



Grants Manual

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CHAPTER 1: About TCDD

1.1 Mission and Guiding Principles

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.

1.1.1 Federal Definition of Developmental Disability

A developmental disability is defined by federal statute as:

- A. IN GENERAL. The term “developmental disability” means a severe, chronic disability of an individual that:
- i. is attributable to a mental or physical impairment or combination of mental and physical impairments,
 - ii. is manifested before the individual attains age 22,
 - iii. is likely to continue indefinitely, and
 - iv. results in substantial functional limitations in 3 or more of the following areas of major life activity:
 1. Self-care.
 2. Receptive and expressive language.
 3. Learning.
 4. Mobility.
 5. Self-direction.
 6. Capacity for independent living.
 7. Economic self-sufficiency; and
 - v. Reflects the individual’s need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.
- B. INFANTS AND YOUNG CHILDREN. An individual from birth to age 9, inclusive, who has a substantial developmental delay or specific congenital or acquired

condition, may be considered to have a developmental disability without meeting 3 or more of the criteria described in clauses (i) through (v) of subparagraph (A) if the individual, without services and supports, has a high probability of meeting those criteria later in life.

1.1.2 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.

1.2 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 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.

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 individuals with developmental

disabilities, or family members of individuals with developmental disabilities. The remaining members are representatives from relevant State agencies and entities that administer funds provided under Federal laws related to people with Developmental Disabilities that include Medicaid, Workforce and Vocational Rehabilitation, Maternal and Child Health, Older Americans Act, and Special Education/IDEA. Members also include our DD Network Partners which include 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.

1.3 State Plan Activities

The Council develops a five-year State Plan that guides the distribution of funds through advocacy, capacity building, and systemic change activities. The Developmental Disabilities Act requires TCDD to spend at least 70% of its available federal funds for state plan activities. The current Five-Year State Plan can be found on TCDD's website.

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 through a competitive Request for Applications (RFA) process that may occur several times per year. Grantees and contractors are expected to ensure that project activities are consistent with the RFA and the state plan goals, outcomes, and policies of the Council.

Grantees are asked to report activities, outcomes, and lessons learned to allow TCDD to report performance to the Administration on Intellectual and Developmental Disabilities (AIDD), and to help inform future state plan goals and objectives. 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 suspend or terminate a grant at any time in special circumstances (see Continuation, suspension, and termination sections of the Grants Manual).

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,
- 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.

1.4 Texas Council for Developmental Disabilities (The Council)

The Texas Council for Developmental Disabilities (TCDD) is established and funded pursuant to the US Department of Health and Human Services, Administration on Intellectual and Developmental Disabilities (AIDD), and Developmental Disabilities Assistance and Bill of Rights Act of 2000 (DD Act). State and Federal law created TCDD to promote a comprehensive system of supports to assist individuals with developmental disabilities (DD) to be independent, productive, and fully included in the community of their choice.

1.4.1 Focus of Council Activities

The Council focuses its efforts on the needs of individuals with developmental disabilities. However, projects may benefit people with and without developmental disabilities. The primary goal of Council funded projects is to produce long-term changes in current systems of services and supports, rather than to provide direct services. However, the Council does fund projects which demonstrate new approaches that may impact the provision of direct services. These grants must document that the individuals receiving supports paid for by the Council have developmental disabilities as that term is defined in the Developmental Disabilities and Assistance Act of 2000 (see previous section for federal definition).

1.4.2 Process for Public Comment to the Council

1.4.2.1 Public Comments

It is the policy of the Council that opportunities for public input be provided at each Council and Committee meeting as appropriate.

1.4.2.2 Agendas

The Chair of each Committee and of the Council shall ensure that the agenda for each regular Council meeting and Committee meetings allows an opportunity for the public to offer comments or questions to the Council or Committee.

1.4.2.3 Sign-In

Comment cards, sign-in sheets, or online registration shall be made available for those persons wishing to make public comments.

1.4.2.4 Time Limit

The Council Chair and/or the Committee Chair shall accept public comments at the beginning of the meeting to exceed not more than three minutes per commenter unless otherwise deemed appropriate by the Chair.

1.4.2.5 Presentations

Individuals may request in writing to the Committee Chair or Council Chair to make a presentation to the Committee or Council at least ten days in advance of the meeting. For those presentations approved, the Committee Chair or Council Chair shall determine the appropriateness of the presentation and shall make a final decision. Those presentations approved shall be included on the Committee or Council meeting agenda.

1.5 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.

1.5.1 Non-Supplanting 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.

1.5.2 Timely Obligation of Funds

To be reimbursable under the grant, all grant project costs must be incurred during the grant period (i.e., between the start and end dates as stated on the Notice of Grant Award), and the goods and services must be delivered during the grant period in sufficient time to provide substantial benefit to the grant to be considered necessary to carry out the objectives of the grant.

CHAPTER 2: Federal Regulations, Definitions, and Resources

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.

2.1 Federal Regulations

TCDD grants are subject to the requirements of the Code of Federal Regulations (CFR) – Title 45 Public Welfare, Part 75, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Health and Human Services (HHS) Awards (CFR Title 45, Part 75). This set of principles provides guidance on the administrative aspects of Federal awards and subawards to all non-Federal entities. Non-Federal entities are states, local governments, Indian Tribes, institutions of higher education, or nonprofit organizations that carry out Federal awards. For-profit entities are also subject to 45 CFR, Part 75, Subparts A through E.

These requirements and additional terms and conditions that are applicable to this award can be found on the Administration for Community Living (ACL) website under Grants and then the Funding Opportunities tab.

HHS terms and conditions can be found in Part II of the HHS Grants Policy Statement.

2.2 Resources

2.2.1 e-CFR - [Code of Federal Regulations, Title 45, Part 75](#)

The Electronic Code of Federal Regulations (e-CFR) is a currently updated version of the Code of Federal Regulations (CFR). The e-CFR is updated daily and provides ease of navigation through the regulations.

2.2.2 TCDD Staff

The staff of TCDD is available to provide continuous support to TCDD grantees, as well as oversight of grant activities. Each grant is assigned a grants specialist, who serves as the grantee's primary contact at TCDD.

2.2.3 Match Calculator

The amount of match (cost share) required to fulfill the non-Federal share of a grant award is calculated as a percentage of the total grant funds. TCDD provides a Match Calculator on its website to assist grantees in determining the amount of match that is required for their grant.

2.2.4 List of Poverty Counties

The amount of match required for the grant is based on the counties the grantee's project serves, some which may be federally designated as poverty counties based on the Federal poverty guidelines. A list of the poverty and non-poverty counties is found on the TCDD website.

2.3 Definitions and Key Terms

Agency Authorizing Official

Individual who has been authorized by the grantee organization to obligate the organization in a legally binding contractual agreement.

Assurances

Specific requirements of the grant award which the applicant or grantee certifies that it will comply with.

Award

Funds provided to a grant recipient to carry out an approved program or project (based on an approved application). May also be referred to as “Grant” or “Grant Award.”

Budget

An itemized summary of the costs associated with a project. It includes both federal awarded funds and match contributions and serves as a plan for the grantee’s spending of the project funds.

Closeout

The process by which the awarding agency determines that all applicable administrative actions and required work of the grant have been completed.

Continuation Funding

An extension or renewal of existing project funding for one or more additional budget periods that would otherwise expire. Continuation funding is usually based on availability of funds, project performance, and compliance with program and financial requirements.

Cost Allocation

The process of assigning a cost to one or more business units or cost centers based on their appropriate share of such cost in reasonable proportion to the benefit received by each.

Cost Reimbursement

A method of funding whereby the grantee organization initially pays for project costs with its own funds and then receives reimbursement from TCDD. The grantee must ensure that all reported costs and match contributions are supported by adequate documentation.

Federal Fiscal Year

The accounting period for the *federal* government which begins on October 1 and ends on September 30 of the following year.

For example, FY 2022 is from October 1, 2021 to September 30, 2022.

Grant

A financial award provided to an organization for a particular purpose. May also be referred to as “Award” or “Grant Award.”

Grantee

The recipient of a grant award.

Grants Team

TCDD staff who provide technical assistance to grantees and oversee grant performance. Each grant is assigned a grants specialist.

Indirect Cost

A business expense not readily identified with a project activity but necessary for an organization’s general operations and activities.

Key Personnel

Individuals who contribute to the programmatic development or implementation of a project in a significant, measurable way, whether they do or do not receive a salary or compensation under the grant.

