



DRAW ACADEMY

Administrative and Financial Handbook

Created and Adopted 2003

Last Revision 2026

The DRAW Academy Board has written and adopted on February 28, 2003, this operating manual for the school's business activities, being a two-year-old entity, remains a work in progress.

The handbook was revised and updated in July 2005, by Ms. Lisa Newton, Principal, Mr. Fernando Donatti, Business Manager, and approved by the Board of Directors on the August 2005 meeting.

The handbook was revised and updated in April 2008, by Mr. Fernando Donatti, CEO/ Superintendent, Ms. Patricia Beistegui, Program coordinator, and approved by the Board of Directors on the August 2008 meeting.

The handbook was revised and updated in April 2010, by Mr. Fernando Donatti, CEO/ Superintendent, Ms. Patricia Beistegui, Program coordinator, collaboration from Mr. Robert Lee, Accountant, and approved by the Board of Directors on the August 2008 meeting.

Presented to the Board at a regular Board meeting in August 2018.

Updated December 2020

Updated after June 2021 procurement review

Updated after 2020-2021 State Audit findings. Addendum page 23

Added, attachment 1- Answers, commentary, and previsions added after observations during the 230230-21 procurement review.

The handbook was revised and updated in August 2025, by Ms. Patricia Beistegui, CEO/ Superintendent, Fernanda Soto, Assistant Superintendent, in collaboration with Mr. Robert Lee, Accountant, and approved by the Board of Directors on the August 2025 meeting

NON-DISCRIMINATION STATEMENT

Students and parents should be aware that the DRAW Academy Board does not discriminate on the basis of race, color, national origin, sex, disability, or sexual orientation. This policy includes a prohibition on racial harassment and a hostile environment, as this type of harassment denies students the right to an education free of discrimination on the basis of race, color, or national origin. Students may utilize the school's complaint procedures to address any issues related to these areas without fear of retaliation, as stated in the Student Code of Conduct. In addition, The DRAW Academy Board and its officers will not tolerate sexual

harassment at any level. Any complaint of discrimination of any type will be fully investigated, and the school will take appropriate action.

This policy applies to students, parents, vendors, contracted parties, and any person or group of people who enter in contract or business with The DRAW Academy.

Operation of Educational Business Activities

- This manual regulates the educational business activities of the school.
- The activity is deemed to be an integral part of the fulfillment of the school's instruction, research, public service, or campus support function in all compliance of its Vision, Goals, and Mission Statement.
- The activity provides goods or services to students, faculty and staff that are necessary or desirable.
- The activity is carried out for the primary benefit of the School Community or for supporting the School's mission, but with sensitivity to the area community.
- The DRAW Academy Incorporated – Accounting Policies and Business Procedures Handbook 2
- The activity is carried out for the primary benefit of the School Community or for supporting the School's mission, but with sensitivity to the area community.
- The activity has a sound financial plan.
- In the event that it is deemed desirable to change or modify the established mission or purpose of an educational activity, the change or modification must be approved by the Board.
- All school activities are conducted in accordance with good business practices and with the laws, rules, regulations, and policies of the State of Texas and the School.
- The DRAW Academy Board understands that even though charter school philosophy is to give the flexibility needed to effectively and efficiently operate an innovative educational program, it is also necessary that such activities are conducted in a manner that is proper and appropriate in compliance with all applicable rules and regulations.
- DRAW Academy policies comply and follows the Special Supplement of the Financial Accountability System Resource Guide for Charter Schools adopted for this policy.
- Where DRAW Academy policy conflicts with State law or regulations, the State Law and Regulations prevail.

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CODE OF ETHICS AND STANDARD OF CONDUCT

All School personnel engaged in purchasing and related activities shall conduct business dealings in a manner above reproach in every respect. Transactions relating to the expenditure of public funds require the highest degree of public trust to protect the interests of the School and the taxpayers of Texas. All School personnel engaged in the purchasing cycle are bound by the standard of conduct for public officers and employees and shall file a Conflict of Interest Statement annually

ANTI-KICKBACK PROCEDURES

Providing or attempting to provide or offering to provide any kickback (including money, fees, commission, credit, gift, gratuity, thing of value, compensation); Soliciting, accepting, or attempting to accept any kickback; or Including directly or indirectly, the amount of any kickback in the contract price charged by a prime contractor to the United States or in the contract price charged by a subcontractor to a prime contractor or higher tier subcontractor. Any suspected violation of any kickback by School employees or its subcontractors should be reported promptly to Board at which time a formal investigation into the matter shall be conducted.

EMPLOYEE CONFLICT OF INTEREST AND GRATUITIES

Employee Conflict of Interest: Except as may be permitted by regulations formulated by the Board of Regents, it shall be a breach of ethical standards for any employee of a School to participate directly or indirectly, in procurement when the employee knows that:

The employee or any member of the employee's immediate family has a financial interest pertaining to the procurement.

A business or organization in which the employee or any member of the employee's family, spouse, children, parents, brothers and sisters, has a financial interest pertaining to the procurement: or

Any other person, business or organization with whom the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.

Gratuities: It shall be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity of any kind, form or type, in connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or a purchase order, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any controversy or other

particular matter, pertaining to any program requirement or a contract or to any solicitation or proposal therefore.

CODE OF FEDERAL REGULATIONS – 200-318 – GENERAL PROCUREMENT OF GOODS AND SERVICES STANDARDS (c) (1)

The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.

CODE OF FEDERAL REGULATIONS - 200.430 - COMPENSATION - PERSONAL SERVICES.

This includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits of compensation that are allowable to the extent that they satisfy the specific requirements of this part, and that the total compensation for individual employees.

Employees who participate in the program must comply with the time and effort requirements to control the amount of specific time used for the purpose of the program.

Employees supported by multiple cost objectives or different sources of funding must complete the “Semi-Annual Certification” to determine the appropriate percentages of time and calculate the correspondent salary amount

BUDGET

RATIONALE:

Budgeting is the process of allocating resources to the prioritized needs of the school. Although budget formats and policies are by no means uniform in school districts, formal budgets play a far more important role in the planning, control and evaluation of school district operations than in those of privately owned organizations. In school districts, the adoption of a budget implies that a set of decisions have been made by school board members and school district administrators which culminate in matching a school district's resources with its needs. As such, the budget is a product of the planning process. The budget also provides an important tool for the control and evaluation of a school district's sources and uses of resources. With the assistance of the accounting system, administrators are able to execute and control the activities that have been authorized by the budget and evaluate performance based upon comparisons between budgeted and actual operations.

A challenge for school officials is the appropriate identification of the "problem(s)" to be addressed when developing a budget and making decisions about staffing and financial allocations. Decision-making processes are facilitated when based upon a rigorous review of data and information, similar to activities involving engineering and scientific processes. Decisions about personnel management issues and financial allocations should be based upon data or evidence relating to the academic performance of students and the effectiveness of academic programs, in addition to data explaining relative operating efficiencies of all instructional support and administrative functions. It is necessary to make comparisons between districts and campuses that have similar characteristics to obtain useful information about potential management issues. Software applications that benchmark academic and performance statistics are available from various sources. Decision making processes in school districts are complex and administrative and governance decisions are not effective, if the "problem(s)" is (are) not adequately identified before making decisions about resource allocations.

Importance is placed upon sound budget planning for the following reasons:

- The type, quantity, and quality of school goods and services often are not subject to the market forces of supply and demand. The budget becomes the limiting force.
- These goods and services (e.g. instruction) are critical to public interest.

- The scope and diversity of school district operations make comprehensive planning necessary for good decision making.
- Planning is a process that is critical to the expression of citizen preferences and through which consensus is reached among citizens, school board members, and district/campus staff on the future direction of a district's operations.
- The link between planning and budget preparation in school gives budgets a unique role in these organizations. Budgets in the public arena are often considered the ultimate policy document since they are the financial plan a school district uses to achieve its goals and objectives reflecting:
 - Public choices about what goods and services the school will and will not produce.
 - School's priorities among the wide range of activities in which they are involved.
 - Relative weight given to the influence of various participants and interest groups in the budget development process.
 - How a school has acquired and used its resources.

The budget, itself, then becomes intrinsically a political document reflecting school administrators' accountability for fiduciary responsibility to citizens.

In the educational context, budgeting is a valuable tool in both planning and evaluation processes. Budgeting provides a vehicle for translating educational goals and programs into financial resource plans. Thus, instruction planning (to attain student educational goals) should determine budgetary allocations. This link between instruction and financial planning is critical to effective budgeting. In addition, such a budgeting practice may enhance the evaluation of budgetary and educational performance since resource allocations are closely associated with instructional plans.

OBJECTIVES OF BUDGETING

Performance evaluation allows citizens and taxpayers to hold policy makers and administrators accountable for their actions. Because accountability to citizens often is stated explicitly in state laws and constitutions, it is considered a cornerstone of budgeting and financial reporting. The Governmental Accounting Standards Board (GASB) recognizes its importance with these objectives in its *GASB Concepts Statement No. 1* (Section 100.177):

- Financial reporting should provide information to determine whether current-year revenues were sufficient to pay for current-year services.

- Financial reporting should demonstrate whether resources were obtained and used in accordance with the entity’s legally adopted budget. It should also demonstrate compliance with other finance-related legal or contractual requirements.
- Financial reporting should provide information to assist users in assessing the service efforts, costs and accomplishments of the governmental entity.
- Meeting these objectives requires budget preparation to include several concepts recognizing accountability. Often these concepts have been mandated for state and local public sector budgets. They include requirements that budgets should:
 - Be balanced so that current revenues are sufficient to pay for current services.
 - Be prepared in accordance with all applicable federal, state, and local legal mandates and requirements.
- Provide a basis for the evaluation of a government’s service efforts, costs and accomplishments

BUDGET PROCESS OVERVIEW

The budgeting process is comprised of three major phases: planning, preparation and evaluation. The budgetary process begins with sound planning. Planning defines the goals and objectives of campuses and the school district and develops programs to attain those goals and objectives. Once these programs and plans have been established, budgetary resource allocations are made to support them. Budgetary resource allocations are the preparation phase of budgeting. The allocations cannot be made, however, until plans and programs have been established.

Finally, the budget is evaluated for its effectiveness in attaining goals and objectives. Evaluation typically involves an examination of: how funds were expended, what outcomes resulted from the expenditure of funds, and to what degree these outcomes achieved the objectives stated during the planning phase. This evaluation phase is important in determining the following year’s budgetary allocations. In summary, budget preparation is not a one-time exercise to determine how a school district will allocate funds. Rather, school district budget preparation is part of a continuous cycle of planning and evaluation to achieve district goals.

BUDGET COMMITTEE

The committee is formed by the members of the Shared Decision-Making Committee, two parent representatives, two members of the faculty, and the Business Manager who has the final decision on the approval of the preliminary draft which is sent to the Board.

BUDGET PREPARATION AND ADOPTION

The budget will be prepared according to the criteria below and submitted to the Board no later than the regular meeting to be held on May. The Board will produce the final decision on the annual meeting of the Board which shall be held each year on the first Monday of the month of August in the Board Room according to the publicly scheduled time.

The budget must follow the appropriate account system as approved by the TEA Financial Accountability System.

- First, from the different areas of the school, budget requests are prepared or submitted to the Business Manager in terms of the type of expenditure to be made. These expenditures are classified into categories such as salaries and wages, supplies, utilities, and equipment.
- The Shared Decision-Making Committee and if created the Budget committee will have input to be considered by the Business Manager when preparing the report and submission documents to the Board
- The Business Manager compiles all the requests and submits a summary request to the school board in line-item format.
- Finally, the school board reviews the budget request, makes revisions, and appropriates funds for each item of expenditure.
- If necessary, the process will go back and forth with the three lines of decision making stated above until the Board approves the Budget.

BUDGET AMENDMENTS

Amendments must be approved by the Board before deviations occur. The Business Manager, unless authorized by the Board, has no power to amend the budget single-handedly. If necessary, an emergency meeting of the Board can be called by submitting the request to the Board's secretary.

A report must be prepared following these criteria:

- Rationale for modification
- Accounts and amounts to be modified
- Statement of Impact
- Follow-Up Procedure

Only after final approval by the Board will the Budget be officially amended

METHOD OF ACCOUNTING FOR FINANCIAL TRANSACTIONS

GENERAL

The fiscal year begins September 1 and ends August 31.

All financial and accounting transactions must be recorded in the fiscal year in which they are made to properly report the school's financial position as of August 31 of each year.

CASH MANAGEMENT

In order to minimize exceeding the time frame elapsed between receiving funds from any source, TEA State or Federal, DRAW academy claims funds to reimburse expenditures already paid prior to the claim.

PROCEDURES

Procedures must follow the Cash Management Act" (31CFR part 205) and EDGAR regulations (34 CFR part 80.20 and 80.21) If funds are not available for expenditures needed the time between claim and transfer of funds and disbursement, this time frame must be minimized as possible.

ACCOUNT CODE STRUCTURE

The DRAW Academy adopted a standard fiscal accounting system. The system meets the minimum requirements prescribed by the State Board of Education and is subject to review and comment by the state auditor. Additionally, the accounting system conforms to GAAP.

The DRAW Academy will have an annual independent audit conducted that meets the minimum requirements of the state board of education, subject to review and comment by the state auditor. The annual audit will include the performance of certain audit procedures for the purpose of reviewing the accuracy of the fiscal information provided by the charter school through the Public Education Information Management System (PEIMS). The audit will adequately detect material errors in the charter school's fiscal data to be reported through the PEIMS system for the fiscal period under audit.

The financial records system account number consists of six digits. Following the six-digit account number is a four-digit sub code or account control number. The accounts are segregated into two major categories, general ledger and subsidiary ledger. The general ledger accounts reflect assets, liabilities and fund balances. The subsidiary ledger accounts include budgets, revenues and expenditures.

