

BS6007—Program Budget Summary and Support

The budgeted amounts for program costs and pre-award costs, as applicable, for each class/object code are summarized on this schedule. *All expenditures, including amounts budgeted for items not requiring specific approval, must be budgeted within an appropriate class/object code to be reimbursed by TEA. In other words, to expend funds in any class/object code, you must have funds budgeted in that class/object code.*

All applicants must complete Schedule **BS6007**. The schedule reflects the total funds budgeted for the fund source. You are required to maintain records on all expenditures according to the Financial Accounting and Reporting (FAR) Module of the Financial Accountability System Resource Guide.

Part 1 of the **BS6007** summarizes budgeted information by class/object code.

Note: **Part 1** must include amounts for items not requiring specific approval as well as amounts for items requiring specific approval, all added together to equal the entire grant budget.

Parts 2–10 contain the budgeted information for items that require specific approval under the Federal cost principles or that are of particular interest to our stakeholders. To be reimbursed by TEA for an item that requires specific approval, it must be properly budgeted in the grant application. The budget information is as follows:

Part 2: 6100 Payroll Costs—All payroll costs require specific approval.

Part 3: 6100 Substitute, Extra-Duty, Benefits

Part 4: Itemized 6200 Professional and Contracted Services

Part 5: Itemized 6300 Supplies and Materials

Part 6: Itemized 6400 Other Operating Costs

Part 7: 6500 Debt Service—All debt service requires specific approval. Debt Service is only allowable for Discretionary Deaf.

Part 8: Itemized 6500 Debt Service—Description of Property with Justification

Part 9: Itemized 6600 Capital Outlay—Capitalized Assets Regardless of Unit Cost—All capitalized assets require specific approval.

Part 10: Justification for Portable Building Lease or Purchase—All require specific approval

Note: When specific approval is required for nonprofit organizations, this requirement includes charter schools operated or chartered by a nonprofit organization.

Allowable Costs

Costs must be allocable to a particular grant award in accordance with relative benefits received. They must be treated consistently with other costs incurred for the same purposes in like circumstances and they must meet the following:

- Be incurred specifically for the grant

- Benefit the grant and other work
- Be distributed in reasonable proportion to the benefits received

Any cost allocable to a particular grant or other cost objective may not be shifted to other grant awards to overcome deficiencies or to avoid restrictions required by law or by the terms of the grant award.

To assign budgeted items to proper class/object codes, you are strongly encouraged to consult with your business or accounting office before submitting the application. Advance coordination will expedite negotiation and application processing.

If you receive a grant, you must comply with the Federal cost principles in expending grant funds. Refer to “Cost Principles” and to [Guidelines Related to Specific Costs](#) for more information. Also refer to the General and Fiscal Guidelines for more information about allowable costs. All encumbrances and expenditure of funds approved shall occur on or after the effective date of this application—upon certification or submission of the grant application or the first day of the grant availability period, whichever is later.

Pre-award Costs

Pre-award costs are those incurred between the date the funds are available for obligation and the date the application is received at TEA. This category includes costs incurred for specific events or activities directly pursuant to negotiations and in anticipation of the grant award. Such costs must be necessary to comply with the proposed delivery of services or period of the grant. Pre-award costs are not allowable for competitive grants under any circumstances.

For most class/object codes listed, the **Pre-Award** column prefills from the **Grand Total Pre-Award** costs for each class/object code you provided in the narration schedules. If the budget by component is not required and the field is active, i.e. not grayed out, pre-award costs may be entered directly in this section.

Reasonable and Necessary Costs

In accordance with the Federal cost principles, costs must be reasonable and necessary for operation of the program. Reasonable costs are consistent with prudent business practice and comparable to current market value. Necessary costs are essential to accomplish the objectives of the project. All items requested must be allowable expenditures under the authorizing program statutes, regulations, and rules.

In accordance with the Federal cost principles, to be allowable under a grant award, costs must meet the following criteria:

- Be reasonable for the performance of the grant and be allocable under the applicable cost principles
- Conform to limitations or exclusions set forth in applicable cost principles or the grant agreement as to types or amount of costs
- Be consistent with policies or procedures that apply uniformly to federally-funded activities and activities funded from other sources
- Be accorded consistent treatment among all grant programs, regardless of funding source
- Be determined in accordance with generally accepted accounting principles (GAAP)

- Not be included as costs or used to meet cost-sharing or matching requirements of any other federally-funded program in the current or a prior period

Determine the reasonableness of a cost by considering whether the following is met:

- The cost is of a type generally recognized as ordinary and necessary for operation of the organization or grant performance.
- Restrictions or requirements are imposed for generally accepted sound business practices, arms length bargaining, Federal or state laws and regulations, and grant award terms and conditions.
- Individuals acted with prudence in the circumstances of responsibility to the organization, its members, employees, clients, the public, and the Federal government.
- There are no significant deviations from established practices of the organization that may unjustifiably increase grant costs.

Amendments

Refer to the instructions for the **GS2900—Purpose of Amendment** for a list of reasons to amend an application. Submit an amendment if you have changes, deletions, or additions to approved items in accordance with those instructions. You must do both of the following:

- Include all items previously approved as well as the new items requested.
- Omit any previously approved items to be deleted in the amendment that you do not wish to be paid from the grant.

One reason for a budget amendment is when cumulative transfers among direct cost categories exceed or are expected to exceed 25% of the total approved budget. You may transfer funds among existing budgeted categories (i.e., class/object codes) without submitting an amendment as long as the total amount of funds transferred is 25% or less of the total current approved budget or unless the items require specific approval.

Specific Instructions for Completing BS6007

Statutory Authority

Information identifying the statute authorizing the grant program prefills into this area from the grant setup information.

Fund/SSA Code

The identifying funding code prefills into this area from the grant setup information.

Available Funding

Allocation

This field prefills with the total amount of available funding.