Match (Cost Share)

Share of costs the grantee and/or its partners must contribute to accomplish the purposes of the grant. All match, both cash and in-kind, can only come from non-federal sources.

Notice of Grant Award (NGA)

Document notifying the grantee that an award has been made. The NGA shows the amount of Federal funds authorized, the match contribution required, and the budget period for the approved project.

Project

A planned set of organized activities or series of tasks with a well-defined purpose to achieve a specific goal or outcome.

Project Period

The period established in the Notice of Grant Award (NGA) indicating when the grant award begins and ends.

Request for Applications (RFA)

A solicitation or announcement by the grantor inviting potential grantees to submit applications for funding.

CHAPTER 3: Administrative Requirements and Grantee Responsibilities

3.1 Administrative Requirements

The grantee agrees to administer the project in accordance with applicable federal, state and TCDD regulations and policies. 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 has:

- a history of poor performance, or
- a management system that does not meet the standards outlined in this manual.

3.2 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.

3.3 Documentation

All records of grant activities must be made available to TCDD. 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 grant assurances;

- documentation supporting project activities;
- documentation of progress monitoring (e.g., quarterly program performance reports or semi-annual reports as determined by grants management staff); and
- evaluations, surveys, and other documentation of program performance outcomes required by the AIDD.

3.4 Dissemination

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 inform self-advocates, family members and policy makers, and may influence future service-delivery systems. Subject to TCDD approval, dissemination activities may be included in project objectives. TCDD may also request that grantees give reports or make special presentations related to the grant without additional compensation.

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

- a final (unpublished) report;
- brochures and flyers;
- project newsletter;
- press releases;
- project websites;
- 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, and 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 to be used as guides to replicate the program model;
- digital media and/or networks (e.g., social media, websites, email newsletters, digital bulletin boards, 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.

3.5 Respectful and Inclusive Language

All grant products must be developed using respectful and inclusive language including “people-first” and “identity-first” terminology. Visit the TCDD website for more information.

3.6 Accessible Formats and Activities

TCDD may request grantees to provide grant products in accessible formats such as Braille or large text. Accessibility may also include translation into Spanish or other languages for both materials and training activities to reduce language barriers for individuals and families. Digital materials should be designed with appropriate alt tags, title tags, and be easy to navigate with a screen reader. Teleconference and distance learning must be fully accessible to all participants, accommodating needs identified by participants (this could include closed captioning, an ASL interpreter, and more). TCDD policy requires that all video products produced on behalf of the TCDD be accessible and include accurate closed captioning and transcripts.

3.7 TCDD Funding Disclosure

All materials for the project that are created for public distribution must include the TCDD funding disclosure. The disclosure is available as a downloadable image file, including

the TCDD logo, on the TCDD Grantee website and can also be requested from the grants specialist.

Some examples of materials that require the disclosure include:

- brochures,
- curricula,
- flyers,
- posters,
- PowerPoint presentations, and
- websites.

There is no specific requirement for where the disclosure must be located on materials created for distribution. TCDD can provide further guidance as needed.

The funding disclosure does not need to be included on press releases or social media posts about the project. However, there should be a brief mention of TCDD's role as the funding source for the project, such as: *This project is funded by the Texas Council for Developmental Disabilities*. Additionally, when posting on social media about the project, the grantee should "tag" TCDD's social media accounts (@TXCDD) on Facebook, Twitter, Instagram and LinkedIn.

3.8 Products

Any materials or products that are developed for the project, including presentations, publications, or articles, must be approved by TCDD before they are distributed. Grantees should allow at least 10 workdays for TCDD to review and approve materials.

CHAPTER 4: Grant Agreement

4.1 Notice of Grant Award

The Notice of Grant Award (NGA) is the legal document given to the intended organization that indicates an award has been made. It is an official, legally binding agreement issued by TCDD showing the amount of Federal funds authorized for obligation, the match contribution required, and the budget period for the approved project.

4.2 Project Period

The project period, or period of performance, is the time during which the grantee may incur costs to carry out the work authorized under the grant award. It is the period established in the NGA, including the start and end dates of the award.

4.3 Terms and Conditions

The terms and conditions for the award outline the grantee's responsibilities as an award recipient. The terms and conditions are based on Federal statutes and requirements for all federal financial assistance awards, and TCDD's own policies and requirements. Grantees must comply with all terms and conditions outlined in the Request for Applications (RFA), NGA, 45 CFR Part 75, grants policy contained in applicable HHS Grants Policy Statements, and requirements imposed by program statutes and regulations.

If any requirement in the RFA, the NGA, the HHS Grants Policy Statement, 45 CFR Part 75, or applicable statutes conflict, the statutes and regulations take precedence.

4.4 Assurances

Grantees are expected to always comply with the assurances that are signed as part of the grant application. To meet the requirements of the grant, the grantee must comply with the assurances. Exceptions to these assurances can only be approved by the TCDD Executive Director.

4.5 Grant Agreement Modifications

During the term of the grant, changes may become necessary. These changes may be minor changes, administrative changes such as a change of address, or they can be substantial changes that require a formal grant revision.

A formal revision to the grant is needed for any of the following:

- A change in the project scope or workplan,
- A change in the grant period,
- An increase or decrease in the total grant budget, or
- A change in the distribution of funds totaling 5% or more of the grant budget (or 10% for State or local governments).

4.5.1 Workplan Change

Grantees must obtain prior approval from TCDD to change the scope or objectives of the project. Prior approval of a workplan change is required for:

- Changes to the objectives or target audience (e.g., changes to the service area, changes to project activities); and
- Transfer of a substantial portion of project work to a subcontractor.

4.5.2 Budget Revision

A budget revision could involve an increase or decrease in the total budget or the transfer of funds between cost categories (i.e., personnel, fringe benefits, travel, equipment, supplies, contractual,

other costs, or indirect). Grantees must submit a budget revision to reallocate funds for unexpected program changes.

All budget revisions reported or requested must show the latest approved budget. All revisions must be approved before the end of the budget period.

4.5.2.1 Budget Revisions That Require Prior Approval

The grantee shall make a budget revision when:

- A line item is requested that had not been previously approved;
- Proposed expenditures are for items that explicitly require prior written TCDD approval, such as insurance costs or capital equipment purchases; or
- The total amount being transferred between budget categories will cause the cumulative total of transfers during the budget period to exceed:
 - 5% percent of the total budget (i.e., TCDD funds plus match) for institutions of higher education, nonprofit and for-profit organizations; or
 - 10% of the total budget for State and local governments.

4.5.2.2 Budget Revisions Allowed Without Prior Approval

Revisions resulting in transfers totaling less than 5% or 10% (as applicable) of the total budget do not require TCDD approval unless new line items are added. However, a revised narrative and line item budget must be submitted in writing to the grants specialist, usually on the corresponding Request for Advance or Reimbursement (RAR).

The applicable 5% or 10% threshold is cumulative for the budget period. Once this threshold is reached, all budget revisions will require TCDD approval prior to the grantee making any expenditures under the proposed revision.

4.5.2.3 Submitting Budget Revisions for Prior Approval

Budget revision requests must be submitted using the Budget Revision form and sent via email to grants2@tcdd.texas.gov. The request should include:

- an explanation for the revision,
- the most recent approved line item budget along with the newly requested line item budget, and
- a new budget narrative that identifies the calculations for the revised amounts.

4.5.2.4 Reporting Budget Revisions Allowed Without Prior Approval

If funds expended exceed the original budgeted amount in a category and the exceeded amount falls within the allowed line item transfers not requiring prior TCDD approval, the budget change must be reported and explained on a corresponding Request for Advance or Reimbursement (RAR). Grantees must notify TCDD staff, in writing, of any change desired prior to making those changes. All expenditures must be justified as reasonable and necessary and for the specific benefit of the project.

4.5.3 Change of Budget Period/No-Cost Extension

In extraordinary cases, TCDD may allow an extension of the budget period, with no additional funding, to allow the grantee

extra time to successfully complete project objectives. The change of budget period is a no-cost extension of the grant when additional time is needed in extraordinary circumstances. With approval from the TCDD Executive Director, a change of budget period may be granted to allow a grantee to extend the project period, typically for no more than three months. The grantee must submit a Change of Budget Period request in writing to grants2@tcdd.texas.gov. The request should include:

- An explanation of why the change of budget period is needed.
- An updated project timeline with an updated workplan.
- Any needed revisions to the project objectives and activities (workplan).
- A budget revision if any revisions are needed to reduce the budget by any amount or to transfer funds between line items.

