to TEA.

Documentation of Expenditures

For any payment request in ER, TEA reserves the right to request additional supporting documentation including but not limited to the general ledger, payroll ledger, and copies of payroll checks, invoices, receipts, and travel vouchers before authorizing payment. TEA may request you to upload any such document to your payment request in ER. Payment will not be approved or processed until the requested documentation is received and determined to be allowable under the grant.

Denial of Expenditure Reports

When reporting expenditures by class/object code, the ER system will not permit the subgrantee to submit an expenditure report with the following criteria:

- Where the subgrantee is claiming expenditures in a class/object code not budgeted in the approved application
- When the total amount exceeds the total amount of the grant

ER Requests Requiring Manual Review and Approval

Thresholds are established for each grant program to allow for the automatic approval of payments as long as the payments are within the established thresholds. Payments will be approved automatically as long as an individual request does not exceed the established threshold percentage. The ER system will automatically forward any request for payment that exceeds the established thresholds to TEA staff for review and approval. TEA staff will consider each request to exceed the established thresholds on a case-by-case basis.

In addition, the ER system has various system criteria that allow TEA staff to monitor requests for payment. If a draw down request violates an ER system criteria or is randomly selected for monitoring, TEA staff will manually review the draw down request and contact the subgrantee for a narrative payment justification.

Due Date of Expenditure Report

The deadline for reporting total final expenditures by class/object code is stated on the TEA Grant Opportunities page.

Refunds for Excess Payments

All refunds for excess payments received (*not for interest earned on federal funds*) must be submitted to:

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

Write the name of the grant program, NOGA ID number, and reason for refund ID on the refund check. The refund will be credited to the NOGA ID from which the excess funds were drawn down.

Reason for Refund

- R.1. Correction of an administrative error
- R.2. Correction of an unallowable cost
- R.3. Correction for a cost incurred outside the period of availability
- R.4. Return of funds associated with an excessive drawdown
- R.5. Return of funds associated with termination (voluntary or involuntary)
- R.6. Return associated with a failure to meet maintenance of effort
- R.7. Other (*provide brief explanation on separate page*)

Return of Interest Earned from Federal Grant Payments

This section applies to federal grants only.

Subgrantees are not required to maintain separate bank accounts for federal grants. However, subgrantees must comply with the applicable standards for financial management in maintaining accounting records by fund source. (See 2 CFR §§200.302 and 200.305) Subgrantees receiving federal grant payments may be required to return interest earned to the appropriate federal agency.

Subgrantees shall not draw down more cash than is necessary to meet immediate cash needs. If a subgrantee draws a cash advance from the ER system and keeps cash on hand, the subgrantee may be required to return to the federal government any interest accrued beginning with the day the draw down is received in the organization's bank account.

In accordance with the requirements of 2 CFR §200.305, all organizations must deposit grant payments into an interest-bearing account. The subgrantee may retain up to \$500 annually in interest earned for administrative expenses.

The requirements of 2 CFR §200.305 are waived if any of the following conditions applies:

- The subgrantee receives less than \$120,000 in total federal awards per fiscal year.
- The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per fiscal year on total federal cash balances.
- The average or minimum balance required by the depository bank is too high for the subgrantee to meet with expected federal and non-federal cash resources.
- A foreign government or banking system prohibits or precludes interest bearing accounts.

In addition, on at least an annual basis, any interest in excess of \$500 accrued on advances of federal grant funds must be remitted to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment following the process described in 2 CFR §200.305.

Noncompliance with Cash Management Requirements

This section applies to federal grants only.

Pursuant to 2 CFR §200.207, if TEA identifies, in its sole determination, a subgrantee as posing a level of risk identified by the agency's risk criteria, the subgrantee has a history of failure to comply with the terms and conditions of the grant award, the subgrantee fails to meet performance goals, or is not otherwise responsible then TEA may impose additional specific award conditions on any subgrant award. TEA may, in appropriate circumstances, designate the specific conditions established under 2 CFR §200.207 as "high-risk conditions" and designate a non-Federal entity subject to specific conditions established under §200.207 as a high-risk subgrantee per 2 CFR §3474.10.

If TEA determines that noncompliance cannot be corrected by imposing the specific conditions, TEA may take one or more remedies for noncompliance actions, as appropriate in the circumstances pursuant to 2 CFR §200.338. For details, refer to the High-Risk Status, Specific Conditions, and Remedies for Noncompliance section of the General and Fiscal Guidelines.