Total Funds Released and Funds Transferred in from Other Fiscal Agents

Released Funds

This field fills with the total of released funds, if applicable.

Funds Transferred In

This field fills with the total funds transferred in to your organization, if applicable.

Total Available Funds

This field fills with the total available funds.

Part 1: Budgeted Costs

6100 Payroll Costs

Use this class/object code to request employee payroll costs. Items requested must be allowable expenditures under the authorizing program statutes, regulations, and rules. Request funds only that are necessary to fulfill your project objectives. All payroll costs require specific approval. See more information on payroll costs in the instructions for **Parts 2** and **3**.

Report all applicable gross salaries, wages, and benefits to be charged to this project. Only employee costs are included on this schedule. Do not list costs for people who are not employees (consultants or contractors).

For federally or private-funded programs, you may budget the full amount of the state teacher retirement contribution on a Federal or private-funded application, if provided for in the grant.

Type in the total payroll costs. Make sure all positions funded by the grant program are listed in **Part 2**. If you entered a number in **Part 2** or checked a box in **Part 3**, you must enter an amount in the **Payroll Costs** row in **Part 1**.

If you are requesting pre-award costs for a position, type in the amount of pre-award costs allocated to the position.

6200 Professional and Contracted Services

This category of costs is for those related to professional and contracted services. This row fills from the amounts you enter in **Part 4**.

6300 Supplies and Materials

This category of costs is for supplies and materials and noncapitalized equipment. This row fills from the amounts you enter in **Part 5**.

6400 Other Operating Costs

This category of costs is for other operating costs. This row fills from the amounts you enter in **Part 6**.

6500 Debt Service

This category of costs includes lease-purchases. Lease-purchases must be allowable expenditures under the authorizing program statutes, regulations, and rules. Refer to Application Guidelines—Part 2: Program Guidelines and Use of Funds to determine if debt service is allowable under the

grant program. This class/object code is used to budget funds to retire the principal of long-term capital lease-purchases and to pay interest accrued on those purchases. All costs related to a lease-purchase must be specifically approved by TEA in the grant application. Debt services are allowable only for IDEA-B Discretionary Deaf.

This row fills from the amounts you enter in **Parts 7 and 8**.

6600 Capital Outlay

This category of costs is for capital outlay. Capital assets are those items with an acquisition cost that equals or exceeds \$5,000 or the capitalization level established by local policy, whichever is less. All capital outlay items must be itemized in **Part 9** of this schedule. This row fills from the amounts you enter in **Part 9**.

6629 Building Purchase, Construction, or Improvements

If this row is active, this category of costs is for building purchases, construction, or improvements. This expense is not allowable with special education funds.

Subtotal

Total Direct Costs

This line totals the budgeted costs from all the class/object codes.

Indirect Costs

Indirect costs for federally funded grants are a form of administrative costs incurred for a common or joint purpose benefiting more than one cost objective and not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved. *Costs must be treated consistently either as direct or indirect among all funding sources.*

Indirect cost is not allowed to be claimed or budgeted through IDEA-B Discretionary grants. This field is disabled.

Total Budgeted Costs

This field shows the sum of **Total Direct Costs**.

Difference Between Total Funds Available and Total Budgeted Costs

Total Funds Available Minus Total Costs

The total in this field shows the result of **Total Budgeted Costs** subtracted from the **Total Funds Available**. The total in this field must be zero, as you must apply for the entire entitlement. If the total does not equal zero, you must adjust the budget to reflect the total available funds.

Shared Services Arrangements

In a Shared Services Arrangement (SSA), the member LEAs' portions of the funds must be reflected on Schedule **BS6007** by class/object code. It is mandatory that the fiscal agent maintain individual and member LEA expenditure data, because these records are auditable. A detailed list of expenditures by the member LEAs must support the expenditure reports that the fiscal agent

retains. The fiscal agent is responsible for ensuring that all funds, including payments to member LEAs, are expended in accordance with applicable laws and regulations.

6493 Payments to Member Districts of SSA

Type the total amount of payments to SSA member districts. These costs must be budgeted in the appropriate class/object code. This amount may duplicate all or a portion of the above **Total Budgeted Costs**.

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

Part 2: 6100—Payroll Costs

This section must be completed to request employee payroll costs. All employee payroll costs require specific approval. Items requested must be allowable expenditures under the authorizing program statutes, regulations, and rules. All standard positions are preprinted for your convenience. Request positions only that are necessary to fulfill your project objectives.

Report all positions to be charged to this program. Include only employee positions on this schedule. Do not list positions for people who are not employees (consultants or contractors).

Specific Instructions

For each position title listed do the following:

1. Type the number of positions to be funded.
2. If you have additional positions that are not listed, type the position title for **Other**.
3. Type the number of positions for each title listed under **Other**.
4. Provide a brief description for each **Other** position.

A job description must be attached **only** if requested by TEA.

Adding More Positions

If you have more than one additional position to list, you can add more lines under **Other** by clicking **Add Other**.

Deleting a Position from Other

To delete a position from **Other**, do the following:

1. Check the box next to the position you wish to delete.
2. Click **Delete Other**.

Time and Effort Documentation for Personnel

You must ensure that federally-funded grants bear their fair share of cost. To support charges to payroll for personnel who spend time on a grant, time and effort documentation requirements must be satisfied.

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

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

Documentation Required for Charges to Payroll for Federally Funded Programs

Refer to the appropriate section below to determine the documentation required for charges to payroll for the following types of organizations:

- LEAs, ESCs, and open-enrollment charter schools operated by a government entity
- Nonprofit organizations, including open-enrollment charter schools operated by a nonprofit organization
- Colleges and universities, including open-enrollment charter schools operated by an IHE

Documentation Required under OMB Circular A-87 for LEAs, ESCs, and Open-Enrollment Charter Schools Operated by a Governmental Entity

All charges to payroll for grant-funded personnel must be based on one of the following:

- Semi-annual certification
- Time and effort records
- Substitute system

Refer to the section “Compensation for personal services” in OMB Circular A-87 for more detailed information pertaining to charges to payroll.