Changes to the budget period are not guaranteed and must be approved by the TCDD Executive Director. The request must be received at least 45 days before the close of the budget period. The grantee must closely monitor expenditures in the final months of the budget period, including during the extension, so that all funds awarded can be approved and expended.

The grantee should notify the assigned grants specialist as early as possible of challenges completing the project within the approved project period.

4.5.4 Organization Change

The grantee must notify TCDD if an organization change occurs whereby the name and/or EIN of an organization is changed without otherwise affecting the rights and obligations of the organization as a grantee. When there is a name and/or EIN change to the organization, advance

notification is required to ensure that the recipient is still able to meet its legal and other obligations to TCDD and to avoid payment interruptions.

The grantee must also notify TCDD if the organization's address changes.

CHAPTER 5: Assurances, Grant Terms and Conditions

5.1 Assurances

The following assurances apply to TCDD grants. In order to meet the requirements of the grant, the grantee must comply with these assurances.

The grantee certifies that:

1. It is a state agency or is chartered by the State of Texas.
 - If chartered by the state, it is a nonprofit or a for profit organization.
 - A resolution, motion, or similar action has been duly adopted or passed as an official act of the Grantee's governing body, authorizing the filing of the application.
2. It will comply with provisions of the Americans with Disabilities Act of 1990 (P.L. 101-336).
3. The Grantee will inform TCDD of any litigation or proceeding presently pending or threatened against the Grantee.
4. None of the provisions herein contravenes or conflicts with the authority under which the Grantee is doing business or with the provisions of any existing indenture or agreement of the Grantee.
5. The Grantee shall not assign or subcontract any of its rights or responsibilities under this grant, except as may be otherwise provided for in this grant, without prior formal written amendment of this grant, properly executed by both Council staff and the Grantee.
6. The Grantee shall maintain its program, financial records, accounts, and general administration as specified in 45 CFR, Part 75 and the Council's guidelines. The Grantee shall adhere to these regulations and guidelines in a manner that assures a full accounting of all services

performed and for all funds received and expended by the Grantee in connection with the grant project. These records and accounts shall be retained by the Grantee and made available for review or audit by TCDD staff and by others authorized by law or regulations to conduct such review or audit for a period of not less than three years after TCDD has made final payments and all other pending matters are closed. The Designated State Agency may request records necessary to comply with state requirements.

7. The Grantee will submit, when appropriate, an audit performed by an independent certified public accountant licensed by their State Board of Public Accountancy for those fiscal years that include any portion of a grant period.
8. The grantee shall adhere to applicable cost principles in the Office of Management and Budget's (OMB's) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards at 45 CFR, Part 75.
9. Procurement standards for acquiring goods (e.g., supplies, equipment) and services (e.g., consultants, telephone, and printing) must be implemented to comply with the OMB's uniform grant guidance noted above. All project costs will be reasonable, necessary, allowable, and allocable. No employee or officer of the agency will participate in the award of administration of a contract if a real or apparent conflict of interest exists.
10. The Grantee travel reimbursement (per diem, lodging, etc.) will not exceed the current maximum allowed by the State of Texas Travel Management Program.
11. Funds paid to the Grantee under the provisions of the grant will be used to supplement and increase the level of funds that would be available for the purposes for which the federal funds are provided, and not to supplant such non-federal funds.
12. The Grantee understands that any reduction of federal funds available to the State of Texas for TCDD may require reduction of the amount of the award to the Grantee.

13. The Grantee will comply with the minimum wage and maximum hours provisions of the Federal Fair Labor Standards Act.
14. The Grantee will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and in accordance with that Act:
 - Ensure that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this federally assisted program and will immediately take any measures necessary to effectuate this agreement. (45 CFR, Part 80).
 - prohibit employment discrimination where
 - i. the primary purpose of the grant is to provide employment, or
 - ii. discriminatory employment practices will result in unequal treatment of individuals who are or should be benefiting from the grant-aided activity, and
 - prohibit discrimination on the basis of age in providing treatment, services, or habilitation except as provided in the requirement that the developmental disability is manifested before the individual attains the age of twenty-two. (45 CFR, Part 90).
15. The Grantee will take affirmative action to employ, and advance in employment, qualified individuals with disabilities on the same terms and conditions required with respect to the employment of such individuals by the provisions of the Rehabilitation Act of 1973.
16. The Grantee will establish safeguards to prohibit employees, officers and board members of the Grantee agency from using their positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business or other ties. Grantee must inform TCDD immediately if any member or staff of TCDD is on the grantee organization's board of directors, or equivalent entity.

The Grantee further assures that there is no conflict of interest of any member or employee of the Texas Council for Developmental Disabilities. A conflict of interest would be present if a Council member, employee or his/her spouse, parent, minor child or partner:

- is negotiating or has an arrangement concerning prospective employment or consultation with the Grantee, its parent or subsidiary organization;
 - has a financial interest in the grant project or the Grantee, its parent or subsidiary organization greater than allowed by 42 U.S.C. 6024, and Section 1124 (a)(3) of the *Social Security Act*.
17. Buildings used in connection with the grant will meet standards pursuant to the *Architectural Barriers Act of 1968*.
 18. That provision will be made for the maximum utilization of available community resources, including volunteers.
 19. The Grantee will report all suspected cases of abuse to local law enforcement authorities and to the Texas Department of Family and Protective Services as outlined in the TCDD's Grants Manual.
 20. All information as to personal facts and circumstances of individuals will be held confidential, including lists of names and addresses and records obtained by the Grantee. The use of such information and records
 21. shall be limited to purposes directly connected with the administration of the project, and
 22. may not be disclosed directly or indirectly, other than in the administration thereof, or for the purposes of audit by state, federal, or the designated state agency, unless the consent of the individual to whom the information applies, or his representative, has been obtained.
 23. If the Grantee is providing services, it will provide a reasonable volume of services to persons unable to pay.
 24. The Grantee shall comply with state and local licensure requirements where applicable.
 25. The Grantee shall comply with *Section 507 of Public Law*

103-333, which states that it is the intent of Congress that, to the extent practicable, all equipment and products purchased with funds made available in this Act should be American made.

26. The Grantees must comply with *Public Law 103-227, Part C-Environmental Tobacco Smoke*, also known as the *Pro-Children Act of 1994 (Act)*.

This Act requires that smoking not be permitted in any portion of any indoor facility

- Owned or leased or contracted by an entity, and
- Used routinely or regularly for the provision of
 - i. health,
 - ii. day care,
 - iii. education, or
 - iv. library services

to children under the age of 18, if the services are funded by federal programs either directly or through state or local governments.

27. The Grantee understands:
- All grant products must include people first terminology (e.g., people with developmental disabilities rather than "the developmentally disabled").
 - To make available in a timely manner if requested by TCDD in accessible formats including
 - i. Braille,
 - ii. large print, and
 - iii. Spanish.
28. Video products and or DVD products, teleconferencing, and distance learning activities are to be fully accessible to all participants.
29. This award is subject to additional amendments/revisions in the project Workplan and/or approved Budget as deemed

- necessary by TCDD.
30. The Grantee will comply with *Section 231.006, Texas Family Code*, which prohibits payments to a person who is in arrears on child support payments.
 31. The Grantee will comply with the Texas Council for Developmental Disabilities Grants Manual.

5.2 Terms and Conditions

5.2.1 Assignment

Grantee shall not transfer, pledge, or otherwise assign this grant, in whole or in part, or any interest therein, or any claim arising thereunder, without prior written approval from TCDD. Unless otherwise approved in writing by TCDD, assignment will not release Grantee who is the assignor from its contractual obligations.

5.2.2 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.

5.2.3 Subcontracting

Grantee must obtain prior written approval from TCDD before entering into an agreement which subcontracts any portion of the grantee's work plan. Subcontracts entered into by the grantee will be in writing.

Grantee accepts responsibility for compensating any party with whom the grantee enters into a subcontract to provide services under the terms of this grant.

5.2.4 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.

5.2.5 Confidentiality

Information about individuals served must be held confidential unless consent of the individuals, or their representatives, is on file. A sample release form may be found on the TCDD Website, Grants Forms. TCDD will maintain access to the information about individuals being served by grants.

5.2.6 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.

5.2.7 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.

5.2.8 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.

5.2.9 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.