General ledger account numbers begin with "0", example 0-12345. The four digits following the general ledger six (6) digit account number are called account controls. Account controls designate the type of asset, liability or fund balance (example cash-1100). For a list of account control

numbers see E-17-10 of this section. An example of a general ledger account code is account number 0-12345, account control 1100.

Subsidiary Ledger Accounts

Following the subsidiary ledger account number is a four-digit sub code. Revenue sub codes begin with "0", and expense sub codes begin with "1" through "6" which represent the following classifications:

- I. Personal Services (Salaries and Wages)
- II. Employee Benefits
- III. Current Expenditures
- IV. Recharges
- V. Capital Expenditures-Equipment
- VI. Capital Expenditures-Unexpended Plant

Software

- ASCENDER: Utilized for the daily operations and control of accounts. Generates the reports for the annual reports such as Balance Sheets, Cash Flow Statements, Charts of Accounts, Profit and Loss Total or by account, Owners' equity Statement, and Income Statements. Controls the Bank accounts and is utilized for account reconciliation. Generates reports necessary for the preparation of the annual IRS form 990 for non-profit corporations. It is compatible with Microsoft Excel and can download information to be processed and edited in Excel.
- BANK OF TEXAS - EXCHANGE PLATFORM: The DRAW Academy processes payroll directly deposited to employees. It also carries a 100% liability responsibility for tax reports and deposits. The CEO prepares the reports and EFT files to upload the reports every payroll period.

FUND RAISING AND FIELDTRIP MONEY COLLECTION:

Teachers and other groups have the right to fund raise funds for special purposes. These activities must be cleared by the Superintendent who will direct and control the individual efforts. When teachers or groups conduct fund raising activities, the Business Manager will create an specific income and an expense account for such purpose.

Every amount collected must be delivered to the office on a daily basis. These amounts will be kept in custody of the Business Manager who will perform an entry on the appropriate account. Bank deposits are made every Friday

Teachers must keep a ledger in which the name of the students along with the amount received must be delivered to the office with the funds.

The same procedure applies for funds collected for field trips.

BACK-UP

The Business Manager is responsible for the accuracy of records and for the maintenance and security of the files.

Petty Cash

Petty Cash Fund may be established for small purchases if, in the judgment of the Business Manager, the establishment of a fund can best serve the needs of a department. The Petty Cash Fund will allow petty cash/small dollar purchases to be completed by the department and may be established under the following guidelines:

- A Petty Cash Fund may be established in the amount required for the purpose. Each purchase is limited in accordance with special delegation authorized at the establishment of the fund.
- A Petty Cash Fund may be established in an amount not to exceed accumulated expenditures over a forty-five (45) day period. Each purchase is limited to \$50.00, unless otherwise delegated.
- Items or services available from School Price Contracts, may not be purchased under this authorization. Printing and duplicating or postage may be the most common uses of this fund.

PURCHASING

SPECIFIC PROCEDURES

The following specific procurement procedures comply with (2 CFR 200.319(d)(1)(2))

- The material, product, or service to be procured must have a clear and accurate description of technical requirements.
- This description should not unduly restrict competition.
- The process must comply with all requirements and factors when evaluating the bids or proposals.

PROCUREMENT PROCEDURES

Planning. Below is a list of the first steps that will be taken prior to any purchase.

- What is needed in the way of product/products and/or services?
- When are the products or services needed?
- What is an estimated cost of the products or services needed? Multiple resources will be used to determine an “estimate” of the value or cost. The cost/price analysis will be used to determine the most appropriate procurement method.
- How we will pay for the products and/or services?

Forecasting. Below is a list of the resources to be used for forecasting our needs.

- We will review our past program to determine if the products or services were used in the previous program year.
- Current program needs will be assessed and product amounts and/or service needs will be determined.
- Upcoming program years will be considered in regard to future needs and possible renewal or extensions of contracts if necessary.

Soliciting. The following general steps will be taken to start the solicitation process.

Each procurement method is more specifically outlined later in this manual.

- Based on the cost/price analysis in our planning phase, the most appropriate procurement method will be used.
- A general specification with details will be written to document the product or service needed.
- Terms and conditions of the contract will be outlined and reviewed to ensure the solicitation clearly describes our needs and deliverables required.
- Each solicitation will include the following information:
 - Deadline (date and time)the quotes or responses are to be received.
 - The method the quotes or responses are to be submitted and to whom.
 - Evaluation criteria, if any is used, clearly outlined to include scoring rubric.
 - Date and time by which the solicitation will be awarded.
 - Term and Conditions of the contract and if any renewals or extensions will be allowed.
 - All USDA Federal and State-required certifications and affidavits if applicable to the procurement method used.
- Research will be done to identify potential suppliers.

Awarding. Based on the procurement method, the following general processes will be used:

- A winner will be selected using the following methods.
 - Equitable distribution for all Micro-Purchases.
 - Low bid winner for Small Purchases and IFB's.
 - A single winner through evaluation criteria for Small Purchases and RFP's.
 - Pre-award approvals must be obtained from TDA for any solicitation that is deemed non-competitive or sole source.
 - Multiple winners are selected for RFP's when a “line-item” award

approach is taken to procure the best price for each product specified in the solicitation.

- **Contract Management.** The following items will be monitored during the life of an awarded contract.
 - Quantities specified are made available and delivered.
 - Delivery times and schedules are being met per contract terms.
 - Product deliveries and/or services are occurring at the correct location if multiple locations are part of the awarded contract.
 - Products and/or services are meeting the specifications as described in the solicitation.
 - Substitutions of products are being handled as outlined in the Terms and Conditions and are adequate to the specified product.
 - Vendor response time to product or service issues is appropriate in regard to each situation, if any.

THRESHOLDS AND CHARACTERISTICS

Purchasing policies and procedures for the school are governed by the regulations of the Board.

The CEO is delegated the responsibility for the purchasing activities of all sectors of the school.

Definitions: TEA Guidance on Micro-Purchase Flexibility Under EDGAR adopted November 29, 2018

Micro Purchase: The LEA may expend no more than \$10,000 on micro-purchases throughout the fiscal year.

- The threshold amount applies to the sum of all the federal grants received by the LEA.
- To increase LEAs' micro-purchase flexibility, TEA is providing the following guidance:
- The \$10,000 "aggregate amount" threshold applies to purchases of "like-types" of items.
- The \$10,000 threshold applies to each like-type that the LEA defines.
- On procurement by micro-purchase of supplies or services, the aggregate dollar amount must not exceed the micro-purchase threshold.

Small Purchase:

Procurement by small purchase procedures uses a relatively simple and informal method of procuring services, supplies, or other property that do not cost more than the simplified acquisition threshold. The small purchase procedures require price or rate quotations from an adequate number of qualified sources from at least three price quotations.

As of July 1, 2018, the simplified acquisition threshold was increased to \$250,000 and should be considered as an aggregate amount within the grant period of the applicable grant.

Texas Education Code (TEC) 44.031 requires competitive procurement methods be used for purchases valued at \$50,000 or more.

Formal:

This procurement method involves publicly soliciting bids and awarding a firm-fixed-price contract (lump sum or unit price) to the responsible bidder whose bid is the lowest in price and complies with the terms and conditions of the invitation for bid.

Procurement by Competitive (Negotiated) Proposals:

This formal method is used when price is not the primary factor in procurement decisions. This is the method for conducting technical evaluations of proposals and selecting recipients. The competitive proposal method is typically used when more than one source is submitting an offer, and either a fixed price contract or a cost reimbursement type contract. When using this method, a charter school issues an RFP and make an award to the responsible proposer whose proposal is most advantageous to the program based on price as well as and other factors.

Non-Competitive Proposals (Sole Source):

This procedure may only be used when none of the other methods identified above are feasible AND one of the following situations is present:

- the item is only available from a single source;
- the procurement is needed to address an urgent need;
- the relevant state or federal authority authorizes noncompetitive proposals; or
- after soliciting bids or proposals from a number of sources, there is a documented basis for determining that competition produced insufficient results.

When using this method, a charter school solicits proposals from only one source. The method is also used when, after requesting bids or proposals from a number of sources, competition is determined to be inadequate.

The requirements above apply only to procurements for which federal funds are used. Otherwise, the less onerous state purchasing requirements described at the beginning of this memo apply.

*Source: Department of Contracts, Grants and Financial Administration

The Business Manager assists the school in attaining its educational mission by functioning as a service department. It is responsible for procuring the necessary supplies, equipment, construction

and other services in a timely and efficient manner, reasonably priced, that is most advantageous to the school.

His/her functions include the following: centralized contracting and purchasing functions, establishing price contracts for goods and services, capital construction bidding and contracting, source for specifications, source of comparative costs and maintenance of purchasing records. The proper planning, budgeting and requisition of goods and services at the appropriate time is his/her responsibility.

GENERAL POLICIES

Purchasing Responsibility and Authority

The Business Manager is the Chief Administrative Officer and is responsible for the operation and administration of the school. The Business Manager has the following contracting responsibilities and authorities:

- Approve and execute contracts for goods, equipment, construction, and services to be rendered to the School and are for the implementation of approved School programs that do not require expenditures in excess of \$50,000;
- Approve and execute contracts for the delivery by the School of educational services provided that the contract does not require an expenditure in excess of \$50,000;
- Supervises all contracts.

Bidding

No purchases of commodities or services in excess of \$10,000 shall be made without attempting to secure two or more formal bids unless otherwise exempted herein. This amount limit applies per service contract or single item purchases. When purchasing multiple items of the same kind the amount applies per item.

Purchases of commodities/services/printing up to \$250,000 shall be made in accordance with sound purchasing practices, obtaining competitive quotes when competition is available and feasible. Written quotes should be obtained for purchases above \$10,000 and below \$250,000. Written quotes obtained by the Business Manager and attached to the requisition may be used. Documented phone quotes, which may be faxed to the school or recorded by the Business Manager, should be obtained for purchases above \$10,000 and below \$250,000. Again, quotes obtained by the department may be used.

Purchases up to \$1,000 are left to the discretion of the Business Manager, based on knowledge of the product and vendor availability under “Micro purchase” rules.

Process Definitions

Invitation to Bid: Means all documents, whether attached or incorporated by reference, utilized for soliciting bids.

- Purchase Description: Means the words used in a solicitation to describe the supplies, services or construction to be purchased and includes specifications attached to or made a part of the solicitation.
- Request for Proposals: Means all documents, whether attached or incorporated by reference, utilized for soliciting proposals.
 - Procedure used for all purchases that are not exempt from bidding. The period of time required to complete this bidding procedure varies depending upon the item being bid. It normally takes a minimum of four weeks to put out a bid and process a purchase order
 - Public Notice: Adequate public notice of the Invitation to Bid shall be given sufficiently in advance of the bid opening to permit potential bidders to prepare and submit the bids in a timely manner. Notice should include as a minimum the mailing or delivery of the Invitation to Bid to a representative number of parties on any applicable bidder list.
 - Bid Opening: Bids shall be opened publicly at the time and place designated in the Invitation to Bid. The amount of each bid and the name of each bidder shall be recorded. The fact that a bidder does not choose or fails to seal his bid does not disqualify the bid. Vendors or anyone outside of the School will not be permitted to examine bid/proposal documents until the notice of intended award is made, or ten (10) calendar days after the opening, whichever is earlier
 - Withdrawal of Bids and Cancellation of Awards: Withdrawal of bids which are clearly erroneous before or after award or cancellation of awards of contracts based on such bid mistakes may be permitted if written notification of such error is received by the Business Manager in a timely manner. After the bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the School or fair competition shall be permitted. Any alterations or corrections appearing on bids when opened must be initialed by the vendor's representative who made the change.

- Bid Evaluation: The low bidder who meets all of the specifications and requirements set forth in the Invitation to Bid shall be awarded the bid. No criteria may be used in bid evaluation that is not set forth in the Invitation to Bid
- Receipt of only one bid: When only one bid is received in a call for bids, it is the Business Manager responsibility to evaluate the response and investigate the reason only one bid was received. If, in the Business Manager opinion, it would not be in the best interest of the School to pursue a second call for bids, this is so stated on a single bid affidavit and presented to the Board's approval. The award is made based on the single bid received. If the one bid received is over budget, the Business Manager may negotiate with the single bidder and attempt to agree on a price that is within budget.
- Posting of Bid Tabulations: Bid tabulations with recommended awards will be posted for review by interested parties at the location where bids were opened and will remain posted for a period of three (3) full business days. Failure to file a protest within the time prescribed in Section 120.53(5), Texas Statutes, shall constitute a waiver of proceedings under Chapter 120, Texas Statutes. Award: The purchase order or other notice of award shall be sent with reasonable promptness, in writing, to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the Invitation to Bid. Pricing will not be the single criteria. A rubric will be designed for each particular bid. In this rubric pricing will be one component, and even though significant, it will not be the only measure.
- Cancellation of Invitation to Bid or Request for Quotation: An Invitation to Bid, a Request for Quotation or other solicitation may be canceled or any or all bids or proposals may be rejected in whole or in part, when it is in the best interest of the School. The reason therefore shall be made part of the file.
- Finality of Determinations: The determinations required by the sections dealing with Competitive Sealed Bidding, Withdrawals of Bids, Cancellations of Awards, Sole Source Procurement, Emergency Procurement, Cancellation of an Invitation to Bid or a Request for Quotation, Responsibility of Bidders and Offerers, and Determination Prior to Use are final and conclusive unless they are clearly erroneous, arbitrary, capricious or contrary to the law.
- Reporting of Anti-competitive Practices: When for any reason collusion or other anti-competitive practices are suspected among any bidders or offerors, it should be reported to the Business Manager of the School.
- Specifications

- Definitions: Specifications means any description of the physical or functional characteristics or of the nature of a commodity, service or construction item for delivery. It may include a description of any requirement for inspecting, testing or preparing a commodity, service or construction item for delivery.
- Duties: The Business Manager shall prepare, issue, revise, maintain and monitor the use of specifications for commodities, services and construction as established in the bidding section of this document.
- Maximum Practicable Competition: All specifications shall seek to promote overall economy for the purpose intended and encourage competition in satisfying the School's needs and shall not be unduly restrictive.
- The School Secretary has the responsibility to develop and maintain a bidders' commodities/services file on firms which have submitted application for inclusion on formal bids, informal bids, and proposals.
- Legal and Contractual Remedies: For all purposes of Bidding any legal matter must be resolved under appropriate Texas law.