Semi-Annual Certification

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

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

Cost objective means a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred.

These employees are not required to maintain time and effort records. However, all employees must certify in writing, at least semi-annually, that they worked solely on the program for the period

covered by the certification. The certification must be signed by the employee or by the supervisor having first-hand knowledge of the work performed. Charges to the grant must be supported by these semi-annual certifications.

A job description is required to be on file with the LEA for these employees but cannot be used in lieu of the periodic certification required by the Federal government. The job description must show clearly that the employee is assigned 100% to the program or single cost objective.

Time and Effort

Time and effort applies to employees who meet one of the following:

- Do not work 100% of their time in a single grant program
- Work under multiple grant programs
- Work under multiple cost objectives

These employees are required to maintain time and effort records or to account for their time under a substitute system. See Substitute Systems in Lieu of Time and Effort Reports. Employees must prepare time and effort reports at least monthly to coincide with pay periods. Such reports must reflect an after-the-fact distribution of 100 percent of the actual time spent on each activity and must be signed by the employee. Charges to payroll must be adjusted to coincide with preparation and submittal of the interim expenditure report required for TEA discretionary grants.

Here are a couple of examples:

Employees who work partially on administering programs included in NCLB consolidated administrative funds and work partially on administering other programs must maintain time and effort or account for their time under a substitute system.

Employees who work partially on administrative activities (paid from administrative funds) and work partially on program activities (paid from program funds) must maintain time and effort or account for their time under a substitute system.

Substitute Systems in Lieu of Time and Effort Reports

Substitute systems for allocating salaries and wages may be used in place of time and effort reports. Substitute systems may include but are not limited to random-moment sampling, case counts, or other quantifiable measures of employee effort. Substitute systems that use sampling methods must meet acceptable statistical sampling standards. Refer to OMB Circular A-87 for detailed requirements.

Documentation of rationale and calculations for allocating salaries and wages must be maintained for audit purposes. It is recommended that a copy of a Certified Public Accountant's approval of a substitute system be kept on file for documentation. An unacceptable or invalid substitute system could result in an audit finding and the return of grant dollars to TEA.

Documentation Required under OMB Circular A-122 for Nonprofit Organizations and Open-Enrollment Charter Schools Operated by a Nonprofit Organization

All charges to payroll for grant-funded staff must be based on distribution of activity reports. This requirement includes professionals and nonprofessionals whose compensation is charged, in whole or in part, directly to awards. Therefore, *all grant-funded personnel, whether 100% funded or partially funded, must maintain time and effort records.*

Employees must prepare time and effort reports at least monthly, to coincide with pay periods. Such reports must reflect an after-the-fact distribution of 100 percent of the actual time spent on each activity and must be signed by the employee. Charges to payroll must be adjusted based on time and effort records.

Charges for salaries and wages of nonprofessional employees must also be supported by records indicating the total number of hours worked each day maintained in conformance with the Department of Labor regulations implementing the Fair Labor Standards Act (FLSA). For this purpose, nonprofessional employee shall have the same meaning as nonexempt employee under FLSA.

Refer to the section “Compensation for personal services” in OMB Circular A-122 for more detailed information about charges to payroll.

Documentation Required under OMB Circular A-21 for Colleges and Universities and Open-Enrollment Charter Schools Operated by an IHE

All charges must be based on payrolls documented in accordance with the generally accepted practices of colleges and universities. The method must provide for after-the-fact confirmation or determination by responsible persons with suitable means of verifying that the work was performed.

The payroll distribution system must reflect categories of activities expressed as a percentage distribution of total activities. Charges may be initially based on estimates made before services are performed. Significant changes in the work activity must be identified and entered into the payroll distribution system.

Following are examples of acceptable methods:

- **Plan-Confirmation:** The distribution of salaries and wages is based on budgeted, planned, or assigned work activity, updated to reflect any significant changes in work distribution. Certain standards must be met, as outlined in OMB Circular A-21, including an annual statement signed by the employee certifying that the work was performed.
- **After-the-Fact Activity Records:** Distribution of salaries and wages is supported by activity reports that reflect an after-the-fact description of the activity expended by employees. Charges may be made initially on the basis of estimates, provided that such charges are promptly adjusted if significant differences are indicated by activity records.
- **Multiple Confirmation Records:** The distribution of salaries and wages is supported by records that certify separately for direct and facilities and administration (synonymous with indirect) cost activities.

Activity reports must be prepared for each academic term, but no less frequently than every six months, and must be signed by the employee or a person having direct knowledge of the work performed. Charges may be made initially on the basis of estimates, provided that such charges are promptly adjusted if significant differences are indicated by activity records.

Refer to “Compensation for personal services” in OMB Circular A-21 for more detailed information about charges to payroll.

Part 3: 6100—Substitute, Extra-Duty, Benefits

Use this part for substitute pay, extra-duty pay, and benefits. Extra-duty pay includes additional pay for recruitment or retention.

1. If the box in the first line is activated, check it to indicate that some or all of the funds budgeted will be used to pay for personnel funded by the project who provide services on schoolwide campuses not coded to 8911.
2. Check the box to request extra-duty pay—pay that is for beyond normal work hours—for professional personnel or for support personnel.
3. Check the box to request substitute pay not included in the lines above.

Substitute pay is not to exceed the amount determined by local district policy. Pay for substitute teachers is allowable only for public school and open enrollment school teachers. Substitute pay for private nonprofit school teachers is not allowable under any circumstances.