5.2.10 Grant Budget

The standard grant budget period is one year. Other periods may be negotiated based on requirements of TCDD or the grantee. Funds granted for a project may be used only as described in the approved budget and work plan, and within the budget period as awarded.

Any change to the grant budget period must have the prior written approval of TCDD.

5.2.11 Program and Financial Management

The grantee will bear full responsibility for the integrity of the fiscal and programmatic management of the grantee organization.

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.

5.2.12 Requests for Advance or Reimbursement

The grantee shall report on the Request for Advance or Reimbursement (RAR), all program expenditures of both TCDD and match funds. Grantees must submit a RAR monthly and not later than 30 calendar days following the end of the month for which reimbursement is requested. If there are no expenses for the month, a RAR must be submitted showing a reimbursement request of \$0.

5.2.13 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.

5.2.14 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.

5.2.15 Ownership of Property

Equipment and supplies purchased with grant funds paid by TCDD shall be recorded by grantees and will be designated as the property of TCDD per federal guidelines.

The grantee must follow and abide by the federal standards for property management 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.

5.2.16 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. The grantee and any future assignee waive any rights to litigation against TCDD in copyright or patent for TCDD's legitimate use and/or distribution of the material based upon this irrevocable license.

- (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.

Unless otherwise specified in the terms and conditions of the award or negotiated by TCDD, grantees are not accountable for program income earned after the grant ends, as related to copyrighted products. However, any grant-related products developed with grant funds must be made available to TCDD and the Federal agency at no cost.

5.2.17 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.

5.2.18 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.

5.2.19 Independent Audit

Federal regulations at 2 CFR Part 75, Subpart F, and TCDD policy obligate grantees to comply with independent audit requirements as they apply to the grantee organization. Even if the grantee is exempt, grant records must still be maintained and made accessible to TCDD for review or audit if necessary.

5.2.20 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.

5.2.21 Record Retention and 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 final budget period. All records must be maintained for the entire project 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.

5.2.22 Program Reports

Grantees are required to provide periodic and final reports and maintain documentation onsite to show that project activities have been performed according to the workplan and meeting the intent of the RFA.

5.3 Reauthorization and Continuation Funding

Continuation funding is an extension or renewal of existing project funding for one or more additional budget periods that would otherwise expire. Organizations that are awarded funding must apply for continuation funding each year. Continuation funding will not exceed the maximum per-year funding amount stated in the RFA. Continuation funding is based on the availability of TCDD funds and including but not limited to:

- successful completion of initial and/or prior year activities,
- compliance with rules and regulations as defined in the Grants Manual, and
- fulfillment of the requirements and outcome measures as defined in the RFA.

Continuation funding is not automatic and TCDD may choose not to award continuation grants. Continuation proposals are generally due approximately three months before the end of the grant year.

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

5.4 Remedial Actions

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 Request for Applications (RFA). TCDD will

inform the grantee by letter if a condition exists that could result in payment withholding, suspension, or termination of the grant.

5.4.1 Payment Hold

The Executive Director may grant a payment withhold of grant funding for a grant project prior to the end of the grant budget period pending the result of corrective measures if a grantee fails to comply with the terms of the grant, after consulting with the Council Chair. The Executive Committee shall be notified of any payment withhold. TCDD shall provide written notice to the grantee of the proposed payment withhold of grant funding at least 10 business days prior to any withheld payments. The notice shall state the reasons for the payment withhold of funding and the procedure for requesting reconsideration.

If report(s) and/or documentation are not received, a second written notice will be provided, and the grantee will have 10 business days to respond and comply. If the grant is not corrected, TCDD will implement an immediate hold on all payments to the grantee pending receipt of any late report(s) or documentation.

Payment withhold will remain in effect until the grantee has taken corrective action, given an assurance approved by the Executive Director that the corrective action will be taken, or the grant is suspended.

When requested reports and/or documentation is received from a project after a payment hold has been initiated, TCDD will rescind the payment withhold and process any outstanding payment requests, except that payments will be restored in full for only the past 60 calendar days.

Reimbursements for any period of a payment withheld for more than 60 calendar days may be partially restored in the following manner:

- Payments for the period from 60 – 90 calendar days will be restored at 90% of the requested amount.
- Payments for the period from 90 – 120 calendar days will be restored at 50% of the requested amount.
- Payments for the period longer than 120 calendar days past will not be restored.

A Notice of Grant Award for any project that is more than 60 calendar days late in submitting required reports and/or documentation will be prepared with a payment hold in place until all reports are received. The same schedule for reducing the amount of payments restored as noted above will apply.

Any reports required from the prior budget period will cause the subsequent award to be subject to the same payment withhold process and schedule for partially restoring payments.

If withheld payments are not fully restored, the grantee may appeal to the Executive Director according to the *Council Appeals Procedure*. Any appeal will be considered by the Executive Committee at its next regularly scheduled meeting. Actions of the Executive Committee on such appeals are final.

5.4.2 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.

5.4.3 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.

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 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.

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.

5.4.4 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
 - A Final Program Project Report, and
 - A Final Equipment Purchase List
- The grantee must refund any amount for which they are not entitled within 30 days of the request for such refund.

5.4.5 Denial of Refunding or Continuation

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 Council Appeals Procedures).

5.4.6 Appeal and Reconsideration Procedures

Appeals may be submitted from applicants for grants who did not receive funding or from grantees whose payments have been withheld or whose grants have not been awarded continuation funding.

When a grantee requests a review under the grants appeal 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 payments are withheld or whose grants have been suspended.

5.4.7 TCDD Appeals of Funding Decisions

- A. Appeals may be submitted from applicants for grants who did not receive funding or from grantees whose grants have not been awarded continuation funding. The person or entity appealing shall be known as the appellant. An appeal is not an opportunity for an applicant to provide additional information that could have been included in the original proposal. To do so would create a two-stage review process that is not part of the Council's current policies.
- B. Appeals of funding decisions shall be received, processed, and resolved with fairness and promptness.
- C. The appellant shall file an appeal in writing addressed to the Executive Director. The written appeal must be postmarked within 10 workdays of the date of the written notice of suspension or within 15 workdays of the date of written notice of denial or of continuation funding. The written appeal shall include all relevant facts and information that the appellant wishes to have considered as well as the proposed remedy being sought. The Executive Director will acknowledge receipt of the letter with a copy to the Executive Committee.
- D. The Executive Director will investigate, compile, and study all relevant information about the appeal and, within 30 workdays of the receipt of the appellant's letter and submit a written report to the Executive Committee. The report will contain recommended action and the evidence supporting the recommended action. The report may not include an evaluation of additional information provided by the appellant when such information could have been included in the original proposal.
- E. The Executive Committee may approve the recommendations of the executive director, make such

- modifications as deemed appropriate, order further investigation, or take other appropriate action.
- F. The decision of the Executive Committee is final.
 - G. Council staff shall notify the appellant of the final determination of the appeal.

5.4.8 Complaints about Activities of the Council or Grantees

- A. An individual who is not satisfied with a decision, procedure or service received from the staff of the Texas Council for Developmental Disabilities may file a complaint with the Executive Director in accordance with this procedure.
- B. An individual who is not satisfied with a decision, procedure or service received from a grant project funded by the Council may also file a complaint in accordance with this procedure. Such complaints will be investigated only after the complainant has attempted to resolve the matter directly with staff or the grant project.
- C. A complaint must be submitted within 21 days after the person knows or should have known the matter which is the subject of the complaint.
- D. A complaint may be submitted by mail, fax, or e-mail to:

Executive Director
Texas Council for Developmental Disabilities
6201 E. Oltorf, Suite 600
Austin, Texas 78741
Fax: (512) 437-5434
E-mail: tcdd@tcdd.texas.gov

- E. A complaint must contain the following:
 - (a) A description of the complainant's interest in the matter.
 - (b) The issue(s) to be resolved and the remedy(s) requested.