Payment Procedures

Prompt payment for purchases will ultimately result in better vendor relations, improved service and lower prices.

Payment: The Business Manager is responsible to assure funds are available for payment of all obligations made under this authority.

Personal Services completed by School employees

- Payments for personal services completed by a School Employee must be made in accordance School Administrative Regulations and established payroll policies and procedures. An employee may not be paid for personal services rendered to any department of the School, including research projects sponsored by the School, except through the regular payroll procedure.

Personal Purchases

The School is not authorized to make purchases for any individual or non-School organization and are deemed not allowable costs. The Rules of the Bureau of Auditing state that expenditures from state funds for items as listed below are prohibited. Grant funds can be used to purchase these types of items only if they are provided for in the grant.

- Congratulatory telegrams
- Flowers and/or telegraphic condolences
- The presentation of plaques for outstanding service

- Entertainment for visiting dignitaries
- Refreshments such as coffee and doughnuts
- Decorative items (globes, statues, potted plants, picture frames, etc.)
- Alcoholic beverages

In addition, School of Texas policy prohibits the purchase of items of the following nature or similar items:

- Christmas or other greeting cards and postage for such cards
- Personal subscriptions to magazines, trade journals, etc.
- Desk pen sets
- Coffee and coffee brewing devices

Emergency Purchases

The definition of EMERGENCY PURCHASE or CONTRACT is a purchase or contract necessitated by a sudden unexpected event where the delay required to issue competitive bidding would seriously threaten the functioning of the School, the preservation or protection of property or create an immediate danger to the public health or safety of any person. Purchasing and contracting requirements necessitated by an emergency condition must be explained in writing by the Business Manager and approved by the Board

The Business Manager shall maintain a file for each emergency declaration including all emergency purchases completed as a result of the emergency. The file shall include the emergency justification letter and approval by the Board.

- Purchases of food products, room rental, and entertainment
School policy prohibits the use of state-administered funds for food products, room rental, entertainment, or similar items, with the following exceptions and when in accordance to the policies with procedures for travel authorization and travel reimbursements:
- Employee Meals: Expenses for meals for DRAW Academy employees may be paid from any fund when properly documented and supported by original receipts and the Request for Payment is approved by the Business Manager. Meal expenses incurred by faculty and staff while in travel status will be reimbursed in accordance with the TEA travel regulations.

- Faculty/Staff Retreats, Workshops, Planning and Administrative Training: Expenses incurred in the course of holding retreats, workshops, and administrative training meetings to enhance employee performance and departmental efficiency may be paid from any School funds. However, the use of non-discretionary funds requires that the event be conducted on campus, and must be approved in advance by the Business Manager. Such expenses may include employee meals, refreshments, travel, lodging, entertainment (speaker, musician), and facilities fees. The request for payment must be properly documented, including a complete and detailed description of the event, a listing of those in attendance, original receipts for all expenses, and approved by the Board.
- Expenses incurred by School conducting a Faculty/Staff orientation/reception meeting for the purpose of enhancing employee performance, communication or operation of the organization/unit may be paid from all School funds. However, the use of non-discretionary funds requires advance approval of the Business Manager. Such expenses may include employee meals, refreshments, mileage (no overnight lodging), entertainment (speaker, musician), and facilities fees. The request for payment must be properly documented, including a complete and detailed description of the event, a listing of those in attendance and original receipts for all the expenses, and must be approved by the Business Manager

Policy On The Purchase Of Goods or service

General: The following set of rules applies, unless the service or purchase is not exempt for bidding. If the service is not exempt for bidding, the bidding section after this, applies:

- The purchasing is approved for amounts less than \$1,000 for items necessary to conduct the school business and to solve situations like emergency repairs of heating, A.C., plumbing, etc. Among these items the most common are office and cleaning supplies.
- The holder of the checkbook and signer of checks is the Business Manager.
- The Business Manager will sign contracts and arrangements for Services such as Fire Alarm monitoring system, fire extinguishers maintenance, pick up of trash, equipment maintenance.
- The Business Manager will seek for proposals and will approve the food service for provision of breakfast, lunch and snacks all according to and in compliance to the rules and regulations of the Federal Lunch Program and the Texas Educational Agency.
- The Business Manager will seek competitive prices and quality for medical, dental, workers compensation, directors' liability, and liability insurance services.
- The responsibility for preliminary approval for purchasing relies on the Business Manager for the amounts described below and for the specific items described below:

- Office And School Furniture, Electronic Equipment, Computer Hardware and software, Insurance (Medical, Liabilities): up to \$10,000
- Food service: Limits according to the approved values for free and reduced breakfast, lunch, and snacks.
- For amounts higher than the above described or long-term commitments or real estate purchase, the Board has the final authority for approval or denial.
- Contracts issued by the School that contain risks or exposure to loss or damages should contain contract clauses requiring vendors or contractors to provide insurance to protect the School from these risks.

Procedure

- Teachers or administrative staff will complete a request form and submit to the school secretary detailing the needed product. A timeline is also necessary when purchases convey a certain degree of urgency.
- The School secretary will have amounts and materials' lists pre-approved for immediate purchases.
- The Business Manager will approve purchases above those limits.

Contract Managed by the CE

- Once the contract is approved the Child Nutrition Coordinator controls the daily operation and is the main contact with the vendor's personnel.
- The RFP is prepared by the CEO/Superintendent
- RFP answers are evaluated with a rubric, by the CEO/Superintendent, the Child Nutrition Coordinator and the School Principal
- The Contract is prepared by the CEO/Superintendent.
- The Child Nutrition Coordinator:
 - manages all mandated trainings for all personnel involved.
 - assures all permits, personnel certifications, and inspections are up-to date and posted.
- The CEO/Superintendent produces and maintains the Master List of eligible students, uploads monthly the school students' roster to the State and downloads the eligible students' roster from the state.
- The Child Nutrition Coordinator:

- assures compliance with the CEP program according to rules.
 - controls and evaluates the daily performance and compliance.
 - revises compliance of menus and food production records.
 - negotiates adjustments according to the FDA/TEA requirements.
- Cashiers prepare the checklists and any other documentation needed for the claim.
 - The Child Nutrition Coordinator revises the checklists and prepares the “Acclaim” and submits to the state.
 - The CEO/Superintendent, the Child Nutrition Coordinator, and the School Principal perform an evaluation at the end of the year.
 - The evaluation and renewal process includes creation of a rubric and its scoring system, the final approval of renewals, the need for a new RFP. Involves the CEO/Superintendent, the Child Nutrition Coordinator, and the School Principal.
 - Other roles of the Child Nutrition Coordinator include:
 - Commodities contract and report.
 - Control of performance in the lunchroom
 - Meals meeting nutrition requirements, quality, and levels of consumption and students’ satisfaction.
 - Food presentation and compliance with rules regarding “meal reimbursable” characteristics
 - Vendor timeliness of deliveries
 - Accuracy of billing comparing checklists by cashiers with vendor records and invoices.
 - Final approval for payment submitted to CEO.

PROCUREMENT - CHILD NUTRITION SPECIFIC PROCEDURES

DRAW ACADEMY C.E. – Child Nutrition Food Service Department Procurement Procedures Manual

This Procurement Procedures Manual (2 CFR 200.318) has been created to ensure that all purchases made with the Child Nutrition (CN) Federal Funds are in compliance as regulated by all Federal, State, and Local written policy.

DRAW ACADEMY C.E. uses the following resources for all procurement methods:

Super Circular 2 CFR part 200

Texas Department of Agriculture's (TDA) "Administrative Review Manual," Section 16 and 17(including 17A), and the Education Department Guidelines and Regulations (EDGAR)

The following standards will be applied to all procurement methods. Solicitations will...:

- Allow for "full and open" competition
- Be handled with integrity and fairness to all potential bidders
- Award responsive and responsible contractors
- Be fully documented to allow for complete transparency and follow the 5-years record retention requirement

DRAW ACADEMY C.E. allows the Child Nutrition Department to participate in the following:

- Agreements that identify participation level
 - Inter-governmental agreements (operator-only/ESC)
 - Third Party Cooperatives
 - Agents
- Informal Purchases
 - Micro-Purchase: any purchase that does not exceed the State threshold of \$10,000.
 - Small Purchase Acquisition: any purchase that exceeds \$10,000 but is not greater than the State threshold of \$50,000.
- Formal Purchases
 - Competitive Bid (IFB-Invitation For Bid)
 - Competitive Proposal (RFP-Request For Proposal)
 - Non-Competitive Proposal. TDA "pre-award approval" required
- Other Purchases
 - Sole Source – as determined through a failed procurement method due to no competition. Requires TDA approval prior to awarding the vendor or purchasing from the vendor.
- Capital Expenditures – any single piece of equipment that exceeds \$5,000 in cost must be approved by TDA prior to purchase.

DRAW ACADEMY C.E. will use the following 4 phases of procurement:

Planning. Below is a list of the first steps that will be taken prior to any purchase.

- What is needed in the way of product/products and/or services?

- When are the products or services needed?
 - What is an estimated cost of the products or services needed? Multiple resources will be used to determine an “estimate” of the value or cost. The cost/price analysis will be used to determine the most appropriate procurement method.
- How we will pay for the products and/or services?

Forecasting. Below is a list of the resources to be used for forecasting our needs.

- We will review our past program to determine if the products or services were used in the previous program year.
- Current program needs will be assessed and product amounts and/or service needs will be determined.
- Upcoming program years will be considered in regard to future needs and possible renewal or extensions of contracts if necessary.

Soliciting. The following general steps will be taken to start the solicitation process. Each procurement method is more specifically outlined later in this manual.

- Based on the cost/price analysis in our planning phase, the most appropriate procurement method will be used.
- A general specification with details will be written to document the product or service needed.
- Terms and conditions of the contract will be outlined and reviewed to ensure the solicitation clearly describes our needs and deliverables required.
- Each solicitation will include the following information:
 - Deadline (date and time)the quotes or responses are to be received.
 - The method the quotes or responses are to be submitted and to whom.
 - Evaluation criteria, if any is used, clearly outlined to include scoring rubric.
 - Date and time by which the solicitation will be awarded.
 - Term and Conditions of the contract and if any renewals or extensions will be allowed.
 - All USDA Federal and State-required certifications and affidavits if applicable to the procurement method used.
 - Research will be done to identify potential suppliers.

Awarding. Based on the procurement method, the following general processes will be used:

- A winner will be selected using the following methods.
- Equitable distribution for all Micro-Purchases.
- Low bid winner for Small Purchases and IFB's.
- A single winner through evaluation criteria for Small Purchases and RFP's.
- Pre-award approvals must be obtained from TDA for any solicitation that is deemed non-competitive or sole source.
- Multiple winners are selected for RFP's when a "line-item" award approach is taken to procure the best price for each product specified in the solicitation.

Contract Management. The following items will be monitored during the life of an awarded contract.

- Quantities specified are made available and delivered.
- Delivery times and schedules are being met per contract terms.
- Product deliveries and/or services are occurring at the correct location if multiple locations are part of the awarded contract.
- Products and/or services are meeting the specifications as described in the solicitation.
- Substitutions of products are being handled as outlined in the Terms and Conditions and are adequate to the specified product.
- Vendor response time to product or service issues is appropriate in regard to each situation, if any.

Procurement Methods: Informal and Formal (2 CFR 200.320)

DRAW ACADEMY C.E. will follow the below steps with each procurement method.

1. Micro-Purchases.

The micro-purchase method is an "Informal Procurement Method" for purchases where the aggregate value in a single transaction is at or below \$10,000. This enables the District to purchase supplies or services without soliciting competitive quotes if the school considers the price reasonable. The District may purchase products and/or services that are similar or dissimilar, purchased as a single or collective unit.

All **unplanned, non-routine** purchases with an aggregate total that does not exceed the threshold of \$10,000 are allowed (2 CFR 200.67) and will include:

- Documentation that explains the reason for the purchase and vendor name.
 - List of items or service purchased.
 - Receipt.
 - All documentation will be kept in a file labeled “Micro-Purchases.”
- Types of Micro-Purchases allowed:
 - Emergency and/or equipment repair parts
 - Small to medium catering events
 - Emergency food shortages
 - Staff training and travel expenses
 - Small kitchen equipment purchases
- The following employee positions have permission to make a Micro-Purchase:
 - Food Service Director; CN Director; Program or Operations Manager
 - Assistant Manager or Director; Purchasing Specialist; Business Office Manager
 - Cafeteria Director or Manager
- Eligible vendors.
 - Equitable distribution of purchases will be made to all suppliers within an appropriate proximity to the district’s school sites
 - All suppliers within the county
 - Only district-approved and qualified suppliers
- Payment for Micro-Purchases.
 - Credit card to be picked up from the Business Office/CFO
 - Personnel cash, credit card, or debit card to be reimbursed by the Business Office

2. Small Purchases.

The small purchase method is an “Informal Procurement Method” for purchases that exceed the micro-purchase threshold but have an aggregate amount no greater than the

Simplified Purchase Acquisition threshold of \$50,000. The District must contact a minimum of 3 potential suppliers and attempt to get a minimum of 2 quotes.