Allowable examples include the following:

- Replacing grant-funded teachers in the classroom who are absent
- Allowing teachers to participate in grant-funded professional development activities
- Allowing teachers to participate in grant-funded planning activities

Part 4: 6200—Itemized Professional and Contracted Services

Complete this part for professional or contracted services rendered by firms, individuals, and other organizations not on your payroll. All items requested must be allowable under the authorizing program statutes, regulations, and rules. Normally, professional and contracted services represent a complete service that is rendered for the school district, and no attempt should be made to separate labor from supplies. All such services must have specific approval.

Consultants must be selected based upon demonstrated competence, qualifications, experience, and reasonableness of proposed fees. Request funds only as necessary to fulfill your project objectives.

Note: Payments for any contracted services performed by consortium members must be listed in this schedule.

Unallowable Costs

You shall not use or pay any consultant in the conduct of this application if the services to be rendered by such consultant could have been rendered by your employees.

Grant funds may not be used for the following:

- Training or technical assistance on grant writing or obtaining grant funds
- Fundraising activities or training on fundraising
- Retainer fees
- Legal fees and expenses are allowed only as necessary for the administration of the grant program.
- Independent audit costs required by the State
- Multi-color printing that is not reasonable in cost or necessary to accomplish the objectives of this grant

Costs That Require Specific Approval

The following types of costs require specific approval and must be listed in this part:

- Professional consulting services, such as project management, evaluation services, professional development, curriculum development, or technical assistance
- Contracted publication and printing costs
- Pre-award costs for professional and contracted services, if allowed by the program.

Note: Specific approval for contracted publication and printing costs is required only for nonprofit organizations, which include charter schools operated or chartered by nonprofit organizations.

6212 Audit Costs

If this field is active, type the amount budgeted for audit costs *other than those required under and conducted in accordance with OMB Circular A-133* in the **Amount** field. Costs in conjunction with conducting the A-133 Single Audit do not require specific approval and do not need to be listed here. Costs connected with conducting the required annual audit and report of financial activities are not allowable from grant funds.

Federally Funded Grants

- Audit fees and expenses are allowed only when the audit is required under and conducted in accordance with [Office of Management and Budget \(OMB\) Circular A-133, Audits](#). These costs do not require specific approval.
- Audit fees and expenses may not be charged as direct costs when such audit services costs are part of your organization's indirect cost pool.

6269 Rental or Lease of Buildings, Space in Buildings, or Land

This cost category allows you to budget rentals and leases for building space not owned by your organization. This category includes but is not limited to the rental or lease of space in buildings.

1. Type in the amount budgeted for rental or lease.
2. Type the purpose of the rented or leased space, including the calculation used to determine the program costs for the grant period, for example, \$5/mo x 12 mo = \$60.
3. Type the pre-award cost amounts, if applicable.

6299 Contracted Publication and Printing Costs

If these costs are allowed, specific approval is only required for nonprofit organizations, including charter schools operated or chartered by a nonprofit organization. All other organizations should include these costs in **Remaining 6200—Professional and Contracted Services That Do Not Require Specific Approval**.

1. Type in the amount budgeted for contracted publication and printing costs.
2. Type the purpose for the contracted publication and printing costs.
3. Type the pre-award cost amounts, if applicable.

Subtotal

This field subtotals the amounts entered for class/object codes 6212, 6269, and 6299 and pre-award columns for professional and contracted services or subgrants, if applicable.

Professional and Consulting Services (6219 or 6299)

Professional and consulting services are those services delivered by an independent contractor (individual entity or firm) who is not on your organization's payroll and who offers its services to the public. Services are normally in areas that supplement the expertise of your organization. They generally include project management, evaluation services, professional development, curriculum development, or technical assistance. This category includes all related expenditures covered by a professional services contract. It does not include accounting or bookkeeping services, media services, or data management, which are contracted services that do not require specific approval.

The same cost principles for allowable costs apply to all professional or consulting services contractors and subgrantees. Remember that your budget is subject to negotiation.

Budgeted consultant travel costs must be reasonable. Consultant costs must also include costs for any materials provided by consultants. Professional services funded from payments to SSA member districts are budgeted here.

Unallowable Costs

This cost category does not include supplies purchased under a purchasing agreement with an ESC. Charge those supplies to the appropriate cost category on 6300 Supplies and Materials.

Instructions

1. For each active item that you want to budget, type in the amount of the total payment to be made to the consultant or subgrantee. If the item is not active, it is not allowable for the grant.
2. If requested, type in a description of the topic, purpose, or service.
3. If you wish to include a service that is not listed, type a description in Other and type in the purpose.
4. Type the pre-award cost amounts, if applicable.

Adding More Descriptions of Services

To add more descriptions under **Other**, click **Add Other** and complete the item as instructed above.

Deleting Descriptions under Other

To delete a description under **Other**, do the following:

1. Check the description you wish to delete.
2. Click **Delete Other**.

Subtotal

Subtotal Professional and Consulting Services

This field subtotals the **Grant Amount Budgeted** and **Pre-Award columns** for professional and contracted services, if applicable.

Remaining 6200—Professional and Contracted Services That Do Not Require Specific Approval

Type in the remaining costs to be budgeted to 6200 Professional and Consulting Services That Do Not Require Specific Approval.

Costs That Do Not Require Specific Approval

Typical items, including but not limited to the following, do not require specific approval and are not to be listed above but are to be totaled in this line item:

- Contracted transportation services
- Media services
- Contracted maintenance and repair services
- Equipment rental or lease

Grand Total

This field sums the subtotal of professional and contracted services and remaining professional and contracted services that do not require specific approval. It also sums total pre-award costs, when applicable. These totals also appear in class/object code 6200 in Part 1 of this form.

Written Agreements and Contracts

You must maintain a contract administration system to ensure that contractors or consultants perform in accordance with the terms, conditions, and specifications of their contracts and written agreements.

The dates for services to be performed in contracts and other written agreements must be within the grant period. Multi-year contracts are not appropriate for discretionary grants. TEA is not liable for reimbursing grantees for a contract beyond the current grant period.