- (c) The complainant's rationale supporting the complaint, including any relevant facts and applicable law, rule or other legal authority.
 - (d) The complainant's affirmation that the facts set forth in the complaint are true.
- F. The Executive Director shall conduct an investigation of each complaint, or assign staff for such investigations, and prepare a summary of findings, recommendations and final disposition. A copy of that summary shall be provided to the complainant and each person who was a subject of the complaint. All complaints shall be resolved in an expeditious manner.
- G. The Chair of the Council shall coordinate any investigation if the subject of the complaint includes the Executive Director or a Council member.
- H. The decision of the Executive Director, or Chair when coordinated in that manner, shall be final.
- I. Complaints about Funding Decisions. Complaints about funding decisions concerning Council funded projects will be processed in accordance with the Council's Grants Appeals process outlined in Titpokjle 40, Part 21, Chapter 877.
- J. Complaint Procedures
 - (a) The Executive Director shall maintain a file on each written complaint filed with the Council. The file must include:
 1. The name of the person who filed the complaint.
 2. The date the complaint was received by the Council.
 3. The subject matter of the complaint.
 4. The name of each person contacted in relation to the complaint.
 5. A summary of the results of the review or investigation of the complaint.
 6. An explanation of the reason the file was closed, if the Council closes the file without taking action other than to investigate the complaint.

- K. Upon receipt of a complaint conforming to the requirements above, the Executive Director shall acknowledge receipt in writing to the complainant within 10 workdays of receipt and provide the complainant with a copy of the Council's policies and procedures concerning complaint investigation and resolution.
- L. The Executive Director shall also provide notice of the complaint and a copy of the Council's policies and procedures concerning complaint investigation and resolution to each person who is a subject of the complaint unless such notice would jeopardize the investigation of the complaint.
- M. The Executive Director shall notify the complainant and each person who is a subject of the complaint at least quarterly of the status of the investigation until final disposition of the complaint.
- N. The Executive Committee of the Council shall be updated at least quarterly of the status of all complaints until they are resolved.
- O. All complaints will be reviewed and investigated in a confidential manner.

CHAPTER 6: Grant Project Workplan

6.1 Key Project Personnel

Key personnel are those persons who are essential to carrying out the work of the project. These are individuals who contribute to the programmatic design or execution of a project in a substantive, measurable way, whether they receive salaries or compensation under the grant or not. At a minimum, the grantee must name an individual for each of the following key roles:

- **Agency Authorizing Official:** the individual who has been authorized by the applicant organization to obligate the organization in a legally binding contractual agreement.
- **Project Director:** the person with the primary responsibility for ensuring that the work is appropriately carried out, including compliance with applicable policies, regulations, and administrative tasks.
- **Financial Administrative Authority:** usually the organization's chief financial officer, accountant or other officer who is responsible for the financial management of the grant and has the authority to sign and certify accuracy and validity of all grant-related financial documents. An alternate Financial Administrative Authority (FAA) must be named in case the authorized FAA becomes unavailable to perform his/her outlined duties. TCDD policy states the Financial Administrative Authority cannot be the same person as, nor related to, the Project Director.

To ensure a proper separation of duties, the authorizing official cannot be the same person as, or related to, the financial administrative authority or the project director. Additionally, the

financial administrative authority cannot be the same person as, or related to, the project director.

6.2 Project Advisory Committee (PAC)

In order to involve individuals with disabilities in the programs that serve them, TCDD grant projects have the option to establish and support a Project Advisory Committee (PAC) which may provide input for the duration of an annual budget period by reviewing and commenting on project activities and recommending strategies for accomplishing certain project goals and outcomes. PACs may review and comment on drafts of materials, reports, publications and other items produced for dissemination by the project. The PAC's goal is to help the project produce outcomes that are consistent with the RFA goals and that meet the highest professional standards.

6.2.1 Membership and Selection Process

If a grantee chooses to convene a PAC, information about the membership must be submitted to TCDD grants management staff for documentation, including background information of each individual member as well as their organizational affiliation or category of appointment.

- It is recommended that includes a minimum of 8 and maximum of 12 individuals. No less than 5 members should be considered for a PAC.
- Members should be selected who will be able to offer support to the project because of their expertise or area of responsibility. PAC members may 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 may 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;
- potential funding sources;
- individuals who represent diverse areas of the community (e.g., faith-based communities, other cultures, leaders in other industries and disciplines); and
- individuals who represent the demographics, race and ethnicity of the project geographic area.

Membership lists should be sent to TCDD grants staff. TCDD should be notified about any changes in membership. TCDD must have documentation of membership for reimbursement and match calculations.

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.

Grantees are encouraged to collaborate with other grantees through informal networking, memoranda of understanding, consultation, contracts, etc.; however, current grantees from other TCDD funded projects are not recommended to serve as official members of a PAC.

6.2.2 Additional Exclusions to PAC Membership

- Current Council members may not serve as PAC members.
- Board members or individuals from existing committees that advise the grantee organization may not serve as PAC members.
- Individuals who are on the PAC may not present at a formal grant training activity for that specific grant.
- Individuals are discouraged from serving on more than one PAC for a TCDD project.

- Any individual who might experience personal financial gain from the grant is prohibited from serving on the PAC (e.g., contractual agreements, conflict of interest).
- Family members and adult children should not serve on the same PAC.

6.2.3 Meeting Procedures

The following meeting procedures apply to PACs:

- It is recommended that meetings be held at least twice a year for the duration of the project period. Additional meetings should be scheduled at the discretion of the grantee.
- Meetings may be convened via teleconference or videoconference after the initial meeting but are recommended to be held in-person a minimum of once per year.
- Meeting notices, agendas and materials should be sent to all committee members and to TCDD staff at least one week before the meeting date.
- Meetings should have a quorum present to discuss the agenda items. TCDD defines quorum as simple majority, 51% of the selected PAC members in attendance at each meeting.
- Grantees shall maintain copies of PAC committee meeting minutes or summary reports, and these reports should include:
 - members attending,
 - actions taken based on recommendations from a previous meeting,
 - major discussion points, and
 - committee recommendations for future actions.

6.2.4 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 provided to TCDD. Documented changes to PAC membership must be provided to TCDD. Travel reimbursement is limited to state travel reimbursement rates for

the current fiscal year, which can be found on the State Comptroller's website.

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 of \$25 per hour, \$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 as described above and per the direction of the TCDD Grants Management staff. A committee meeting log or donated services time sheet could assist with this procedure.

6.3 Project Revisions

Project revisions that require prior approval from TCDD include:

- Revisions to the scope or objectives of the projects or the addition of new activities;
- Changes to key personnel (e.g. project director);
- Budget line item transfers greater than 10% of the total project cost (funding plus match);
- No cost extensions.

All project revisions must be submitted to the assigned Grants Specialist. The grantee must receive notice of approval before implementing any such change. The revisions will be noted in the official grant file.

CHAPTER 7: Grant Budget

7.1 Allowable Costs

In accordance with federal guidelines, TCDD reimburses its grantees only for costs that are allowable. All project expenses must conform to federal and state regulations for determining allowable project costs. In order to be allowable, costs must meet the following general criteria:

- Be reasonable, allocable, and necessary for the performance of the contract;
- Conform to any limitations or exclusions set forth in applicable federal cost guidelines, principles, and definitions;
- Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the organization;
- Be treated consistently with other costs incurred for the same purpose in like circumstances;
- Be determined in accordance with Generally Accepted Accounting Principles (GAAP);
- Not be included as a cost, or be used, to meet the match requirements of any other federally-funded program in either the current or a prior period; and
- Be supported by adequate documentation.

For further guidance, refer to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards at 45 CFR, Part 75, Subpart E for allowable and unallowable costs.

7.1.1 Reasonable

In determining the reasonableness of a given cost, the following must be considered:

- Whether the cost is of a type that would be recognized as an ordinary and necessary cost for the operation of the

organization or the proper and efficient performance of the grant;

- Any restraints or requirements imposed by sound business practices, arms-length bargaining, federal and state laws and regulations, and terms and conditions of the grant award;
- Whether the individuals concerned acted with prudence in the circumstances, considering their responsibilities to the organization, its employees and consumers, the public at large, and the Federal government; and
- Significant deviations from the organization's established practices, which may unjustifiably increase the cost of the grant.

7.1.2 Allocable

A cost is allocable if the goods or services involved are chargeable or assignable to the contract in accordance with relative benefits received.

7.1.3 Necessary

A cost is necessary if it is essential for the proper and efficient performance of the grant under Federal cost principles and it is of a type generally recognized as ordinary and necessary for the operation of the organization.

7.2 Salaries and Wages

Compensation and salaries of any staff (i.e., employed by the grantee organization) working on the TCDD project can be paid with TCDD funds, match funds, or a combination of both. Allocated timekeeping records are required for staff that work less than 100% of their time on the project.

Any anticipated salary increases (i.e., COLA, merit, etc.) that may happen in the budget period should be included as a line item and explained in budget narrative. Projected salary increases should reflect the grantee's organizational policies.