- Based on the determination through a cost/price analysis that a purchase will exceed the Micro-Purchase threshold (2 CFR 200.67) but will not exceed the State's/District's Simplified Purchase Acquisition (Small Purchase) threshold of \$50,000
- Allowable types of Small Purchases:
 - Single/one-time purchase with an aggregate amount between \$10,000<\$50,000
 - Multiple purchases of same or similar products and/or services from a prime vendor during the fiscal year with an aggregate amount between \$10,000<\$50,000
- DRAW ACADEMY C.E. will use the following steps to make a Small Purchase (2 CFR 200.320 [b])
 - Identify potential suppliers; who to contact for bids; what is available on the market.
 - Write the product and/or service specification to include details but not restrictive as to exclude competition.
 - Draft the solicitation to include contract terms and conditions, invoice methods, delivery and/or service requirements, duration of contract, and evaluation criteria if any is being used with the scoring rubric.
 - Contact a minimum of 3 vendors (if possible) and provide each one with the same information to include all details of the solicitation. Emailed or faxed documents is the preferred method but verbal delivery of solicitation details is allowed.
 - Document vendor responses to include:
 - Vendor name and contact with email address and phone
 - Contact method
 - Price quoted to include the date received
 - Duration of the price quote
 - If less than 3 quotes are received, explanation of why this occurred will be included in the documentation
 - Award will go to the most responsive and responsible vendor with the lowest price or highest evaluation score if used. A responsive

vendor is one whose response conforms to all the material terms and conditions of the solicitation. A responsible vendor is one whose financial, technical, and other resources indicate an ability to perform the services required.

- All documentation will be kept in a file labeled “Small Purchase Acquisitions”
 - The following employee positions have permission to make a Small Purchase:
 - Food Service Director; CN Director; Program or Operations Manager
 - Assistant Manager or Director; Purchasing Specialist; Business Office Manager
 - Cafeteria Director or Manager
- Eligible vendors.
 - All suppliers that have been identified as potential bidders
 - Only district-approved and qualified suppliers
- Payment for Small Purchases.
 - Credit card to be picked up from the Business Office/CFO
 - PO to be created prior to the invoice payment. This is handled through the Business Office.

3. Capital Expenditures.

Texas Department of Agriculture (TDA) requires a CE to get pre-approval on expenditures for food service equipment or alterations to equipment, only if the total equipment “per unit” cost is greater than \$5,000.

- DRAW ACADEMY C.E. will submit a request for approval prior to purchasing the item via email to TDA including:
 - District Name, CE ID, and contact information (phone and email address)
 - Description of the equipment, including the purpose and how it supports the operation or maintenance of the District
 - Provide an estimated cost and whether or not we have sought bid pricing

- Describe how the old equipment (if any) will be disposed of and acknowledge that any proceeds from the disposal will be used to offset the cost of the replacement
- Acknowledge that any equipment purchased will be used exclusively (100%) by the District

4. Competitive Sealed Bidding (IFB – Invitation For Bid).

The competitive sealed bidding method is a “Formal Procurement Method” that is used when the contract value is at or above the Small Purchase threshold, which is \$50,000 in the state of Texas. The formal procurement method requires a District to post a public advertisement in a newspaper of general circulation for two consecutive weeks upon release of the solicitation. It is recommended that the District post the advertisement on their website or a trade website as well as email or make phone calls as a means of advertising to potential bidders.

- DRAW ACADEMY C.E. will ensure the following conditions:
 - A complete, adequate, and realistic specification or purchase description will be made available
 - The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price
 - Evaluation criteria will be included in the solicitation in regard to determining a winner if the same price has been received from 2 or more different vendors
- DRAW ACADEMY C.E. will adhere to the following requirements:

- The solicitation will be publicly advertised
- Provide detailed information such as response time, date and time responses are to be received, how responses must be submitted, date and time of public opening, and any other pertinent details
- Provide product and/or service specifications that allow multiple responses
- Award the contract to the most responsive and responsible bidder. Factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest.
- Any or all bids may be rejected if there is a sound documented reason
- The following employee positions will participate in the IFB Procurement

Method:

- Food Service Director; CN Director; Program or Operations Manager
 - Write product or service specifications
 - Write the solicitation document
 - Send the IFB to potential suppliers
 - Participate in the opening of the submitted bid quotes and determine a winner
- Assistant Manager or Director; Purchasing Specialist; Business Office Manager
 - Write product or service specifications
 - Write the solicitation document
 - Send the IFB to potential suppliers
 - Participate in the opening of the submitted bid quotes and determine a winner
- Cafeteria Director or Manager
 - Write product or service specifications
 - Write the solicitation document
 - Send the IFB to potential suppliers
 - Participate in the opening of the submitted bid quotes and determine a winner
- Eligible vendors.
 - All suppliers that have been identified as potential bidders
 - Only district-approved and qualified suppliers
- Payment for IFB Purchases.
 - PO to be created prior to the invoice payment. This is handled through the Business Office

5. **Competitive Proposals (RFP – Request For Proposal)**

A request for proposal is a “Formal Procurement Method” used for purchases when an IFB is not appropriate. An RFP describes in a general way what is needed and requests that vendors submit a proposal for servicing the needs of the district. RFP’s can be used for either goods or services and require the prospective vendor to submit a technical proposal that explains how they will meet the objectives of the solicitation document and a cost element that identifies the costs to accomplish their proposal. Price is to remain the major consideration but can be one of many evaluation factors used to determine the most advantageous winner. The RFP also allows for negotiation as a means to obtain the best value or price.

- DRAW ACADEMY C.E. will ensure the following conditions:
 - A complete, adequate, and realistic specification or purchase description will be made available
 - The procurement lends itself to a firm fixed price contract or cost reimbursable price
 - The selection of the successful bidder will be made after an evaluation of criteria with price being the “heaviest weighted factor”
 - Negotiation of price or best value will be handled with complete fairness and integrity
- DRAW ACADEMY C.E. will adhere to the following requirements and required documents (2 CFR 200.318 - 326):
 - The solicitation will be publicly advertised
 - Solicitation document will include a cover sheet with the RFP description, contact information, issue date, closing date and opening date
 - Written instructions and bidder information sheet to be completed by the proposer
 - Clear product and/or service specifications
 - Clear description of district demographics and product usage (as relevant)
 - Clearly stated evaluation criteria to include scoring rubric
 - Standard and/or Special Terms and Conditions of the contract
 - Discounts, Rebates, and/or credits provisions where applicable
 - Questionnaires as appropriate
 - Reference Sheet

- Certifications per ARM Section 17 and Appendix II to Part 200 of 2 CFR 200:

Intangible Property 2 CFR 200.315

Procurement of Recovered Materials/Solid Waste Disposal 2 CFR § 200.322

Profit as a Separate Element of Price 2 CFR 200.323(b)

Record Retention Requirements 2 CFR § 200.333

Rights to Inventions 37 CFR §401.2 (a)

Termination for Cause or Convenience 200.326 Appendix II to Part 200 (B) Certificate of Insurance 2 CFR 200.447
Cooperative Agreements 2 CFR 200.24
Byrd Anti-Lobbying 2 CFR 200.450; 200.326 Appendix II Part 200 Sec. "I"
Certification Regarding Debarment, Suspension, 200.326 Appendix II To Part 200 Sec H
Ineligibility and Voluntary Exclusion for Covered
Contracts

Clean Air and Water Certificate 200.326 Appendix II Part 200 Sec. "G"
Equal Opportunity Employment 200.326 Appendix II Part 200 Sec. "C"
Contracting with Small, Minority, Women 2 CFR 200.321
Business Enterprises, and Labor Surplus Area
Firms

Conflict of Interest Questionnaire 24 CFR § 3282.359
Disclosure of Lobbying Activities Appendix B To Part 418 2 CFR Felony Conviction
Notification (Exhibit Only) 21 CFR 1301.90
Nutrition Services Certification For “Buy 7 CFR 210.21 Sec. D
American” Provision

Nutrition Services “Buy American Waiver Exception List 7 CFR 210.21 Sec. D
Certificate Regarding Worker's Compensation 48 CFR 970.2803-1 Certificate Regarding
Drug-Free Workplace 38 CFR § 48.635
Certificate Regarding Alcoholic Beverage And 21 CFR § 1140.1
Tobacco-Free Campus Policy

E-Verify 48 CFR 52.222-54
Iran Contracting 48 CFR 25.703-3
Civil Rights/Discrimination FNS Instruction 113-1
W9 Most Current Version Required

- Awarding of the contract:
- Evaluation will consist of product quality, services, or past performance determined by references, but not limited to, along with price as the heaviest weighted factor
- Cost plus percentage of cost will not be allowed as a basis for award (2 CFR 200.320)
- Any or all bids may be rejected if there is a sound documented reason
- The following employee positions will participate in the RFP Procurement Method:

- Food Service Director; CN Director; Program or Operations Manager
- Write product or service specifications
- Write the solicitation document
- Send the IFB to potential suppliers
- Participate in the opening of the submitted bid quotes and determine a winner
- Assistant Manager or Director; Purchasing Specialist; Business Office Manager
- Write product or service specifications
- Write the solicitation document
- Send the IFB to potential suppliers

- Participate in the opening of the submitted bid quotes and determine a winner
- Cafeteria Director or Manager
- Write product or service specifications
- Write the solicitation document
- Send the IFB to potential suppliers
- Participate in the opening of the submitted bid quotes and determine a winner
- Eligible vendors.
- All suppliers that have been identified as potential bidders
- Only district-approved and qualified suppliers
- Payment for RFP Purchases.
- PO to be created prior to the invoice payment. This is handled through the Business Office

6. Non-Competitive Negotiation and Sole Source Procurements.

These types of procurement methods are used to compensate for the lack of competition. This lack of competition may result from overly restrictive solicitation documents, an inadequate number of suppliers in the area or the procurement environment may have been compromised by inappropriate supplier actions (i.e. market allocation schemes). Non-competitive negotiation occurs after the solicitation (sealed bid, competitive negotiation or small purchase) has been issued, but competition on that solicitation has been deemed inadequate.

- Non-competitive negotiations or sole source procurements are restricted to specific situations and may only be used when:
 - Inadequate competition in a formal procurement method
 - Public emergency exists
 - Goods or services are only available from one manufacturer through only one supplier

- DRAW ACADEMY C.E. will obtain TDA's approval prior to award and purchase of products or services. All requests for approval must be submitted through the State Agency's online system, TX-UNPS.
 - The following employee positions will oversee the approval process for a Non-Competitive and/or Sole Source Procurement Method:
 - Food Service Director; CN Director; Program or Operations Manager
 - Assistant Manager or Director; Purchasing Specialist; Business Office Manager
 - Cafeteria Director or Manager
- **Bid/Proposal Questions and Protest Procedures An interested party may protest any of the following situations:**
 - **Solicitation or other request for offers for a contract for the procurement of property or services**
 - **Cancellation of a solicitation or other request**
 - **Award or proposed award of a contract**
- **Termination of a contract, if the protest alleges that the termination was based on improprieties in the administration of the contract.**

DRAW ACADEMY C.E. will do the following:

1. Include clear instructions in each solicitation document about questions and protest procedures.
2. Follow all written procedures to resolve protests.
3. Ensure that all protests are resolved.
4. Retain all documentation related to a protest.
5. Notify TDA when a protest is received.

DRAW ACADEMY C.E. will address all respondent protests within 24 hours of the bid award. DRAW ACADEMY C.E. will provide evaluation scores and pricing at the request of the respondent. Violations of law should be referred to the local, state or Federal authority.(2 CFR, Section 200.318[k])

DRAW ACADEMY C.E. will allow respondents to request clarification of information prior to the close of the bid/proposal. These requests must be received a minimum of 3 business days prior to the close of the bid/proposal. DRAW ACADEMY C.E. will address the request for additional information as an addendum to all respondents.

Economic Price Adjustments in Vendor Contracts

The economic price adjustments, which allow a District to adjust costs in the contract, must be tied to an appropriate standard or cost index. Relating the price adjustments in a contract to an index allows the District to ensure that increases under the contract are not without basis. For example, if fuel prices are increasing drastically, an appropriate index such as the Consumer Price Index (CPI) will reflect this change.

This index is preferred because the USDA uses this index for the National School Lunch Program (NSLP) yearly funding increases. The intention is that if the USDA increased funding by a certain percentage the District would be able to allow the increase in food cost to rise at the same percentage. Vendors will be able to bid on multi-year contracts that allow for inflation and the District will be able to maintain a consistent level of service and food cost percentage from year to year.

Applying Geographic Preferences in Procurement

As amended, the National School Lunch Act (NSLA) allows SFA's receiving funds through the CN Programs to apply a geographic preference when procuring unprocessed, locally grown or locally raised agricultural products. This applies to operators of all of the School Lunch Programs.

DRAW ACADEMY C.E. will apply geographic preference to the procurement of agricultural products that:

1. Are unprocessed
2. Are locally grown or locally raised
3. Have not been cooked, seasoned, frozen, canned, or combined with any other products

Because the NSLP is Federally Funded, geographic preferences cannot be restrictive to local definitions such as city, county, or state lines. DRAW ACADEMY C.E. determines local as “within the United States territory and within the state of Texas” (mileage may vary for items dependent on bidding preference)

Discounts, Rebates, and Credits

DRAW ACADEMY C.E. requires that all discounts, rebates, and credits accrue back to the school nutrition account. The contractor will be required to identify the amount of each discount, rebate, or other applicable credit on bills and invoices presented to the ___ ISD. Contractors will be required to identify the method by which they will report discounts, rebates, and credits. All discounts, rebates, and credits will be tracked via monthly invoices or annual velocity reports. Contractors will be required to maintain documentation of costs, discounts, rebates, and credits and make those available to DRAW ACADEMY C.E. upon request.

Buy American Provision

DRAW ACADEMY C.E. adheres to the Buy American Provision (7 CFR 210.21) when purchasing commercial food products to be served in the district’s SNP meals. This provision will be included in all solicitations for food to be used in the school nutrition programs.