The contract administration system must be in compliance with requirements stated in [34 CFR 80.36, Procurement](#), including the following:

- Maintain a copy of the signed contract, agreement, or purchase order for services to be performed and the rationale or procedure for selecting a particular contractor.
- For contracts or agreements in excess of \$10,000, describe conditions under which the contract may be terminated for cause or for convenience and include the basis for settlement.
- If the contract is to develop materials, concepts, or products, ensure that the agreement or contract contains provisions that protect and retain ownership of such materials, concepts, or products by TEA, the State of Texas, and the Federal government as applicable (including copyright, patent, trademark).

- Maintain evidence that awards were made only to contractors or consultants possessing the ability to perform successfully under the terms and conditions of the proposed contract or procurement.
- Select consultants based on demonstrated competence, qualifications, experience, and reasonableness of costs. Consideration must be given to contractor integrity, compliance with public policy, past performance, and financial and technical resources.
- Contract only with persons not employed by your organization.
- Do not participate in selection or award of a contract if a conflict of interest is involved.
- Maintain records on services performed—date of service, purpose of service—ensuring that services are consistent and satisfactory as described in the signed contract or purchase order.
- Make payment only after the service is performed and not before, according to state and Federal law. Advance payment to contractors is prohibited.
- For procurement contracts under which a contracted person will have critical influence or substantive control over the transaction, contract only with persons not debarred or suspended from receiving financial assistance under Federal programs.

Amendments

An amendment must be filed if you are budgeting funds for a new item that requires specific approval.

Part 5: 6300—Itemized Supplies and Materials

Use this support schedule to request only those items requiring specific approval.

Unallowable Costs

Out-of-state training is not allowed where the same type and quality of training is available in-state.

Gifts or anything that can be construed as a gift, souvenirs, memorabilia, promotional items (such as t-shirts, caps, tote bags, imprinted pens) are not allowed.

Door prizes are not allowable incentives or awards. (Movie tickets, gift certificates, amusement park passes and so on may be donated by others, but not purchased with grant funds.) See [Guidelines Related to Specific Costs](#) for information on incentives to participate and awards for recognition.

Food, meals, snacks, beverages, and refreshments are not acceptable incentives or awards.

Costs That Require Specific Approval

The following costs require specific approval:

- Technology hardware and software not capitalized
- Supplies and materials associated with an Advisory Council or committee
- Pre-award supplies and materials, if allowed by the program

Specific Instructions

6399 Supplies and Materials Associated with Operating an Advisory Council or Committee

If this item is active, type the costs associated with operating an advisory council or committee.

6399—Technology Hardware—Not Capitalized

1. Type a generic description for the type of technology or computer hardware requested. Do not use brand names.
2. Briefly describe the purpose of the hardware in accomplishing objectives of the project.
3. Type the estimated unit cost and quantity for this type of hardware.
4. Type in the total amount budgeted for hardware.
5. Type the pre-award cost amounts, if applicable.

Adding Hardware

If you wish to add an item of hardware, click **Add Hardware** and complete the item as instructed above.

Deleting Hardware

If you wish to delete a hardware item, do the following:

1. Check the box next to the item you wish to delete.
2. Click **Delete Hardware**.

6399—Technology Software—Not Capitalized

1. Type a generic description for the type of software requested. Do not use brand names.
2. Briefly describe the purpose of the software in accomplishing objectives of the project.
3. Type the estimated unit cost and quantity for this type of software.
4. Type in the total amount budgeted for software.
5. Type the pre-award cost amounts, if applicable.

Adding Software

If you wish to add an item of software, click **Add Software** and complete the item as instructed above.

Deleting Software

If you wish to delete an unneeded item of software, do the following:

1. Check the box next to the item you wish to delete.
2. Click **Delete Software**.

Subtotal

Subtotal

This field subtotals the **Grant Amount Budgeted** and **Pre-Award Columns** for supplies and materials, if applicable.

Remaining 6300—Supplies and Materials Costs That Do Not Require Specific Approval

Type the costs for all other supplies and materials that do not require specific approval.

Costs That Do Not Require Specific Approval

Typical items that are required to operate the program on a daily basis do not require specific approval and are not to be listed on this support schedule. However, they ***must be specifically designated for meeting unique needs of special education students***, to enable them to receive instruction toward specific Individualized Education Program (IEP) objectives. Routine classroom supplies are not allowed. Within that definition, typical items include but are not limited to the following:

- Instructional supplies and materials
- Supplies and materials for training or staff development
- Printing supplies
- Testing materials
- Media materials
- Instructional equipment and furniture—noncapitalized
- Awards/incentives for participation

Grand Total

This field sums the subtotal of supplies and materials and remaining costs for supplies and materials that do not require specific approval. It also sums total pre-award costs, when applicable. These totals also appear in class/object code 6200 in Part 1 of this form.

Part 6: 6400—Itemized Other Operating Costs

Use this part to request other operating costs, both those that require or do not require specific approval. Items requested must be allowed under the authorizing program statutes, regulations, and rules.

Unallowable Costs

Out-of-state training is not allowed where the same type and quality of training is available in-state.

Gifts or anything that can be construed as a gift, souvenirs, memorabilia, promotional items (such as t-shirts, caps, tote bags, imprinted pens) are not allowed.

Door prizes are not allowable incentives or awards. (Movie tickets, gift certificates, amusement park passes and so on may be donated by others, but not purchased with grant funds.) See Guidelines Related to Specific Costs for information on incentives to participate and awards for recognition.

Food, meals, snacks, beverages, and refreshments are not acceptable incentives or awards.

Membership dues in civic or community organizations, organizations substantially engaged in lobbying, or social organizations are not allowable costs.