7.3 Fringe Benefits

Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, FICA, Medicare, the costs of leave (vacation, sick or military), employee insurance, retirement, and unemployment benefit plans. Benefits should be calculated based on the standard employment benefits offered by the agency where they will work and should follow the minimum requirements mandated by law.

Fringe benefits should only be included for salaried and hourly staff working on the project. Applicable fringe benefits should be allocated on the same basis as salaries and wages.

7.4 Travel

Travel related expenses should include costs for mileage, transportation, per diem, lodging, meals, conference registration fees, etc. Funds requested in the travel category should be only for project staff. Travel costs should be included for staff that will be traveling to conduct project activities.

Travel for consultants and contractors should be shown in the contractual cost category along with consultant/contractor fees.

All out-of-state travel requires TCDD's prior approval.

7.5 Equipment

Equipment is defined as an article of tangible nonexpendable personal property that has a useful life of more than 1 year and an acquisition cost of \$5,000 or more per unit. If the

grantee has an established capitalization threshold that is less than \$5,000, then the grantee's capitalization threshold must be used to determine if an item is to be budgeted as Equipment.

Note: A capitalization threshold is the dollar amount that determines the proper reporting of an asset in your financial and accounting records.

All costs for equipment must be determined through formal price quotes and the grantee must maintain documentation of the quotes. All supporting documentation must be available and provided to TCDD upon request. All equipment purchased with TCDD funds becomes the property of TCDD.

7.6 Supplies

Supplies include consumable items that are essential to the project, including but not limited to general office supplies (e.g., paper, pencils, pens, ink, toner cartridges). Per federal guidelines, supplies and small equipment have a per unit value of less than \$5,000.

The purchase of any supplies must be directly related to the goals, objectives, and activities of the TCDD project. Tracking of high-value items (\$500 or more per unit) and small equipment, or controlled assets, such as computing and printing devices, is required.

7.7 Contractual

Contractual costs include services that are essential to the project but are obtained from individuals who are not employees of the grantee organization. These services must be specifically related to the work of the project. Examples of contractual services typically include, but are not limited to, consultants and subcontractors.

Contractual agreements must be executed and approved by TCDD prior to any services being rendered. A copy of the

signed/executed agreement must be submitted to TCDD before the contracted party begins any services.

Grantees must comply with applicable procurement requirements under 45 CFR 75.327 through 75.335. Applicants should consult these requirements to ensure that they are complying with all rules regarding competition, Disadvantaged Business outreach, methods of procurement, etc.

7.8 Other Costs

Other costs are those costs associated with the implementation of the grant project that are not included in any of the other expense categories. Some of the more commonly budgeted expenses categorized as Other Costs include building costs; utilities; equipment rental/leasing, maintenance and repairs; printing and copying services; and communication costs such as fax, phone, and internet services.

7.9 Indirect Costs

Indirect costs are those incurred for a common or joint purpose benefiting more than one cost objective and not readily assignable to the cost objectives specifically benefited.

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) can be used to calculate allowable indirect costs. Indirect costs of up to 10% of all direct federal expenses are allowable for grantees that do not have a negotiated indirect cost rate.

Costs must be consistently charged as either indirect or direct costs but may not be double charged or inconsistently charged as both. If chosen, this methodology once elected must be used consistently for all Federal awards until such time as a non-Federal entity chooses to negotiate a rate, which the non-Federal entity may apply to do at any time.

Indirect costs above 10% may be allowed by TCDD as match contributions. If the organization reports the use of indirect cost above 10%, organization is required to provide a copy of their negotiated indirect cost rate application from the federal (or state) agency that approved the indirect cost rate.

Claiming reimbursement for indirect costs is never required. In-kind volunteer and in-kind non-cash contributions should not be included in the direct cost base used to calculate indirect charges.

7.10 Cost Allocation

The process of assigning a cost, or a group of costs, to one or more agency activity, program or cost center, in reasonable proportion to the benefit provided to each.

If any of the costs included in the grant budget will benefit more than one agency activity, program or cost center, the grantee must submit the organization's Cost Allocation Plan. The Cost Allocation Plan is vital and intended to assist the grantee in maintaining an accurate and realistic budget. The plan must be well documented and supported with recent historical financial data.

7.10.1 Cost Allocation Plan

A cost allocation plan is a formal written document that defines the methods to be used by an organization to allocate costs that benefit more than one agency activity

or program. It is a narrative description of the procedures the organization will use in identifying, measuring, and allocating all organization costs incurred in support of all agency activities and programs.

The plan should identify those types of costs that will be allocated and the bases of allocation to be applied to the costs.

Supporting documentation must be maintained for purposes of an audit or monitoring review. The cost allocation plan must be logical, systematic, and revised and updated annually or when circumstances change relating to the plan, resulting in changes to the distribution patterns. All costs included in the plan must be supported by formal accounting records to substantiate that they are allowable, reasonable and accurate.

Minimum requirements for a Cost Allocation Plan include that it:

- be in writing,
- be supported by formal accounting records,
- be signed by authorized agency official,
- include a process for reconciling and making adjustments, and
- be kept updated and periodically validated.

7.10.2 Sample Allocation Methods

The information below is provided for informational purposes only and is not intended to substitute for obtaining accounting, tax, or financial advice from a professional accountant.

The bases used for allocation should directly correlate to the costs allocated, be reasonable, and provide a comparable benefit to each objective.

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.

Below are examples of acceptable cost allocation methods for typical cost items:

- Salaries and wages – hours worked on the TCDD project divided by the total hours worked in the agency
- Office space use and related costs (e.g., utilities, janitorial services) - space usage based on square footage of the building
- Printing and reproduction - print job, pages printed
- Local telephone - number of telephone devices in use

Only costs that are allowable, in accordance with the Federal cost principles, may be allocated to the grant.

7.10.3 Other Methods

Additional cost allocation methods are acceptable if they are applied consistently and equitably among the benefitting programs or cost centers.

7.11 Match (Cost Sharing)

As part of the grant project budget, grantees must provide a match contribution, or cost share, each year. Match is the share of the total program costs that the grantee and/or its partners must contribute to accomplish the purposes of the grant.

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 TCDD the portion of the federal award not properly matched. Reporting match expenditures above the budgeted amount is therefore encouraged.

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

7.11.1 Calculating Match Requirement

The amount of match required of the grantee is based on the counties served by the project. Each county in the state is federally designated as either a poverty county, where at least 1 in 5 people are living in poverty, or non-poverty county. For poverty counties, matching funds of at least 10% of the total project costs are required; and a 25% match is required for non-poverty counties. A list of the poverty and non-poverty counties and a match calculator are provided on the TCDD website.

Programs located or providing services in poverty areas are only required to provide match of 10% of total program costs with non-federal dollars.

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 Poverty Guidelines on the TCDD website.

To calculate the match for **non-poverty areas**:

Amount of Federal Funds Received / 3 = Match Required

To calculate the match for **poverty areas**:

Amount of Federal Funds Received / 9 = Match Required

7.11.2 Sources of Match

Match comes in the form of cash or in-kind contributions. **Cash** match includes fund contributed by the grantee and/or partner organizations, or cash donations from third parties. **In-kind** match includes the value of personnel, volunteer time, goods, services, direct costs, and indirect costs.

All match, both cash and in-kind, can only come from non-federal sources.

Match may include:

- Funding from non-federal sources.
- Volunteer hours.
- Other "in-kind" donations (e.g., office space, utilities).
- Indirect costs above those approved in the TCDD funds portion of the budget (based on an approved negotiated rate – see 45 CFR, §§ 75.412 – 75.415).

Match may not include:

- Other federal funds.
- Items or funds that are used for match for another federally funded project.

All match fund sources must be identified in the work plan, and the grantee must maintain documentation that provides evidence of the match funds.

7.11.3 Valuation of Match

Every item that is documented and reported for the purpose of match must have a defensible method for assigning a value.

7.11.3.1 Volunteer Unpaid Services

Volunteer services provided by third party professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as match if the service is essential to the approved project.

Rates for third party volunteer services must be consistent with those paid for similar work by the grantee organization. If such comparisons are not found in the organization, rates determined for volunteers must be consistent with those paid for similar work in the labor market and for the geographic area. In either case, fringe benefits that are reasonable, necessary, allocable, and otherwise allowable may be included in determining the value of match.