Per Section 104(d) of the William F. Goodling Child Nutrition Reauthorization Act of 1998 {Public Law 105-336} added a provision, Section 12(n) to the NSLA (42 USC 1760(n)), requiring School Food Authorities (SFA’s) to purchase, to the maximum extent practicable, domestic commodity or product. Section 12(n) of the NSLA defines “domestic commodity or product” as an agricultural commodity that is produced in the United States and a food product that is processed in the United States using substantial agricultural commodities that are produced in the United States. Substantial” means that over 51 percent of the final processed product consists of agricultural commodities that were grown domestically. Products from Guan, American Samoa, Virgin Islands, Puerto Rico, and the Northern Mariana Islands are allowed under this provision as territories of the United States. The Buy American provision (7 CFR Part 210.21(d)) is one of the procurement standards SFA’s must comply with when purchasing commercial food products served in the school meals programs.

DRAW ACADEMY C.E. will purchase domestic food products per the Buy American Provision unless:

1. The product needed is not produced or manufactured in the U.S. in sufficient and reasonable available quantities of a satisfactory quality; or

2. Competitive bids reveal the costs of a U.S. product are significantly higher than the non-domestic product

DRAW ACADEMY C.E. will maintain all documentation in regard to any food purchases that are deemed “non-domestic” to include cost comparisons if the product is available as a “domestic” product that is seen as unreasonable in cost; or if not available as a U.S. grown product the documentation will include the “country of origin.”

Small and Minority Businesses, Women Business Enterprises, and Labor Surplus Area Firms and/or Disabled Veteran Business Enterprise (MWDVBE)

DRAW ACADEMY C.E. will encourage open competition amongst small, minority, woman, and disabled veteran’s businesses by:

1. Reducing barriers in Formal and Informal Contract solicitations by:
 - a. Allowing for businesses that may be MWDVBE to compete on an equal footing. This will be accomplished by having a qualification process where MWDVBE bids are given points equal to the requirements that may be restrictive, such as length of service in business, size of distribution facilities, etc...
 - b. Allowing for extra points in the evaluation if a bidder/proposer qualifies as an MWDVBE
 - c. Structuring contracts to allow “awards to more than one Proposer in the best interest of the District in order to award a portion of the agreement to MWDVBE vendor that may not be able to perform to an agreement that is too large for current financial/logistical capabilities.
2. Structuring Contracts that May allow for Cost Credit to Small, Minority and Women owned businesses:
 - a. DRAW ACADEMY C.E. may structure an RFP Formal Procurement agreement to allow for price variation of not more than 5% of total cost above the lowest responsive bidder to award to a small, minority or women owned business. For example, the lowest bidder was \$100 dollars, a certified small, minority or women owned enterprise bid \$105, the contract may be awarded to the small, minority or women owned enterprise if it is in the best interest of the District.
3. Providing Positive Outreach
 - a. DRAW ACADEMY C.E. will place qualified small, minority and women owned enterprises on solicitation lists; and
 - b. Assure that small, minority and women owned enterprises are solicited whenever they are potential sources

Local Sourced Products: Farm to School Initiative

DRAW ACADEMY C.E. is committed to local markets and family farmers in the State of Texas. Our objective is to support the local agricultural economy and reduce the environmental impact of long-distance shipping. DRAW ACADEMY C.E. defines “Local Sources Products” as products that are grown within the State of Texas, with preference to sources located within 100 miles of the school’s main campus.

When purchasing local sourced products, DRAW ACADEMY C.E. will follow the planning phase as stated earlier in this manual and do a cost/price analysis to determine the most appropriate procurement method.

In order to encourage the bidders to purchase locally sourced produce, DRAW ACADEMY C.E. may assign additional point values in the “Award of Contract” section of the solicitation that can demonstrate:

The bidder is purchasing produce locally by submitting a list of local farmers, their addresses, the produce that is anticipated to purchase from each farm location, and the anticipated harvest dates of the produce

1. The bidder must also agree to the ability to submit a report during the term of the contract that demonstrates continued purchases from local farms

Use of Excess and Surplus Property

TO the best of the district's ability, may utilize excess and surplus property when available. The TDA allows a district to use a significant portion of our entitlement (PAL) allocation from USDA to purchase DOD fresh fruit and vegetable products. The TDA manages the solicitation and award of the DOD Produce Vendors. Contracting Entities (CE's) in the state of Texas and participating in the DOD Fresh Program can receive weekly deliveries as outlined in the awarded contract.

Cooperative Membership and Procurement

The USDA allows for "Purchasing Goods and Services Using Cooperative Agreements, Agents, and Third-Party Services.

DRAW ACADEMY C.E. may participate in a purchasing cooperative when it is determined to be in the best interest of the district. As a governmental agency, DRAW ACADEMY C.E. has the option to legally join a "governmental agency or Education Service Center (ESC) agency" purchasing cooperative through an Interlocal or Inter Agency Agreement.

If determined in the best interest to join an ESC Agency cooperative, DRAW ACADEMY C.E. will request a copy of the Interlocal or Inter Agency Agreement and complete and submit to the appropriate contact of the co-op. DRAW ACADEMY C.E. will do the following once membership in the cooperative has been confirmed:

1. Provide product estimated quantities planned for purchase for each bid selected.
2. Review that all procurement documents and cooperative processes have been conducted in accordance with applicable Federal, State and local regulations.
3. Will confirm that their addition to any contract selected does not create a material change as outlined in the contract per 2 CFE 200.318[e] that states a material change occurs when the change in scope of the contract is significant enough that potential bidders might have bid differently had they been award of the impacts from adding additional agencies.
4. Request access to all documentation related to the contract for compliance with records retention requirement to include but not limited to:
 - a. Solicitation
 - b. Verification of Published Advertisement
 - c. Contract Terms and Conditions
 - d. Evaluation Criteria, if any
 - e. Responses
 - f. Notification of Awarded vendor(s)
 - g. Documentation of any extensions or Amendments
 - h. Recall Procedures

Unnecessary or Duplication of Goods/Services

DRAW ACADEMY C.E. will avoid acquisition of unnecessary or duplicative items/services.

Purchases will be justified using the following criteria:

1. Purchaser will determine if there are like items in the District that may not be in use and consider transferring item before determining if purchase is necessary
2. The item is being considered for menus or is needed to serve, prepare, receive, transport or store an item on the menu
3. The item is replacing an obsolete, broken, damaged or outdated piece of equipment.

Recalls

DRAW ACADEMY C.E. will use the following procedures in regard to products that have been recalled, or are discovered to be defective or faulty:

1. The Food Service Director/Manager/Program Coordinator will register for email notifications of recalled products through USDA Food Safety and Inspection Service (usfsis@public.govdelivery.com) and/or recalls.gov or any other viable resource in regard to food and product safety and recalls
2. Vendors' Recall procedures will be requested with every Small Purchase, IFB and RFP procurement method used
3. Any notices or alerts from awarded vendors or distributors in regard to a recalled product will be handled immediately, following all instructions from the vendor or distributor in regard to the handling of the recalled product
4. Actions may include but not be limited to:
 - a. Disposal of all affected product
 - b. Photos of products affected, documentation of case lot numbers, distributor codes or any other pertinent information as documentation of product origin
 - c. Removal of affected product to a safe area to be picked up by the vendor or distributor
 - d. Credits issued for all affected product that could not be used

PAYROLL

GENERAL

- The Business Manager shall perform the final audit and review of all taxpayer's classifications before approval for payment.
- The Superintendent determines the need for academic personnel. The Business Manager determines the need for administrative personnel.
- Employees fall under these categories:
 - Part time or hourly based. Part-time teacher aides, after school instructors, contractual based. This group is not eligible for medical or dental insurance.
 - Full time: Full time teacher aides, classroom teachers, ancillary teacher, administrative personnel.
 - Employees must file IRS form W4 to authorize FICA retention.
 - Employees must complete an FBI check form in order to perform a security check. This form will be updated every six months and will be kept in the employee's permanent record file.
 - Social Security numbers and Driver Licenses must be facilitated and kept in employees' permanent files.

PROCESS

- A payroll schedule is developed at the beginning of the school year and facilitated to the employees.
- Annual salaries are divided in 24 (twenty-four) paychecks. Payroll is generally deposited directly into the employees' accounts on the 5th and 20th of every month.
- The Business Manager inputs the information on the ADP software and uploads it to the system at least three days prior to payroll scheduled day.

INSURANCE

The Business Manager is responsible for pricing the following insurances:

- Directors' liability insurance.
- School liability insurance
- Workers compensation insurance.

- Medical insurance
- Dental insurance.

The DRAW Academy will be responsible for premium insurances

The DRAW Academy will pay 50% of the employees' cost of Medical Insurance.

INVENTORIES

General :

In order to properly account for physical inventory during a fiscal year, it is necessary to make a complete and accurate physical count of all inventory items as of June 30 each year, and to observe year-end closing procedures that will insure all such inventory items are recorded properly.

Instructions for Taking Physical Inventories

- The Charter school will implement year-end closing procedures to insure proper comparison of physical inventory to book inventory. The following general instructions should be followed in taking physical inventories:
- Storage areas where inventory will be counted should be arranged, prior to inventory date, in such manner as to expedite the physical count and to insure accuracy. Count sheets with preliminary information, such as description of inventory items, stock number, unit cost, etc., should be prepared prior to the inventory date, whenever possible.
- All inventory items must be counted. Items of high unit value should be recounted or checked to ascertain that a proper count has been made. Damaged or obsolete items should be counted and listed on a separate count sheet, with the original cost of items indicated. Please give complete description of such items, and indicate whether damaged or obsolete.
- Items leased or on loan from extramural organizations should be listed on a separate count sheet, with value assigned. Be certain not to list these items as School owned inventory.
- Once the physical count begins, there should be no movement of inventory items until the count of all items has been completed and approved by the individual responsible for that particular inventory.
- Merchandise received prior to July 1, but after the physical count begins, will be segregated and not commingled with other inventory. After completion of count, this merchandise should be opened, inspected, counted and included in the physical inventory count sheets.
- On-line receiving for all merchandise received prior to the close of the fiscal year must be posted no later than the document cut-off date established by the Controller and Treasurer. In case of partial receipts, a memorandum must be submitted to the Business Manager with:
 - Storage location
 - Account number charged
 - Purchase order number

- Name of vendor
- Description of each item
- Quantity received
- Unit cost (including shipping and handling charges)
- All merchandise received prior to the close of the fiscal year on partial or complete shipments should be included in the physical inventory. Partial shipments will be recorded as Accounts Payable and inventory in the old fiscal year.
- When full shipment is completed on a partial receipt, sign and forward the receiving report on the total order as usual.
- Inventories should be priced at cost and on a first-in, first out basis.
- Inventories are components of the annual report.
- Schedule for Taking Physical Inventories
- A complete schedule for taking physical inventories will be issued by the Office several weeks in advance of the fiscal year-end.
- If the inventory dates, as scheduled, cannot be observed, or if compliance with the general instructions is not possible, please notify the Office.

Monthly Status Report

The DRAW Academy Board has written and adopted on February 28, 2003, the operating manual for the school's business activities. This section, the monthly report, is a component of that manual.

Rationale

This report is prepared to provide a comprehensive review and analysis of the overall business and academic performance of the school in general and of each grade level and specific areas in particular. Provide valid, timely, and auditable indicators of improving and non improving tasks for executive management.

It is submitted to all Board members, to appropriate Texas Educational Agency if so required, and posted in the Internet as a component of the public information. To respect a degree of privacy, Content requirements "a" and "b" will not be posted on the Internet.

General

Submission is due on the 20th day of the month following the end of the reporting month.

Content Requirements

Personnel performance evaluation:

Evaluate, provide growth plans when necessary, determine needed professional development, and if necessary decide termination.

Academic personnel. Responsible: Superintendent

Administrative personnel. Responsible: Business Manager

By class performance

Test and classroom performance data. Responsible: Superintendent

New discipline referrals and improvement. Responsible: Superintendent

Number of absences

Reports 1 and 2: These reports reflect number of occurrences and basic information. Complete records are kept in the individual personnel permanent record file. Refer to attached documents with narrative when necessary. Keep accumulative records for termination or court process if necessary.

Preventive actions:

Identify the magnitude and impact of actual and potential problem areas including variables causing significant time and funding consumption.

Responsible: Superintendent and Business Manager.

Identification and rationale.

Corrective action proposed

Tools for measure improvement.

Former 6-c follow up monitoring activities and results.

- Unjustified schedule variances from original plans.
- Responsible: Business Manager.
- Rationale.
- Corrective action.
- Former 6-d follow up monitoring activity and result.
- Unjustified academic variances from original plans.
- Responsible: Superintendent.
- Rationale.
- Corrective action.

2. Former 6-e follow up monitoring activity and result.

Facilities. Responsible: Business Manager

Maintenance, repairs, preventive maintenance, and future physical plant development. Reports c, d, e, and f are narrative in nature.

- **Financial.** Responsible: Business Manager
- Application: Data reported in the Monthly Status Report will pertain to all a to g content.
- Budget variance analysis and explanation must be provided if the current month actual cost variance is more than (+/-) 10% of the planned budget.
- Preparation Instructions : The Monthly Status Report shall be submitted in accordance with the following format requirements:
- Section 1: Executive Summary:
- The responsible party shall provide a brief narrative of the accomplishments, problems, and issues regarding all content. This section must reflect the assessment of overall content status in relation to planned and expected performance. Schedule performance should be discussed in terms of the key milestones associated with each content area. Monthly and cumulative budget vs. actual cost and cost variance shall be provided.

In addition, the contractor shall report on the monthly status of each content development and implementation process.

- Section 2: Content Status: Narrative following the areas detailed below.
- Impact of the content modification and/or improvement in narrative.
- Corrective actions taken.
- Outlook for Next Month: This section will contain a compilation of all significant activities and events to be addressed in the next monthly status report. The responsible party will specifically address workarounds and other planning efforts undertaken to resolve problems identified in the current month's status report

Annual Financial and Compliance Report

The financial statements are derived from the general ledger accounts maintained by the charter school in its financial accounting system.

Cash and Investments:

The School has policies and procedures that identify the types of investments it is allowed to utilize and the steps that it will follow when using the investments identified.