Unallowable Travel Costs

Costs that are not allowed are the following:

- Alcoholic beverages
- Tips or gratuities
- Entertainment, recreation, or social events
- Travel allowances
- First-class airfare
- Any expense for other persons
- Meals and lodging for persons who live in the same city or town where the meeting, conference, or workshop is held
- Costs that are not reasonable and necessary to meet the objectives of the grant
- Those related to training or technical assistance on grant writing or obtaining funds
- Field trips that do not meet the guidelines established by TEA (see Guidelines Related to Specific Costs for guidance related to field trips)

Costs That Require Specific Approval

Items requiring specific approval are preprinted for your convenience. Request funds only as necessary to fulfill your project objectives.

- Costs that require specific approval and must be listed in this section are as follows:
- Stipends for nonemployees, including registration fees for conferences (specific approval required only for nonprofit organizations)
- Travel for nonemployees (specific approval required only for nonprofit organizations; a field trip that takes place in a single day is not considered travel)
- Travel for students, including registration fees (specific approval required only for nonprofit organizations; a field trip that takes place in a single day is not considered travel for students)
- Travel for an executive director, superintendents, or board members, including registration fees
- Actual losses that could have been covered by permissible insurance
- Indemnification compensation for loss or damage
- Travel or other expenses for an Advisory Council or committee
- Reimbursed publication and printing costs (specific approval required only for nonprofit organizations)
- Pre-award other operating costs, if allowed by the program

Note: Nonprofit organizations include charter schools operated or chartered by a nonprofit organization.

Specific Instructions

Most of the cost fields in this section can be activated or disabled depending upon whether they are allowable for the grant using this form. Follow these instructions for any of the items that are active if you have costs to budget.

6411/6419 Travel Costs for Superintendents (6411), Executive Director (6411), or Local School Board Members (6419)

Use this line to request travel costs for executives, directors, superintendents, or board members. Specific approval is required for all travel by executives. Such travel must be specifically related to and necessary for carrying out the objectives of the grant program. See Unallowable Travel Costs and Guidelines Related to Specific Costs for more information about allowable and unallowable costs.

1. Type the amount requested for travel for superintendents, the executive director, or local school board members.
2. Describe the purpose of the travel.
3. Type the pre-award cost amounts, if applicable.

6412/6419 Travel for Nonemployees or Students

Use this line to request travel for students or nonemployees. Specific approval is required only for nonprofit organizations, including charter schools operated or chartered by a nonprofit organization. Travel for students includes any overnight travel or travel requiring airfare (in-state and out-of-state as well as registration fees for conferences). It generally does not include a field trip that takes place during a single day. See Unallowable Travel Costs and Guidelines Related to Specific Costs for more information about allowable and unallowable costs.

1. Type the amount requested for travel for nonemployees or students.
2. Describe the purpose of the travel.
3. Type the pre-award cost amounts, if applicable.

6413 Stipends for Nonemployees

Use this line to request stipends (sometimes referred to as “participant costs”) paid to individuals not employed by the grantee organization for allowances related to or for participation in grant activities. Specific approval is required only for nonprofit organizations, including charter schools operated or chartered by a nonprofit organization.

1. Type the amount requested for stipends for nonemployees.
2. Describe the purpose of the stipend.
3. Type the pre-award cost amounts, if applicable.

6429 Actual Losses Which Could Have Been Covered by Permissible Insurance

Use this line to request compensation for actual losses that could have been covered by permissible insurance.

Type the amount requested for actual losses that could have been covered by permissible insurance.

6490 Indemnification Compensation for Loss/Damage

Use this line to request compensation for loss or damage to third persons and other losses or damages not compensated by insurance. The Federal government and TEA are only obligated to indemnify your organization to the extent expressly provided by specific approval.

Type the amount requested for indemnification compensation for loss or damage.

6490 Advisory Council/Committee Travel or Other Expenses

Use this line to request other operating expenses related to the Advisory Council or committee. See Unallowable Travel Costs and Guidelines Related to Specific Costs for more information about allowable and unallowable costs.

Type the amount requested for advisory council or committee travel or other expenses.

6499 Membership Dues in Civic or Community Organizations

Note: At this time, membership dues are not allowable for any Special Education fund sources.

If allowable, membership in professional and technical organizations does not require specific approval but must be directly related to the grant program. Membership in a civic or community organization does require specific approval. All memberships must be in the name of your organization, not in that of an individual. Memberships must be necessary to carry out the objectives of the grant.

1. Type the amount requested for membership dues in civic or community organizations.
2. Type the name and purpose of the organization.
3. Type the pre-award cost amounts, if applicable.

Unallowable Membership Costs

Unallowable membership costs are as follows:

- Memberships in organizations that are substantially engaged in lobbying
- Memberships in social organizations
- Memberships in civic or community organizations

6499 Publication and Printing Costs—if Reimbursed

Use this line for publication and printing costs to be reimbursed. Specific approval is required only for nonprofit organizations, including charter schools operated or chartered by a nonprofit organization.

Advertisements are allowed for recruiting grant personnel only as long as the advertisement is not in color and not excessively large.

Advertisements are allowed for communicating with the public and press when the costs are considered necessary as part of the outreach effort for the grant.

1. Type the amount requested for reimbursed publication and printing costs.
2. Describe the purpose of the publication and printing costs.
3. Type the pre-award cost amounts, if applicable.

Subtotal

Subtotal

This line subtotals **Grant Amount Budgeted** and **Pre-Award columns** for other operating costs, if applicable.

Remaining 6400—Other Operating Costs That Do Not Require Specific Approval

Type the total amount requested for all other allowable operating costs that do not require specific approval.