Contact Information

For questions related to this grant, please contact the appropriate person or division as listed in the Contact Information section of the TEA Grant Opportunities page.

Enclosures

cc: Mike Herschenfeld

Texas Education Agency

NOGA ID:

196101217110002

Organization: EL PASO ISD

Country-District: 071902

Vendor ID: 1- 746000769

Campus/School: Not Applicable

ESC Region: 19

School Year: 2019

Notice of Grant Award

SAS # A271-19

Amendment Number:

Code of Grant Program	Fed Fund Code	Fed Rev Code	Fed Award ICF VA#	Federal Agency	TEA USE ONLY	Begin Date	End Date	Increase (Decrease)	Amount
TRANSFORMATION ZONE PLANNING CONTINUATION AND IMPLEMENTATION	211	5929	S010A180043 84 010A	USDE	61011921	09/04/2018	08/31/2020	\$0.00	\$5,000,000.00
								NOGA Total:	\$5,000,000.00

An amount of **(\$0.00)** has been reserved for the Notice of Grant Award. For more information, please contact the funding contact listed on the TEA Grant Opportunities page.

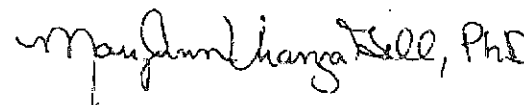
Application and any amendment thereto identified above, Received Date/ Document Control Number/ Application ID(09/04/2018)as revised or negotiated by the Texas Education Agency (TEA), is hereby incorporated by reference and, therefore, made a part of this grant award. Also incorporated by reference into this grant award are the Provisions and Assurances contained in the incorporated application, the Request for Application (if applicable), the instructions to completing the Standard Application System (SAS), any guidelines which accompany the application, including program and fiscal guidelines, and any and all attachments or appendices submitted by the applicant or included by TEA. This grant is made contingent upon the availability of funds from the funding entity to the Texas Education Agency for distribution to the sub grantee named above. If funding is not received, TEA assumes no liability for costs incurred by the grant recipient.

Offer Accepted by Grantee

The signature of the applicant's authorized officer contained on the applicant's application or amended application referred to above, is hereby incorporated by reference and made a part of this grant/award.

Approval ID of the Commissioner of Education or Designee
Texas Education Agency

Date



9/13/18

Texas Education Agency

Supplement to Notice of Grant Award (NOGA)

1	Subrecipient Name EL PASO ISD P.O. Box 20100 El Paso, TX 79998-0100		2	Subrecipient Unique Entity Identifier 071-902
3	Subrecipient Information			
	Grant name:		TRANSFORMATION ZONE PLANNING CONTINUA	
	Subaward period of performance start and end date:		See NOGA certificate	
	Amount of federal funds obligated by this action:		See NOGA certificate	
	Total amount of federal funds awarded:		See NOGA certificate	
	Indirect cost rate:		3.312%	
	De minimis indirect cost rate:		Not applicable	
	Research and development grant:		Not applicable	
4	Subrecipient Terms and Conditions			
	<p>(1) New EDGAR including 2 C.F.R. Part 200 applies</p> <p>(2) Grant program requirements</p> <p>(a) Incorporated by reference in General and Fiscal Guidelines</p> <p>(b) Incorporated by reference in Program Guidelines</p> <p>(c) Incorporated by reference in General Provisions and Assurances</p> <p>(d) Incorporated by reference in Program-Specific Provisions and Assurances (if applicable)</p> <p>(3) Additional requirements Incorporated by reference in the To The Administrator Addressed correspondence sent to grantee as applicable</p> <p>(4) Access to subrecipient records Per 2 CFR §200.331, the subrecipient must permit TEA as the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for TEA to meet the requirements of this section.</p> <p>(5) Closeout of subaward</p> <p>(a) Incorporated by reference in General and Fiscal Guidelines</p> <p>(b) Incorporated by reference in NOGA transmittal letter</p>			
5	Name of Pass-Through Entity Texas Education Agency		6	Contact Information for TEA Awarding Official See NOGA certificate
7	Federal Award Information			
	Federal awarding agency:		USDE	
	Federal award identification number:		See NOGA certificate	
	CFDA number:		See NOGA certificate	
	CFDA name:		Title I Grants to Local Educational Agencies	
	Federal award date:		July 1, 2018	
	Total amount of federal award:		\$1,511,207,329	
8	Federal Award Project Description Incorporated by reference in program guidelines			