Fixed Assets Records:

The Charter will maintain accurate fixed asset records will include the following information: Accounting for both current and non-current assets. Included within non-current assets are fixed and intangible assets. Fixed assets have certain properties that distinguish them from other types of noncurrent assets. Fixed assets are:

- Tangible in nature
- Long-lived (have a life that exceeds one year)
- Of a significant value at purchase or acquisition time
- Reasonably identified and controlled through a physical inventory system
- Description of the fixed asset:
- Fixed assets may include land, buildings, machinery, furniture and other equipment. "Fixed" denotes probability or intent to continue use of an asset and does not indicate immobility of an asset. These data include, Quantity, Location, Condition, and Life expectancy
- Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.
- Local, state, and/or federal funds used to acquire the fixed asset.
- Whether title vests in the charter school, the state government, or the federal government.
- Acquisition date (or date received by a donor) and cost.
- Information from which one can calculate the percentage of state and/or federal participation in the cost of the fixed asset (not applicable to equipment furnished by a donor).
- Location and condition of the fixed asset and the date the information was reported (this may be the date of the last physical inventory taken by the charter school).
- Unit acquisition cost.
- Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a charter school compensates the federal awarding agency for its share.

A physical inventory will be taken once every two years (a statistical sampling approach is acceptable) to ensure that assets exist and are in use.

Fixed Asset Exhibit

An exhibit will be included in the Annual Financial and Compliance Report identifying the fixed assets of the charter school and the ownership interest of all parties (*i.e.*, local, state, federal) in all real property and improvements and capitalized personal property acquired with public funds during the term of the charter or presently held by the charter holder. A disclosure note stating that all property acquired during the term of the charter, and all property presently held by the charter holder, is considered public property will be added. It will also include reconciliation to amounts disclosed in the applicable statement of financial position if the exhibit amounts differ from the amounts reported on the statement of financial position.

Expenses and Allowability of Costs

The school will ensure that expenses are properly allocated to the appropriate sources of funding, projects and/or cost objectives. This includes not only sources of funding provided by state and/or federal agencies but also by local programs. Local programs include programs, services, activities, and functions administered by the charter school, the charter holder, and any other individual and/or entity affiliated with the charter holder and conducting business on behalf of the charter holder and/or the charter school.

Generally, expenses can be allocated to a specific local, state, and/or federal source of funding, project and/or cost objective. In some instances, however, the transaction that generated the expense cannot be attributed to a specific source of funding, project and/or cost objective. Consequently, the charter school has developed a methodology for allocating certain expenses (*e.g.*, administrative overhead costs, business office expenses, facility/office rent expenses, management service fees, and telephone charges).

The independent audit will ensure that the methodology used is reasonable, properly allocates expenses between local, state, and federal funding sources, projects, and/or cost objectives, and is consistently applied by the charter school.

The charter school has developed a method for identifying costs and assigning these costs to the benefited source of funding, project, or cost objective on a reasonable and consistent basis. The charter school maintains an accounting system and records that adequately document and support the propriety of the costs assigned.

Federal Funding Purchase Addendum:

Addendums to the DRAW Academy **Accounting** policies and Business procedures handbook

Section IX- Annual Financial and Compliance Report, 5- Federal Funding Purchase Addendum:

Purchases or expenses allocated to federal sources of funding follow this procedure:

- Academic stage of requisition and approval:
 - Members of the teaching team and/or grade level team leader evaluate a need and research the appropriate teaching supplies or materials.
 - This need is further evaluated by the grade level team leader and if approved, the request is submitted to the principal.
 - The principal evaluates the appropriateness and potential for adapting the new materials to supplement the efficiency of existing programs and is the final academic authority for final approval.
 - Managerial Approval
 - The Assistant CEO/Superintendent and a designated Program Coordinator revise the purchase assuring the materials fit the purpose of the specific program, that the source of funding is appropriate, and that the purchase is in accordance with federal regulations.
- Program coordinators to revise the purchase are designated for:
 - Federal Titles
 - Special Education
 - Food Program
 - E-rate
 - Any other Federal Program (like ESSER)
 - Purchase
 - The school's secretary will place the order for materials with the vendor.
 - The school's secretary will produce payment upon receiving the approved an
 - signed Purchase Order and the vendor's invoice or proforma invoice.

The school secretary controls the reception and internal delivery of the purchased materials.

After the purchase, the information is sent to the accountant for input into the ledger.

The Assistant CEO/Superintendent will enter the information on TEA's Expenditure Report to claim the funds.

Indirect Cost Rate Proposal

Indirect costs are costs that have been incurred for common or joint purposes and benefit more than one source of funding, project or cost objective. Generally, indirect costs are those remaining after direct costs have been determined and assigned directly to a source of funding, project or cost objective. A

cost may not be allocated to a source of funding, project or cost objective as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned as a direct cost. Indirect costs are normally charged to a source of funding, project or cost objective by the use of an indirect cost rate. The indirect cost rate is documented in an indirect cost rate proposal.

The charter school has developed a method for identifying indirect costs and developing a rate to be applied against the funds for every source of funding, project or cost objective. The charter school maintains an accounting system and records that adequately document and support the propriety of the costs included in the indirect cost rate proposal.

- i. Profit and Loss report
- ii. Cash flow statement
- iii. Balance sheet
- iv. Payroll records
 - i. Tax Records
 - ii. Ledger
 - ii. Texas Workforce Commission reports 10- Tax records. Form 990.
- v. Audit Committee - Selection of Audit Firm. Is the Board's responsibility to seek and elect an audit firm who will conduct an independent audit as required.

SAMPLE ANNUAL FINANCIAL AND COMPLIANCE REPORT

What to expect: The following represents a sample of an audit and the forms and reports expected from an independent audit firm.

Sample Certificate of Board

We, the undersigned, certify that the attached Annual Financial and Compliance Report DRAW Academy Charter School was reviewed and (check one) ___ approved _ disapproved for the year ended August 31, 20AA, at a meeting of the governing body of said charter school on the _ day of __, 20AA.

Signature of Board Secretary Signature of Board President

NOTE: If the governing body of the charter school does not approve the independent auditors' report, it must forward a written statement discussing the reason(s) for not approving the report.

Sample Independent Auditor's Report

JONES AND JONES, CPAs
(address)

Independent Auditor's Report

Board of Directors
The DRAW Academy

Incorporated Members of

the Board of Directors:

We have audited the statement of financial position of The DRAW Academy Charter School (the charter school) as of August 31, 20AA and the related statements of activities and functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the charter school's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the charter school, as of August 31, 20AA, and the changes in net assets, and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 20AA, on our consideration of the charter school's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, in all material respects, in relation to the financial statements taken as a whole.

Jones and Jones,
CPAs October 30,
20AA

Sample Statement of Financial Position

The DRAW Academy Charter School

As of August 31, 20AA

20AA

20ZZ

Assets

Current Assets

Cash and cash equivalents	\$ x,xxx	Accounts receivable	\$ x,xxx
xxx			x,xxx xxx x,xxx

Prepaid expenses xxx

Total current assets x,xxx

Property and Equipment, net	x,xxx,xxx	x,xxx,xxx
-----------------------------	-----------	-----------

Total Assets	\$ x,xxx,xxx	\$ x,xxx,xxx
--------------	--------------	--------------

Liabilities and Net Assets

Current Liabilities

Accounts payable	\$ xx,xxx	\$ xx,xxx
------------------	-----------	-----------

Accrued liabilities	xx,xxx	xx,xxx –
---------------------	--------	----------

Deferred revenue	x,xxx	xx,xxx xxx,xxx
------------------	-------	----------------

Current portion of long-term debt	xx,xxx	
-----------------------------------	--------	--

Total current liabilities xxx,xxx

Long-Term Debt	x,xxx,xxx	x,xxx,xxx
----------------	-----------	-----------

Total Liabilities	\$ x,xxx,xxx	\$ x,xxx,xxx
-------------------	--------------	--------------

Net Assets

Unrestricted	xx,xxx	xx,xxx
--------------	--------	--------

Temporarily restricted	x,xxx	–
------------------------	-------	---

Total Net Assets	\$ x,xxx,xxx	\$ x,xxx,xxx
------------------	--------------	--------------

Total Assets \$ x,xxx,xxx

\$ x,xxx,xxx

Sample Statement of Activities

The DRAW Academy Charter School For the Year Ended
August 31, 20AA

Unrestricted Temporarily Restricted

Total

Revenues and Other Support

Local support:

Contributions xx,xxx	\$ xx,xxx	\$
Fund-raising activities Total		
local support	xx,xxx xx,xxx	xx,xxx xx,xxx
State program revenues	xxx,xxx x,xxx	
Foundation School Program		
Other State Aid	xxx,xxx	
		x,xxx
Total state program revenues xxx,xx		xxx,xxx
Federal program revenues:		
ESEA Title I, Part A	xx,xxx	xx,xxx
ESEA Title X	xx,xxx	xx,xxx xx,xxx
Total federal program revenues		
	xx,xxx	
Interest and other income	xxx	xxx
Net assets released from restrictions	xx,xxx	(xx,xxx)
Total Revenue and Other Support \$ x,xxx,xxx	x,xxx	\$
x,xxx,xxx		
Expenses and Other Losses		
Program Services:		
General School Operations	xxx,xxx xx,xxx	
xxx,xxx	xx,xxx	xx,xxx xx,xxx
ESEA Title I, Part A Support Services: Administrative		
Fund-raising	xx,xxx	xx,xxx
Total Expenses x,xxx,xxx	\$ x,xxx,xxx	– \$

Change in Net Assets	xx,xxx xx,xxx –	x,xxx
Net Assets, beginning of year	x,xxx	x,xxx
Net Assets, ending of year	\$ xx,xxx	\$ x,xxx
	\$ xx,xxx	

Sample Statement of Functional Expenses

The DRAW Academy Charter School For the Year Ended August 31, 20AA

Program Services

<hr/>		
General School	ESEA	
_____ Operations	Title I,	Total
_____	_____ Part A	_____

6100 Payroll Costs

Professional personnel	xxx,xxx	xx,xxx	xxx,xxx
Support personnel	xx,xxx	xx,xxx	xx,xxx
Employee benefits	xxx,xxx	x,xxx	xxx,xxx
Total Payroll Costs	xxx,xxx	xx,xxx	xxx,xxx

6200 Professional and Contracted Services

Professional services	xx,xxx	x,xxx	xx,xxx
Repair and maintenance	xx,xxx		xx,xxx
Utilities	xx,xxx		xx,xxx
Total Professional and Contracted Services	xx,xxx	x,xxx	xx,xxx

6300 Supplies and Materials

General expenses	xx,xxx		xx,xxx
Operating supplies	xx,xxx		xx,xxx
Textbooks, testing and reading materials	xx,xxx	x,xxx	xx,xxx
Total Supplies and Materials	xx,xxx	x,xxx	xx,xxx

6400 Other Operating Costs

Depreciation	xx,xxx		xx,xxx
Insurance costs	x,xxx		x,xxx
Miscellaneous operating costs	x,xxx		x,xxx
Total Other Operating Costs	xx,xxx	—	xx,xxx

6500 Debt

Interest expense	xx,xxx		xx,xxx
Total Debt	xx,xxx	—	xx,xxx

Total Expenses

	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
	\$ xx,xxx	xx,xxx	\$
			<u>xx,xxx</u>
	<hr/> <hr/>	<hr/> <hr/>	

Sample Statement of Cash Flows

The DRAW Academy Charter School For the Year Ended August 31, 20AA

	<u>20AA</u>

Cash flows from operating activities:	
Foundation School Program payments	\$ xxx,xxx
Grant payments	xx,xxx
Contributions and fund-raising activities	xx,xxx
Miscellaneous sources	xxx
Payments to vendors for goods and services rendered (xxx,xxx)	
Payments to charter school personnel for services rendered (xxx,xxx)	
Interest payments	_____ (xx,xxx)
) _____
Net cash provided by investing activities	_____ xx,xxx

Cash flows from investing activities:	
Purchase of equipment	_____ (x,xxx)

Net cash provided by investing activities	_____ (x,xxx)

Cash flows from financing activities:	
Principal payments on long-term debt	_____ (xx,xxx)
) _____
Net cash provided by investing activities	_____ (xx,xxx)
) _____
Net increase in cash	

Cash at beginning of year	_____ x,xxx

Cash at ending of year	_____ <u>\$ x,xxx</u>
	=====
Reconciliation of change in net assets to net cash provided by operating activities:	
Change in net assets	\$ x,xxx
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	xx,xxx
(Increase) Decrease in assets:	
Accounts receivable	xxx
Increase (Decrease) in liabilities:	
Accounts payable	xxx
Accrued liabilities	_____ (xxx)

Net cash provided by operating activities	_____ <u>\$ x,xxx</u>
	=====

Sample Notes to the Financial Statements

The DRAW Academy Charter School For the Year Ended August 31, 20AA

Note 1: Summary of Significant Accounting Policies

Organization

The DRAW Academy Charter School (the charter school) is an open enrollment charter school that opened on September 1, 20YY. The Contract for Charter granted by the State Board of Education of the State of Texas pursuant to Chapter 12 of the Texas Education Code is effective until August 31, 20CC. The charter school was organized to provide educational services as an open enrollment charter school.

The charter school is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the financial statements do not include a provision for income taxes.

Basis of Presentation: The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles. Accordingly, management made certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Restricted revenues whose restrictions are met in the same year as received are shown as unrestricted revenues. Accordingly, net assets of the organization and changes therein are classified and reported as follows:

Unrestricted – net assets that are not subject to donor-imposed stipulations.

Temporarily restricted – net assets subject to donor-imposed stipulations that may or will be met, either by actions of the charter school and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted – net assets required to be maintained in perpetuity with only the income to be used for the charter school's activities due to donor-imposed restrictions.

Contributions - The charter school accounts for contributions in accordance with the Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in temporarily restricted or permanently restricted net assets in the reporting period in which the support is recognized. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents: - For financial statement purposes, the charter school considers all highly liquid investment instruments with an original maturity of three months or less to be cash equivalents.