Costs That Do Not Require Specific Approval

Typical items that are required to operate the program on a daily basis do not require specific approval and are not to be listed in the class/object codes. However, they must be specifically designated for meeting unique needs of special education students, to enable them to receive instruction toward specific IEP objectives. Within this definition, typical items include but are not limited to the following:

- Insurance required for or pursuant to the grant award in accordance with LEA policy and sound business practices
- A contribution to a reserve for employee self-insurance programs (subject to specific provisions outlined in [OMB Circulars A-87, A-122, or A-21](#), respectively)
- In-state travel expenses for project staff
- Conference registration fees
- Membership dues in business, professional, or technical organizations (membership must be in the name of the LEA or open enrollment charter school, not in the name of an individual)
- Transportation
- Newspaper advertisements

Grand Total

This field sums the subtotal of other operating costs and remaining other operating costs that do not require specific approval. It also sums total pre-award costs, when applicable. These totals also appear in class/object code 6200 in Part 1 of this form.

Part 7: 6500—Debt Service

Lease-purchases must be allowable expenditures under the authorizing program statutes, regulations, and rules. Refer to Application Guidelines—Part 2: Program Guidelines and Use of Funds to determine if debt service is allowable under the grant program. This class/object code is used to budget funds to retire the principal of long-term capital lease-purchases and to pay interest accrued on those purchases. All costs related to a lease-purchase must be specifically approved by TEA in the grant application. Debt service is allowable only for IDEA-B Discretionary Deaf.

The lease-purchase *must cover parts of at least two grant periods*.

6512 Capital Lease-Principal

Type the amount requested for principal cost during the current school year for long-term lease-purchases.

6522 Capital Lease-Interest

Type the amount requested for interest during the current school year for long-term lease-purchases.

6523 Interest on Debt

Type the amount requested for interest on debt during the current school year for long-term lease-purchases.

Grand Total

This field sums the total budgeted debt services costs. The total also appears in class/object code 6500 in **Part 1** of this form.

Part 8: 6500—Debt Service—Description of Property with Justification**Property Description**

Type a description for each item to be lease-purchased.

Contract Dates

Type the beginning and ending dates (MM/DD/YYYY) of the lease-purchase contract. The dates must cover at least two contract years.

Property Value

Type the total principal cost as reflected on the contract for all years (life of the contract) for each item to be lease-purchased. *Do not include interest*.

Interest may not be paid from Federal special education funds. Only the principal cost of a building may be requested from Federal funds. Lease-purchase of a facility is allowed only for unique special education instruction or instructionally-related activities.

If the debt service is for the lease of a portable building, complete Part 10 Justification for Portable Building Lease or Purchase.

Access by Persons with Disabilities

Check the box to certify that your organization will require the lease-purchased facility to comply with the Americans with Disabilities (ADA) act and the Texas Accessibility Standards (TAC) and that it will be responsible for conducting inspections to ensure compliance.

Part 9: Itemized 6600/15XX Capital Outlay—Capitalized Assets Regardless of Unit Cost

Note: If funds are being requested in this class/object code (6600), the applicant must complete this schedule and submit it with the application. The total amount requested for this part must match the corresponding amount listed for this class/object code in the Budget Summary.

Use this part to request allowable capital outlay costs. **All capital outlay, regardless of the dollar amount, requires specific approval.** Items requested must be allowable expenditures under the authorizing program statutes, regulations, rules, and guidelines. You must carefully evaluate the current use of capital outlay to determine the most cost-effective utilization. Funds may be used to purchase capital outlay only when necessary to accomplish project objectives.

Note: Capital outlay includes equipment. Equipment is defined as an article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition cost that equals the lesser of the following:

- The capitalization level established by the applicant for financial statement purposes
- \$5,000

Note: Acquisition cost means the cost of the asset, including the cost to put it in place. Acquisition cost for equipment, for example, means the net invoice price of the 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.

The maximum capitalization level that an applicant may use is \$5,000.

All capital outlay requires approval from TEA.

All capital outlay, regardless of cost, must be excluded from the calculation of indirect costs.

Use this part to request items that meet the definition of Capital Outlay, such as the following:

- Capitalized equipment, including telephone systems, intercommunication and telecommunications systems, mainframes and minicomputers, high-capacity copy machines
- Capitalized furniture
- Capitalized vehicles
- Capitalized software, including site licenses (that have more than one year of useful life), single-user software, and multi-user software
- Library books and library media that meet the capitalization criteria of the grantee or that have a per unit value equal to or greater than \$5,000, whichever is less. For library books

and media to be capitalized, they must meet the one year or more useful life criteria and must be cataloged and controlled by the library.

All standard budget items are preprinted for your convenience. Request funds only for those items that are necessary to fulfill your project objectives.

List each item that meets the capital outlay criteria. Remember to include shipping and handling costs. Items will not be approved without a description and purpose of each item in accomplishing project objectives.

Itemize the purchase of permanent buildings, construction, or improvement costs under 6629 if allowed under the grant. If portable buildings are an allowable purchase under the grant, they would be requested and budgeted in 6600. However, ground leveling, site preparation, foundation, plumbing, wiring, and sidewalk for a portable building are considered construction costs and are not allowable unless construction costs are allowable under the grant. If allowable, these construction costs would be budgeted in 6629.

Budget noncapitalized equipment, furniture, and library books and media on **6300 Supplies and Materials**.

Unallowable Costs

Unless specifically permitted in the authorizing statute and approved by TEA in the grant application, the following costs are unallowable:

- Land purchase and improvements to land
- Construction, renovation, or remodeling
- Ground leveling, site preparation, foundation, plumbing, wiring, and sidewalk for a portable building are considered construction costs. Therefore, these costs are not allowable to be charged to the grant. If the purchase of a portable building is allowed under the grant program and is requested, budget the portable building under **6600 Capital Outlay**.

Compliance

Your organization must comply with requirements for competitive bidding outlined in [Texas Education Code, Section 44.031](#) and its implementing rules, where applicable.

6669/15XX—Library Books and Media

If this line is active, use it to request books and film that meet the one-year useful life criteria, that meet the capitalization criteria, and that are to be catalogued and controlled by the library.

1. Type a description and purpose of the library books and media.
2. Type the amount budgeted for library books and media.
3. Type the cost share, if applicable.
4. Type the pre-award cost amounts, if applicable.