7.11.3.2 Donated Property

For donated property, the match value must be the lesser of the following:

- 1) The value of the remaining life of the property at the time of donation, as recorded in the organization's accounting records; or
- 2) The current fair market value. However, when there is sufficient justification, TCDD may approve the use

of the current fair market value, even if it exceeds the value described in #1 above.

7.11.3.2.1 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.

7.11.3.2.2 Donated Space

For donated space, the value must not exceed the fair rental value of comparable space as established by an independent appraisal for a privately-owned building in the same locality.

7.11.3.2.3 Donated Equipment

When the donated property is equipment:

- 1) The value of the donated equipment must not exceed the fair market value of equipment of the same age and condition at the time of donation.
- 2) If the equipment is loaned, the match value must not exceed its fair rental value.

7.11.3.3 Employee Services from a Third-Party Organization

When a third-party organization donates the services of an employee, these services must be valued at the employee's regular rate of pay, plus a reasonable amount of allowable fringe benefits. The services must employ the skills for which the employee is normally paid. A cost can be treated as either a direct cost or an indirect cost, but not both.

7.11.4 Examples of Match

There are many sources that could be used as match. Some examples include:

- Agency personnel who will provide grant-funded activities but whose services will not be charged to the project's budget.
- Eligible fringe benefits for administrative, clerical, contracted, and facilities personnel.
- Contracted consultants lending their expertise and time to the project.
- Indirect costs not charged to the project's budget.
- Costs for the use of existing equipment.
- Utilities and telephone expenses related to implementing the project but not included as line items in the project budget.
- Printing, copying, postage, and evaluation expenses related to implementing the project but not included in the project budget.
- Eligible supplies on hand from existing inventory.
- Equipment purchased by the organization with its own money and connected to the grant-funded project.
- Eligible grant-related travel for key or other personnel that the organization will for with its own funds.
- Private sector grants used for portions of the project.

- Agency general operating funds, or unrestricted funds used for the day-to-day operation of the organization.
- Funds donated by a local business to the organization to help offset the cost of training volunteers.
- Expertise donated by a local business to train the agency's volunteers.
- Home office expenses for employees working from home. To count home office expenses as match:
 - The portion of the residence being used as a home office is allowed only if that portion is exclusively used on a regular basis for business purposes.
 - Allowable square footage of the home office for business cannot exceed 300 sq. ft.
 - A standard \$5 per square foot can be used to determine home business deduction.
 - Home-related itemized deductions can be counted based on IRS rules.
 - Depreciation cannot be counted as match.

7.11.5 Documentation of Match

It is important to ensure that proper documentation is obtained, maintained, and made available for review to support all match reported. For in-kind contributions, the documentation must include the basis for determining the value and written acknowledgement from the donor including the specifics about the donation. The grantee must keep copies of the documentation in its files.

7.11.6 Common Match Pitfalls

There are common pitfalls that should be avoided related to match, including but not limited to:

- Match requirement not being met.
- Having inadequate documentation for expenses.

- Obtaining “after-the-fact” documentation for in-kind contributions.
- Using other federal agency funds as match.
- Claiming match for an expense that was not necessary to operate the grant.
- Claiming match for an expense that was unreasonable or excessive.
- Claiming match for an expense included in the approved reimbursable project budget.
- Claiming match for an expense incurred outside of the grant award period.

Potential consequences that could occur as a result of match pitfalls include but not limited to:

- Disallowance of match, causing the minimum match requirement to not be met.
- Disallowance of federal funds because the minimum match is not met.
- Audit or questioning of all match reported if the match cannot be confirmed or determined reasonable or allocable.

7.12 Documentation of Costs

No program cost is allowable without documentation. Acceptable documentation is:

- written,
- independently generated or verifiable by an impartial 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, but is not limited to:

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

7.13 Grant Related Income (GRI)

Grant related, or program, income is gross income received by the grantee that is directly generated by a grant-supported activity or earned only as a result of the grant during the grant period. Grant related income includes, but is not limited to, income from fees for services performed; charges for the use or rental of real property, equipment, or supplies acquired under the grant; the sale of commodities or items fabricated under an award; charges for research resources; and license fees and royalties on patents and copyrights. Any grant related income earned must be expended before requesting additional cash payments, including cash advances.

7.13.1 Deduction of Grant Related Income

Ordinarily program income must be deducted from total allowable costs to determine the net allowable costs. Program income must be used for current costs. Program income that the grantee did not anticipate at the time of the grant award must be used to reduce the award and grantee contributions rather than to increase the funds committed to the project.

7.13.2 Grant Related Income as Match

Program income may be used to meet the match requirement of the grant. The amount of the grant award remains the same.

7.13.3 Obligations for GRI After the Grant Ends

A grantee could receive income from a grant-funded project after the grant ends. TCDD may negotiate agreements with the grantee regarding appropriate uses of grant related income earned after the project period as part of the grant closeout process. Unless otherwise specified in the terms and conditions of the award or negotiated by TCDD, grantees are not accountable for program income earned after the period of grant support.

Grant-supported products are subject to the terms of copyright as outlined in section 5.2.16 of this manual, and any related grant-supported product must be made available to TCDD and the Federal agency at no cost.

CHAPTER 8: Audit Requirements

8.1 Independent Audits

Grantees that expend \$750,000 or more in Federal awards during their fiscal year must have a single or program-specific audit conducted for that year. The 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 the grant period.

8.1.2 Single Audit

Grantees expending \$750,000 or more in Federal awards during the grantee's fiscal year must have a single audit conducted in accordance with 45 CFR §75.514, except when it elects to have a program-specific audit conducted in accordance with paragraph (c) of this section.

8.1.2 Program-Specific Audit

If a grantee expends \$750,000 or more in Federal awards from only one source and the Federal program's statutes, regulations, or the terms and conditions of the Federal award do not require a financial statement audit, the grantee may conduct a program-specific audit instead of a single audit. The cost for this audit is allowable as a grant expense.

8.1.3 Audit Exemption

Grantees expending less than \$750,000 in Federal awards during their fiscal year are not required to have an annual audit for that year. However, TCDD may require the grantee to be audited based on the grantee's performance.

8.1.4 TCDD-Required Audit

Grantees expending less than \$750,000 in Federal awards during their fiscal year are not required to have an annual audit for that year; however, TCDD reserves the right to require a grantee not subject to an independent audit based on Federal regulations to be audited based on the grantee's performance by risk assessment.

When TCDD requires such audit, the grantee must have audit activities conducted by an independent auditing firm (i.e., agreed upon procedures, engagements, or independent review by a CPA) to determine if appropriate internal controls are in place to minimize risk. The cost of such activities is an allowable expense in the grantee's budget. Grantees must make their grant-related records available for audit or review by TCDD.

8.1.5 Audits of State Agencies and Institutions of Higher Education

State agencies or institutions that are audited by the state auditor may substitute that audit to fulfill the independent audit requirement.

8.2 Requirements for Independent Auditors

Certified Public Accountants (CPAs) in Texas that perform reviews or audits are required to undergo a peer review at least once every 3 years to ensure that 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 grantees to forward a copy of their auditor's latest peer review report and letter of comments along with their audit, review or engagement.

8.3 Frequency of Audits

Audits required by 45 CFR, Part 75, Subpart F must be performed annually, except for:

- State, local government, or Indian tribe that is required by constitution or statute, in effect on January 1, 1987, to undergo its audits less frequently than annually, and is permitted to undergo its audits pursuant to this part biennially. This requirement must still be in effect for the biennial period.
- Any nonprofit organization that had biennial audits for all biennial periods ending between July 1, 1992, and January 1, 1995, and is permitted to undergo its audits pursuant to this part biennially.

8.4 Submission of Audit Reports

A copy of the independent audit report and its respective management letter are to be submitted:

- to TCDD not later than nine months after the end of the grantee's fiscal year(s) for which an audit is performed.
- to the U. S. Bureau of the Census within nine months of the fiscal year end for grantees receiving more than \$750,000 in total federal financial assistance. A copy of the grantee's A-133 audit-reporting package must be sent to the following address:

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

CHAPTER 9: Required Reporting

9.1 Quarterly Program Performance Report (QPPR)

The QPPR is the required quarterly report that grantees submit to TCDD to report the grantee’s completed work and progress toward achieving the goals and objectives outlined in the project workplan.