Property and Equipment - Property and equipment are stated at cost. Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the assets, which range from three to twenty years. Expenditures for additions, major renewals and betterments are capitalized, and maintenance and repairs are charged to expense as incurred. Donations of property and equipment are recorded as direct additions to net assets at fair value at the date of donation, which is then treated as cost.

Note 2: Property and Equipment

Property and equipment at August 31, 20AA is as follows:

Land	xxx,xxx
Buildings and improvements	x,xxx,xxx
Vehicles and equipment	_____ xxx,xxx
Total property and equipment	x,xxx,xxx
Less accumulated depreciation	_____ xxx,xxx
Property and equipment, net	\$
	_____ <u>x,xxx,xxx</u>
	=====

As of August 31, 20AA, the entire amount reported as property and equipment, net, was acquired with public funds. Consequently, all property and equipment represents public property.

Note 3: Long-Term Debt

Long-term debt at August 31, 20AA consists of the following:

Note payable to a bank, 5% interest, principal and interest due monthly in installments of \$x,xxx, commencing October 1, 19YY. Final payment is due October 1, 20MM. The note is secured by a first lien on land and buildings of the charter school.	\$ x,xxx,xxx
Less current portion of long-term debt	_____ xxx,xxx
Total long-term debt	\$ x,xxx,xxx
	=====

Future maturities of long-term debt at August 31, 20AA are as follows:

<u>Year Ended August</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>31,</u>			
20BB	\$ xx,xxx	\$ xx,xxx	\$ xx,xxx
20CC	xx,xxx	xx,xxx	xx,xxx
20DD	xx,xxx	xx,xxx	xx,xxx
20EE	xx,xxx	xx,xxx	xx,xxx
20FF	xx,xxx	xx,xxx	xx,xxx
Thereafter	_____ xxx,xxx	_____ xxx,xxx	x,xxx,xxx
	\$	\$	\$
	_____ x,xxx,xxx	_____ xxx,xxx	x,xxx,xxx
		=====	=====

Note 4: Pension Plan Obligations

Plan Description - The charter school contributes to the Teacher Retirement System of Texas (the System), a public employee retirement system. It is a cost-sharing, multiple-employer defined benefit

pension plan with one exception; all risks and costs are not shared by the charter school, but are the liability of the State of Texas. The System provides service retirement and disability retirement benefits, and death benefits to plan members and beneficiaries. The System operates under the authority of provisions contained primarily in Texas Government code, Title 8, Public Retirement Systems, Subtitle C, Teacher Retirement System of Texas, which is subject to amendment by the Texas Legislature. The System's annual financial report and other required disclosure information are available by writing the Teacher Retirement System of Texas, 1000 Red River, Austin, Texas 78701-2698 or by calling (800) 877-0123.

Funding Policy - Under provisions in State law, plan members are required to contribute 6.4% of their annual covered salary and the State of Texas contributes an amount equal to 6.0% of the charter school's covered payroll. These percentages are subject to change.

Note 5: Health Care Coverage

Since the first year of inception, DRAW Academy employees were covered by a Health Insurance Plan (the Plan). The charter school contributed 75% of the employee premium cost per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay contributions or premiums for dependents. All premiums were paid to licensed insurers.

Note 6: Deferred Revenue

Deferred revenue at August 31, 20AA consisted of the following:

	<u>20AA</u>	<u>20ZZ</u>	
ESEA Title I, Part A – Improving Basic Programs	x,xxx		–
ESEA Title X – Public Charter School			
		x,xxx	–
Grant			
Total	\$		–
		<u>x,xxx</u>	

Note 7: Temporarily Restricted Net Assets

Temporary restricted net assets for the years ending August 31, 20AA and 20ZZ consisted of the following:

	<u>20AA</u>	<u>20ZZ</u>
ESEA Title I, Part A – Improving Basic Programs	x,xxx	–
ESEA Title X – Public Charter School	x,xxx	–
Grant		
Total \$		–
	<u>x,xxx</u>	

Note 8: Related Party Transactions

Included in The DRAW Academy accounts receivable at August 31, 20AA is \$ x,xxx due from Anywhere Subsidiary Day Care, an affiliate of the charter school.

Note 9: Commitments and Contingencies

The charter school receives funds through state and federal programs that are governed by various statutes and regulations. State program funding is based primarily on student attendance data submitted to the Texas Education Agency and is subject to audit and adjustment. Expenses charged to federal programs are subject to audit and adjustment by the grantor agency. The programs administered by the charter school have complex compliance requirements, and should state or federal auditors discover areas of noncompliance, charter school funds may be subject to refund if so determined by the Texas Education Agency or the grantor agency.

Note 10: Maintenance of Effort¹

For fully insured charter schools, enter the total amount paid by the charter school for employee health care premiums as reported to TEA per Note 5:

A) Total annual premiums paid for health care 20ZZ-20A\$_____

B) Subtract any non-medical expenditures:

Life insurance \$_____

Dental insurance \$_____

Vision insurance \$_____

Long Term Disability \$_____

Short Term Disability \$_____

Alternate Plans \$_____

COBRA Expense \$_____

Retiree Expense \$_____

\$_____

C) 20ZZ-20AA Maintenance of Effort \$_____

Or use if the following is applicable:

Self-Insured Charter Schools: TRS will permit a self-insured district to include in (B) a deduction for any individual one-time high cost claims from the total cost. Claim must be documented and considered an extraordinary, catastrophic expense (i.e. not covered by stop loss).

For self-insured charter schools, begin with the total amount contributed by the district for employee health care as reported to TEA per Note 5:

A) Total charter school contributions for health care 20ZZ-20AA \$_____

B) Subtract any non-medical expenditures:

Life insurance \$_____

Dental insurance \$_____

Vision insurance \$_____

Long Term Disability \$_____

Short Term Disability \$_____

Alternate Plans \$_____

COBRA Expense \$_____

Retiree Expense \$_____ One-time Catastrophic Claims \$_____

\$_____

C) 20ZZ-20AA Maintenance of Effort \$_____

Sample Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

JONES AND JONES, CPAs

Post Office Box 99

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors

The DRAW Academy Incorporated Members of the Board of Directors:

We have audited the financial statements of the The DRAW Academy Incorporated (the charter school) as of and for the year ended August 31, 20AA, and have issued our report thereon dated October 30, 20AA. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the charter school's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the charter school in a separate letter dated October 30, 20AA.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the charter school's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Jones and Jones, CPAs October 30, 20AA

Sample Schedule of Findings and Questioned Costs The DRAW Academy Incorporated

Schedule of Findings and Questioned Costs For the Year Ended August 31, 20AA

- I. Summary of Auditor's Results
 1. Type of auditor's report issued on the financial statements: Unqualified.
 2. Reportable conditions identified that are not considered to be material weaknesses: None.

3. Material weaknesses identified: None.
4. Noncompliance material to the financial statements: None.

- 5. Federal awards:
 - I. Auditee did not meet the requirements for a Single Audit.
 - II. Findings related to the Financial Statements

The audit did not disclose any findings that are required to be reported.

- III. Findings and Questioned Costs related to Federal Awards None.

Sample Schedule of Prior Audit Findings

The DRAW Academy Incorporated Schedule of Prior Audit Findings

For the Year Ended August 31, 20AA

Finding 20ZZ-1

Criteria

Paragraph K, Records Retention and Management, of the applicable Contract for Charter states

“Charterholder shall implement a records management system that conforms to the system required of school districts under the Local Government Records Act, Section 201.001, et seq., Local Government Code, and rules adopted thereunder; provided, however, that records subject to audit shall be retained and available for audit for a period of not less than five (5) years from the latter of the date of termination or renewal of the charter.”

Condition: The charter school did not maintain adequate documentation to support certain disbursements from charter school funds. Specifically, charter school personnel did not require that original receipts be filed before the payment of amounts owed on charter school credit card accounts.

Total amount of unsupported expenditures: \$xx,xxx

Effect: Charter school funds were used to pay unsupported expenditures and, consequently, the charter school was unable to adequately account for the disbursement of funds. The charter school may have violated the Contract for Charter.

Recommendation: The charter school must maintain adequate documentation to ensure that disbursements are adequately supported. Charter school personnel should be adequately trained and supervised to ensure that the accounting policies and procedures are followed in a proper and timely manner. The charter school should use local funds to reimburse the state and federal programs that paid for the unsupported transactions.

Management Response: The charter school will train staff to ensure that they are knowledgeable of the accounting policies and procedures. Charter school management will monitor employee adherence to

these guidelines and rules. The charter school will reimburse the state and federal programs the amount of \$xx,xxx for the supported transactions identified by the auditor.

Status: Auditors did not identify any additional lapses in documentation requirements. The charter school reimbursed the applicable state and federal programs the amount of \$xx,

IV. Public Access to Records (Open Records Requests)

The Texas Public Information Act states that, unless otherwise expressly prohibited by law, all persons are entitled at all times to full and complete information regarding the affairs of organizations. As used in the Act, the term "governmental body" includes boards that are within or created by the executive branch of the state government and that are under the direction of one or more elected or appointed members (i.e. Charter schools). "Public information" means information that is collected, assembled, or maintained by the school body in connection with the transaction of their business. As a holder of a Non-profit 501C(3) Status, The DRAW Academy Corporation complies with all laws and regulations that guarantee public access to records.

V. Requests for New Policies and Procedures

This manual is a work in progress. It can and must be modified as better policies and procedures are identified. In order to do so, any member of the school can propose a modification to the Business Manager and/or Superintendent to be elevated to the Board for consideration. The Board has the final authority to approve or deny the modifications.

Sources:

TEA Financial Accountability System Resource Guide,V. 8.1

<http://www.tea.state.tx.us/school.finance/audit/resguide8/fasrg8.html>

ATTACHMENTS

ONE: Answers, commentary, and previsions added after observations during the 2020-21 procurement review. December 14th 2020

Please see below the answers to the questions on e-mail dated December 02 2020

A - Procurement Procedures

As stated on section XII of the Accounting Policies and Administrative Procedures;

Requests for New Policies and Procedures

This manual is a work in progress. It can and must be modified as better policies and procedures are identified. In order to do so, any member of the school can propose a modification to the Business Manager and/or

Superintendent to be elevated to the Board for consideration. The Board has the final authority to approve or deny the modification.

Due these constant revisions, including requests from different audits, the following has been added to the Accounting Policies and Administrative Procedures under IV- PURCHASING

Definitions: TEA Guidance on Micro-Purchase Flexibility Under EDGAR adopted November 29, 2018 4-
Micro Purchase:

The LEA may expend no more than \$10,000 on micro-purchases throughout the fiscal year. The threshold amount applies to the sum of all the federal grants received by the LEA.

To increase LEAs' micro-purchase flexibility, TEA is providing the following guidance: The \$10,000 "aggregate amount" threshold applies to purchases of "like-types" of items. The \$10,000 threshold applies to each like-type that the LEA defines.

2- Small Purchase:

Procurement by small purchase procedures uses a relatively simple and informal method of procuring services, supplies, or other property that do not cost more than the simplified acquisition threshold. The small purchase procedures require price or rate quotations from an adequate number of qualified sources from at least three price quotations.

Acquisition threshold is \$250,000 and should be considered as an aggregate amount within the grant period of the applicable grant.

Texas Education Code (TEC) 44.031 requires competitive procurement methods be used for purchases valued at \$50,000 or more.

*Source: Department of Contracts, Grants and Financial Administration

1- Contract management needs to explain how the contract will be managed

DRAW Academy utilizes the Texas Education Agency Contract Management Handbook, as published by the Contracts And Purchasing Division published in 11/2018 as a general guideline for contract monitoring.

DRAW Academy monitors vendor performance to ensure vendor is providing the agreed goods and services consistent with the terms and conditions of the contract and prevent fraud, abuse, and waste.

General monitoring activities for all contracts include, but are not limited to:

- Reviewing invoices to ensure the receipt and acceptance of goods and services per contract requirements.
- Monitoring Agency contracts for certain administrative reporting activities stated in the contract's terms and conditions or in any special provisions. These include contractor reporting of any litigation, lobbyist activities, changes in ownership or financial status, and key changes on personnel.

- Monitoring changes in any contract requesting updated plans when contract amendments or renewals are processed.

The CE assures the delivery of goods complies with the contracted services and agrees with rules and regulations. In the case of meals delivery, this information is collected daily by personnel on the serving lines.

Discrepancies, items missing, or lesser quality than expected or contracted is immediately informed to the NSLP Program Coordinator who contacts the appropriate vendor and reports to the CEO. If needed a reimbursement or any other remedy to cure the defect is pursued directly by the CEO.

2- Buy American and retention of exemption records:

DRAW Academy complies with the NSLP “BUY AMERICAN” USDA Regulation 7 CFR Part 250.

In both RFP for catering services and the contract with caterer, Exhibit G - Schedule Of Applicable Laws is stated the following:

“CATERER shall comply with the Buy American provision for contracts that involve the purchase of food, USDA Regulation 7 CFR Part 250.”

DRAW has adopted the BUY AMERICAN policy as mandated by USDA.

<https://www.fns.usda.gov/cn/compliance-enforcement-buy-american>

Compliance with and Enforcement of the Buy American Provision in the NSLP - FNS-GD-2017-0041

Attached is DRAW BUY AMERICAN policy, which is included as a component of the Accounting Policies and Administrative Procedures Handbook and published in DRAW’s web page at:

https://drawacademy.org/wp-content/uploads/2020/12/DRAW_ACADEMY_Buy_American_regulation_7_CFR_Part_250.pdf

3- Do you have additional procedures that may cover these items?

a- DRAW Academy Accounting Policy states under Operation of Educational Business Activities the following:

DRAW Academy policies comply and follows the Special Supplement of the Financial Accountability System Resource Guide for Charter Schools adopted for this policy.