Examples of items:

- Library books

- CD-ROMs, software, and learning diskettes

66XX/15XX—Technology Hardware—Capitalized

Use these lines to request capitalized technology hardware.

1. Type a description of the technology hardware.
2. Type the unit cost.
3. Type the quantity as follows:
 - Type the **exact** quantity for individual items costing \$5,000 or more and/or individual items costing less than \$5,000 that are capitalized according to local policy.
4. Type the amount budgeted for capitalized technology hardware. Ensure that unit costs times quantity equals Grant Amount Budgeted.
5. Type the cost share, if applicable.
6. Type the pre-award cost amounts, if applicable.

66XX/15XX—Technology Software—Capitalized

Use these lines to request capitalized technology software.

1. Type a description of the technology software.
2. Type the unit cost.
3. Type the quantity as follows:
 - Type the **exact** quantity for individual items costing \$5,000 or more and/or individual items costing less than \$5,000 that are capitalized according to local policy.
4. Type the amount budgeted for capitalized technology software. Ensure that unit costs times quantity equals Grant Amount Budgeted.
5. Type the cost share, if applicable.
6. Type the pre-award cost amounts, if applicable.

66XX/15XX—Equipment, Furniture, or Adapted Bus—Capitalized

Use these lines to request capitalized equipment other than technology hardware and to request furniture or vehicles.

1. If this line is active, type the unit cost, quantity, and amount to budget for an adapted bus.
2. Type a description of the equipment or furniture.
3. Type the unit cost.
4. Type the quantity as follows:

- Type the **exact** quantity for individual items costing \$5,000 or more and/or individual items costing less than \$5,000 that are capitalized according to local policy.
5. Type the amount budgeted for equipment furniture or vehicles.
 6. Type the cost share, if applicable.
 7. Type the pre-award cost amounts, if applicable.

66XX/15XX—Capital Expenditures for Improvements to Land, Buildings, or Equipment which Materially Increase their Value or Useful Life

If this item is active, do the following to budget for this expense:

1. Type the description and purpose for capital expenditures for improvements to land, buildings, or equipment.
2. Type the amount for these improvements.
3. Type the cost share, if applicable.
4. Type the pre-award cost amounts, if applicable.

Grand Total

This field sums the subtotal of itemized capital outlay budgeted. It also sums total pre-award costs, when appropriate. These totals also appear in class/object code 6600 in Part 1 of this form.

These totals must match the corresponding amount listed on the Budget Summary.

Amendment

If any of the following changes occur to this part once your application has been approved, you must file an amendment to this supporting schedule.

- A new item of capital outlay is requested, regardless of cost.
- The quantity increases for individual items costing \$5,000 or more.

Note: The amendment must be approved before ordering or encumbering any new item, regardless of cost, or before requesting or ordering any additional items costing \$5000 or more.

Part 10: Justification for Purchase or Lease of Portable Building

The purchase of a portable building is allowed only for unique special education instruction or instructionally related activities. Complete this part with justification for the portable building. Site preparation costs are not allowable. Enter the cost of the portable building in **Part 9 6600 Capital Outlay** or **Parts 7 and 8 6500 Debt Service**, if applicable. Debt Service is only allowable for Discretionary Deaf.

Description/Purpose

1. Describe the specially designed instruction for the specific students with disabilities who will be served by the new facility.
2. Describe how the use of the new facility will not result in a more restrictive environment for the specific students with disabilities who will be served by the new facility.
3. List the types of personnel who will provide the services/instruction?
4. Give examples of relevant Individual Education Plan (IEP) objectives that make the project necessary.
5. Describe how the IEP objectives for students with disabilities are currently being met in the absence of the requested project.
6. If IEP objectives are currently supported, describe the justification for the project.
7. Describe where students are currently being served?
8. Click a box to indicate whether any of the students with disabilities spend all their instructional time in the new facility. If you select Yes, explain.
9. Click a box to indicate whether the provision of this project result in a reduction in the proportion of instructional time the students spend with general education students. If you select Yes, explain.
10. Describe how the new facility will retain its portability.

Assurances

Check the boxes to certify that the facility complies with access for persons with disabilities and the Americans with Disabilities (ADA) act, and that use of funds to purchase or lease a portable building will not violate the least restrictive environment requirements of IDEA 2004.

Allocation of Costs

Select one or more boxes to indicate the cost allocation.

Reference Material

- [Financial Accountability System Resource Guide](#)
- [Guidelines Related to Specific Costs](#)

Davis-Bacon Requirements for Federally Funded Projects

Davis-Bacon asks the following questions:

Are funds requested for cost of materials only?

If item A is Yes, will labor be performed by employees of the applicant?

If the response to both items A and B is Yes or if no contract will exceed \$2,000, your organization is exempt from requirements set forth in the Davis-Bacon act.

If the response is No and any construction or remodeling contract is expected to exceed \$2,000, you must comply with the requirements of the Davis-Bacon Act and obtain Federal wage determination rates from the U.S. Department of Labor for all applicable trades before bid solicitation and contract award. The U.S. Department of Labor determines prevailing wage rates to be paid on federally funded or assisted construction or renovation. A minimum of 120 days before the date for advertisement of bids, you must obtain the U.S. Department of Labor applicable wage determination rates.

[To obtain wage determination rates for Texas](#), on the web page click that opens from the preceding link, click on **Browse all Determinations by State** and then click on **Texas**. Then locate your county. Click under the Building column for your county to access the rates for all trades.

If your county does not have published wage determination rates for **Building** on the above website, complete and submit [Standard Form \(SF\) 308](#) to the U.S. Department of Labor to obtain wage determination rates.

For assistance with completing SF 308, call the U.S. Department of Labor, Wage and Hour Division, Request for Wage Determination, Dallas, Texas, 972-850-2634.