The QPPR is submitted by grantees with grants that have a potential project period of greater than one year. All applicable grantees must submit QPPRs following a uniform reporting schedule. The reporting cycle is as follows:

Fiscal Quarter	Reporting Period	QPPR Due Date
Quarter 1	Oct. 1 – Dec. 31	Jan. 15
Quarter 2	Jan. 1 – March 31	April 15
Quarter 3	April 1 – June 30	July 15
Quarter 4	July 1 – Sept. 30	Oct. 15

In each quarterly report, the grantee reports project activities that occurred during the reporting period. It is expected that some grantees may have fewer than three months of activities to report in a given quarter if their grant started *after the start* of the quarter or ended *before the end* of the quarter.

Failure to comply with this reporting requirement may result in a delay of funds, payment hold, or denial of future funding.

9.2 Mini Grant Interim Program Performance Report

TCDD mini grants are defined as awards totaling \$15,000 or less for a twelve-month period. The Mini Grant Interim Program Performance Report (PPR) is the required semi-annual report that mini grant grantees submit to TCDD to report completed work and progress toward the goals and objectives in their project workplan. This semi-annual report covers the first six

months of the project and is due 30 days following the sixth month.

Failure to comply with this reporting requirement may result in a delay of funds, payment hold, or denial of future funding.

9.3 Grant-Related Income Report

Grant-related income earned during the project period must be reported by the grantee on a quarterly basis, as earned. Grant-related income is gross income earned by the grantee that is directly generated by a supported activity or earned as a result of TCDD funding. Examples of grant-related income are fees for services performed, work contracts, sale of grant products, conference registration or training fees. TCDD provides a form for the grantee to report grant-related income.

9.4 Satisfaction Event Survey Report

Satisfaction surveys that are provided to the grantee by TCDD must be completed by all participants in grant related activities. An additional survey will be provided to those conducting leadership and advocacy training activities. TCDD will help identify when the survey should be used and may have other questions related to project impact.

9.5 Leadership Advocacy Outcomes Survey Report

In addition to the satisfaction survey, all participants in TCDD funded leadership and advocacy training programs must complete a leadership and advocacy outcomes survey. TCDD provides a survey template that must be completed within 3-6 months following the training or advocacy program. Questions are related to how participants used the training in ongoing personal and/or community advocacy efforts. Grantees must have methods to obtain contact information, such as email or telephone numbers, in order to send the survey following the

event and to track completion. Responses must be submitted to TCDD each quarter.

9.6 Independent Audit Report

Federal regulations and TCDD policy obligate grantees to comply with independent audit requirements as they apply to the grantee organization. See Chapter 8 for more information on the applicable independent 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.

Even if the grantee organization is exempt from obtaining an independent audit, grant records must still be maintained and made accessible to TCDD for review or audit if necessary.

9.7 Final Grant Report

A Final Grant Report is required from grantees in their last year of funding and is due no later than 60 days after the end of the project period. All grantees must submit a final report detailing the impact and outcomes of their TCDD-funded project. The final grant report should follow specific TCDD instructions and include a summary of progress toward the achievement of the originally stated goals, a description of significant results (positive and/or negative).

The Final Grant Report shall include, at a minimum:

- a summary of project goals and objectives met,
- explanation of goals and objectives that were not met and lessons learned,
- review of project impact,
- additional outcomes and approved costs exceeding the original budget,
- plans for sustainability beyond the grant funding, and

- any recommendations to TCDD for future projects.

The Final Grant Report shall also include the following:

- Final report of expenditures,
- Final equipment/controlled assets inventory list,
- Supplemental report for policy fellows, and
- Supplemental report for leadership and advocacy training grants.

TCDD may contact grantees up to five years after the completion of the project period to inquire about sustainable activities. Sustainability may be achieved by continued funding from sources other than TCDD or by incorporating activities into other programs. TCDD also learns from efforts of projects that struggle unsuccessfully to find resources to continue project activities. Although the success of TCDD funded projects is not determined by the continuation of project activities alone, TCDD will track outcomes that will enhance future state plan implementation.

CHAPTER 10: Grant Monitoring and Oversight

10.1 Overview

Grant monitoring allows TCDD to exercise oversight of the grantee's performance of the grant. Monitoring activities are conducted to verify that grantees are complying with the terms and conditions of their grant, ensure that funds are being expended appropriately, review grantee reporting, and determine if grantees need technical assistance to assist with managing their grants. Monitoring also provides some assurance that deficiencies detected are corrected in a timely manner.

10.2 Grantee Responsibilities

The grantee bears full responsibility for the use of grant funds, including those awarded to sub-grantees. Such responsibilities include:

- Compliance with all grant requirements;
- Effective and efficient use of grant resources;
- Accountability for all funds and any items received from TCDD;
- Compliance with all applicable TCDD rules, policies and procedures, and all applicable state and federal laws, regulations policies and procedures during the grant period; and
- Correction of any fiscal and programmatic noncompliance identified through self-evaluation and TCDD's monitoring process.

The grantee must fully participate in the oversight process by:

- Submitting requested information timely,

- Implementing corrective actions or system changes when requested,
- Participating in desk and onsite reviews when scheduled, and
- Participating in training and technical assistance activities.

10.2 Risk Assessment

10.2.1 Federal Requirement

Under CFR §75.352(b), the federal regulation describes the requirements of the awarding agency to evaluate each grantee's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the award for purposes of determining the appropriate grantee monitoring. To comply with this requirement, TCDD completes a risk assessment for each grant. A risk-based monitoring system is used to assess the risks of grantees and determine appropriate strategies for monitoring the risks.

10.2.2 Risk Levels and Monitoring Intensity

Based on the risk assessment, an individual risk level is determined for each grantee to ensure an accurate representation of potential risk for each. The risk level determines the *intensity* of the monitoring and oversight to be conducted.

- **High Risk:** close monitoring, follow-up, and oversight to mitigate risk or for improvement based on an approved corrective action plan.
- **Moderate Risk:** reasonable level of monitoring, follow-up and oversight to evaluate and mitigate risk or for improvement.

- **Low Risk:** generally indicates that the program is at lower risk for potential waste, mismanagement, non-compliance, or fraud.

The grantee's risk level may adjust each fiscal year based on the risk factors and risk indicators.

10.3 Monitoring Methods and Activities

TCDD employs different methods and monitoring activities and uses desk reviews and, occasionally, site visits to conduct grant monitoring.

10.3.1 Regular Basic Desk Monitoring

Regular basic monitoring is done to determine that the grant is being managed appropriately. Routine reviews include:

- Comparisons of activities performed to workplan timelines.
- Reviews of financial records to ensure that:
 - expenditures billed conform to the approved budget, including reasonable and allowable costs;
 - required match contributions are met; and
 - rate of expenditure is reasonable relative to the workplan and budget period.
- Reviews of quarterly program performance reports.
- Reviews of annual required audit reports.

10.3.2 Full Desk Monitoring

Full desk monitoring includes the basic monitoring activities, as well as a review of:

- Internal Controls – written policies and procedures (e.g., personnel policies, general organizational controls).

- Other reports, e-mails, correspondence, files, and pertinent information necessary to determine appropriate grant performance.

10.3.3 Focused Onsite Monitoring

The grantee must participate in focused onsite reviews when directed by TCDD. Focused monitoring may result in the need for corrective action, mandatory technical assistance, or training to be provided by TCDD. Focused onsite visits may be unannounced if TCDD receives or identifies information that indicates possible serious performance or compliance issues. TCDD prioritizes focused onsite visits based on the nature of the issue(s).

The grantee is expected to make available any requested program and agency financial documentation and reports. Focused monitoring visits may also include interviews with the grantee's project and financial staff.

10.3.4 Other Forms of Oversight

TCDD routinely uses other methods of oversight including phone calls, email, financial reports, audit and other reports, approval requests, memos, letters, meetings, trainings, and technical assistance.

10.4 Potential Monitoring Issues

Examples of potential issues identified in monitoring include:

- Unreasonableness of expenditures. Expenditures should be for items or services that are necessary to the project, and the cost of the items or services should not be excessive.
- Unallowable expenditures. Allowable expenditures must comply with 45 CFR Part 75, Subchapter E, as well as the grant agreement and the approved budget.

- Expenditures do not align with the project and approved budget.
- Shared costs are not properly allocated, resulting in TCDD paying more than its fair share of the costs.
- The grantee is not able to provide adequate documentation to support expenditures.

CHAPTER 11: Records Retention

Grantees generally must retain financial and programmatic records, supporting documents, and all other records that are required by the terms of the grant, or may reasonably be considered pertinent to the grant, for a period of 3 years from the date the grant is closed. If any litigation, claim, financial management review, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.