Where DRAW Academy policy conflicts with State law or regulations, the State Law and Regulations prevails.

- b- All procedures are subject to modification as best practices or regulations change.
- c- DRAW follows a Record Management Policy according to the Texas State Library and Archives Commission adopting the following schedules:
 - Local Schedule GR – Retention Schedule for Records Common to All Local Governments.
 - Local Schedule SD – Retention Schedule for Records of Public-School District

a- Formal:

1- This procurement method involves publicly soliciting bids and awarding a firm-fixed-price contract (lump sum or unit price) to the responsible bidder whose bid is the lowest in price and complies with the terms and conditions of the invitation for bid.

2- Procurement By Competitive (Negotiated) Proposals:

This formal method is used when price is not the primary factor in procurement decisions. The competitive proposal method is typically used when more than one source is submitting an offer, and either a fixed price contract or a cost reimbursement type contract. When using this method, a charter school issues an RFP and make an award to the responsible proposer whose proposal is most advantageous to the program based on price as well as and other factors.

3- Non-Competitive Proposals (Sole Source):

This procedure may only be used when none of the other methods identified above are feasible AND one of the following situations is present:

- a- the item is only available from a single source;
- b- the procurement is needed to address an urgent need;
- c- the relevant state or federal authority authorizes noncompetitive proposals; or
- d- after soliciting bids or proposals from a number of sources, there is a documented basis for determining that competition produced insufficient results.

When using this method, a charter school solicits a proposal from only one source. The method is also used when, after requesting bids or proposals from a number of sources, competition is determined to be inadequate.

The requirements above apply only to procurements for which federal funds are used. Otherwise, the less onerous state purchasing requirements described at the beginning of this memo apply.

B- Code of Conduct

The following required elements are missing from the document:

1- Provide for specific disciplinary actions for violations by officers, employees, or agents. Do you have this information elsewhere?

On the DRAW Academy Charter located on the CE's web page, http://drawacademy.org/wp-content/uploads/2010/03/DRAW_CHARTER.pdf from page 98 on is listed the required qualifications, expectations, evaluation methods, and contractual agreements with all school personnel.

It also lists the assessments methodology and causes for termination.

Primarily DRAW follows Disciplinary Rules and Guidelines - Educator Disciplinary Rules as stated by SBEC.

2- The Code of Conduct provided is dated prior to the SY 2019-2020. Can you please provide any other documentation in regard to your 2019-2020 Code of Conduct or confirm this was the one used in 19-20?

DRAW Academy adopted the Accounting Policies and Administrative Procedures Handbook on 02/28/2003. It is a living document that guides all administrative activities.

Since that date, this document was subsequently revised and updated periodically. Those dates, in general coinciding with the first Board meeting of a school year, were July 2005, April 2008, April 2010, and August 2018.

The latest revision is happening on these days due the recommendations of different organizations and/or new rules and regulations as adopted by the State and Federal government and will be presented to the Board at the February 2021 regular meeting.

The document as presented was the valid guide during SY 2019-2020.

1- HOW IS THE CONTRACT MANAGED BY THE CE

Once the contract is approved the Child Nutrition Coordinator controls the daily operation and is the main contact with the vendor's personnel.

- The RFP is prepared by the CEO/Superintendent
- RFP answers are evaluated with a rubric, by the CEO/Superintendent, the Child Nutrition Coordinator and the School Principal
- The Contract is prepared by the CEO/Superintendent.
- The Child Nutrition Coordinator:
 - manages all mandated trainings for all personnel involved.
 - assures all permits, personnel certifications, and inspections are up-to date and posted.
- The CEO/Superintendent produces and maintains the Master List of eligible students, uploads monthly the school students' roster to the State and downloads the eligible students' roster from the state.
- The Child Nutrition Coordinator:
 - assures compliance with the CEP program according to rules.
 - controls and evaluates the daily performance and compliance.
 - revises compliance of menus and food production records.
 - negotiates adjustments according to the FDA/TEA requirements.
- Cashiers prepare the checklists and any other documentation needed for the claim.
- The Child Nutrition Coordinator revises the checklists and prepares the "Accuclaim" and submits to the state.
- The CEO/Superintendent, the Child Nutrition Coordinator, and the School Principal performs an evaluation at the end of the year.
- The evaluation and renewal process includes creation of a rubric and its scoring system, the final approval of renewals, the need for a new RFP. Involves the CEO/Superintendent, the Child Nutrition Coordinator, and the School Principal.

Other roles of the Child Nutrition Coordinator include:

- Commodities contract and report.

- Control of performance in the lunchroom
- Meals meeting nutrition requirements, quality, and levels of consumption and students' satisfaction.
- Food presentation and compliance with rules regarding “meal reimbursable” characteristics
- Vendor timeliness of deliveries
- Accuracy of billing comparing checklists by cashiers with vendor records and invoices.
- Final approval for payment submitted to CEO.

3- **ATTACHED:** Count sheets and "Acclaim" for months requested.

Please let me know if further information is needed.

A handwritten signature in black ink, appearing to read "Jonathan", with a horizontal line drawn underneath the name.

Grant Procedure Manual

Grant Objectives

DRAW Academy Charter School, in order to meet the goals outlined in the School Improvement Plan encourages staff to identify and secure funding from a variety of sources to meet the objectives specified under each goal.

The Grants Management key personnel of DRAW Academy Charter School under the direction of the CEO/ Superintendent responds to the Board of Trustees and to the granting agencies for the financial and regulatory administration of all state and federal financial assistance to the District.

The Grant Procedures Manual has been developed to serve as a framework of management procedures for grants awarded to the district. The forms and guidelines outlined in this manual are established in accordance with 34 CFR 80.20 accounting and financial management. The manual will guide campuses and the district on procedures to follow when managing a grant award.

Reference guides for identification of allowable/non-allowable expenditures, procedure on budgeting for enrichment activities such as after school tutorials, process for contractual services and activities specified in the campus/district improvement plan, and process for amending an awarded grant are all part of this document.

Key Personnel/Grant Management Team

Mrs. Patricia Beistegui	CEO/Superintendent
Mrs. Fernanda Soto	Assistant Superintendent
Mrs. Sonia Salgado	Program Coordinator
Mrs. Brenda Peral	Teacher Representative
Rosario Goto	Parent Teacher Organization Representative
Roberto Aramayo	Adult Education Coordinator
	Parent Representative

Grant Management Responsibilities

The overall responsibilities of the Team include but are not limited to:

Reviewing all grant applications that have a financial reporting or compliance requirement prior to submission for approval by the Superintendent

Establishing, communicating and promoting policies and procedures consistent with federal, state, and local regulations

Providing assistance to project managers for the preparation of grant applications

Exercising budgetary control of grant funds

Providing overall financial support and monitoring

Providing overall compliance monitoring to include:

Maintaining an adequate internal control structure to ensure compliance with applicable laws and regulations related to the state and federal regulations

Coordinating formal agency audits or interim reviews of grants by federal or state agencies

Providing support and guidance to campus and central administrative offices for the effective administration and financial management of grants.

Staff Responsibilities:

Director of Federal Programs and any other grant administrator reports directly to the Executive Director for Teaching & Learning and is responsible for:

Submitting all state and federal grant applications

Monitoring finance and compliance of all state and federal grants

Reporting unusual or irregular activities related to grants to the Executive Director for

- Teaching & Learning.

Maintaining current knowledge of federal, state, and District policies related to grants

Providing central staff and campus training for federal and state grants, as appropriate.

Other GMT responsibilities:

Review CIP and DIP for compliance

Develop assessment plans, budgets, staffing

Compliance reporting

Training on budgeting, travel reimbursements, etc.

Approval of all purchases/alignment with needs

Quarterly/end of year reporting

Reconciliation of accounting records with expenditure reports.

GRANT AWARD

Prior to a grant award the following proposal development has occurred:

1. **Identification of a problem/issue and the funding source:** A request for funding must relate to an identified need or problem with a school or the district.
2. **Development of the proposal:** Involvement of all stakeholders who will be affected by the project and all funding guidelines has been followed. The following elements have been incorporated into the grant:

Statement of Need: Grant need that is supported by quantitative and qualitative data.

Goals and Objectives: Goals and objectives related to the need have been identified in the grant where goals become the broad and long-term target while the objectives are your short-term. Both goals and objectives are measurable, realistic and indicate a change in outcomes.

Plan of Operation: A detailed plan of operating the grant has been identified where strategies and activities are outlined to reach the grant objectives and goals. A management plan, a timeline, and listing of key personnel are included.

Evaluation: All ongoing and final evaluations are described as links to the goals and objectives of the grant. Data collection and personnel responsible for conducting the evaluations are specified.

Budget: A detailed budget narrative and a completed budget form have been developed with the approval of the Director of Finance.

Notification of grant award:

The Board of Trustees is notified on grant awards at the regular monthly scheduled board meetings.

Upon notification of the grant award, the grantee submits a copy of the grant award letter, a copy of the grant, and copies of all budget and reporting forms to the Executive Director of Finance.

The grantee must develop a detailed budget of the grant and submit to the Office of Finance and Accounting. The Director of Finance will review and code each budget item in accordance with the provisions of the *Financial Accountability System Resource Guide*, create an electronic budget account and add responsible grant recipients to the expenditure approval route.

All budget expenditures must adhere to the district's board policies and procedures.

No funds are expended from the grant until a NOGA has been received.

Grant Process

The **Grants Procedures Manual** will serve as a tool for: managing a grant, monitoring the budget, employment authorization and payroll procedures, purchasing procedures, grant invoicing, and forms needed to help monitor financial transactions for the grant.

The following steps are taken when administering a grant:

1. **Grant Document**: A copy of the grant award document, including the approved budget and any other information is forwarded to the Executive Director of Finance.
2. **Region One Education Service Center Financial Access**: Grant recipient will have access to view financial information for the grant such as grant budget, expenditures, available balance and to create and view purchase orders. If access to the financial system is not available, a form needs to be completed with the Department of Finance in order to receive a pass code for monitoring the grant.
3. **Purchasing**: All purchase requisitions to expend grant funds are accessed through the accounting system. Approval pathways and forms have been set up to ensure that grant funds are expended according to the approved grant.
4. **Human Resources**: When employing grant personnel, collaboration must occur between the grant recipient and the Department of Human Resources in order to obtain proper procedures to follow when employing the new personnel.
5. **Semi-Annual Certification**: *Campus employees who are split-funded must complete a monthly Time and Effort log reflecting daily duties performed during the month. Central administrative staff must complete a T&E log at the end of each semester. All logs are submitted to the Department of Finance to reconcile time and effort to actual pay and making necessary adjustments.*

See **Attachment A** for Semi Annual Certification

1. **Invoicing and Fiscal Reporting**: All invoicing, drawdowns, and expenditure reports are done by the Department of Finance.
2. **Activity and Progress Reporting**: Program and narrative reporting is the responsibility of the grant recipient and must be submitted in a timely manner as specified on the grant RFA.

Grant Amendments

When to Amend:

Once the program or grant is approved and a NOGA is issued, re-budgeting within the approved direct cost budget to meet unanticipated requirements and make certain changes to the approved budget is permitted without submitting written amendments.

Amendment is required:

Add a class/object code not previously budgeted on the Program Budget Summary

Increase or decrease the amount budgeted in any class/object code on the Program Budget Summary by more than 25% of the current amount approved in the class/object code (for discretionary grants) or of the total approved budget (for formula grants).

Add a new item that requires specific approval in the itemized costs for Debt Service.

Increase or decrease the number of positions approved under Payroll Costs (6100).

Add a new item of computer hardware/equipment (not capitalized) approved under Supplies and Materials (6300).

Add a new item of capital outlay items approved under Capital Outlay for articles costing less than \$5,000 (6600).

Add a new item or increase the quantity of capital outlay items approved under Capital Outlay for articles costing \$5,000 or more (6600).

Reduce funds allotted for training costs (where such costs are direct payments or reimbursements to trainees, primarily travel and lodging for trainees; workshop or conference registration fees; tuition; books; and related fees).

Increase construction costs.

Request additional funding (if allowed for the grant).

Revise the scope (extent or range) or objectives of the grant (regardless of whether there is an associated budget revision requiring prior approval).

Add roll forward funds.

Add maximum entitlement funds.

Extend the end-date of the grant, if allowed (extension of more than three months) (discretionary grants).

Amendment is not required:**Discretionary Grants**

Increase or decrease the amount of funds for a previously approved itemized cost requiring specific approval as long as it does not result in an increase by more than 25% of the amount budgeted in the class/object code.

Increase or decrease the amount of funds currently approved in a class/object code as long as a new line item requiring specific approval is not being added and as long as the previous condition does not require

an amendment.

Formula Grants

Increase or decrease the amount of funds approved in a class/object code as long as a new line item requiring specific approval is not being added and cumulative transfers do not exceed 25% of the total approved budget.

All Grants

Increase the quantity of technology hardware (not capitalized) previously approved under Itemized Supplies and Materials (6300) as long as a new items of technology hardware is not being added.

Increase the quantity of capital outlay items previously included and approved in the list of articles costing less than \$5,000 under Capital Outlay (6600) as long as a new item of capital outlay is not being added.

Follow procedures listed in the grant for submission of schedules and reasons for amendments.

NOTE: Budget amendments to the state agency will be reviewed by the CEO/Superintendent in conjunction with the Program Coordinator, and approved by the Board of Directors prior to submission.

Grant Procedures for Contracts

Contract Approvals and Notifications

A contract/grant award is effective when the contract document is signed by all designees listed on the contract. When federal or state funding is used to pay consultants, the Program Director for the program must also sign and approve the contractual services. Contracts will identify the funding source for the services and will designate the beginning and ending dates of the services. Contracts for consultants must address one or more objectives listed in the campus or district improvement plans. Contractual services must adhere to board policies and federal guidelines. Consultants must be on the vendor list and a 1099 must be filed.

Services are not rendered until all procedures are followed and approved. Once the contract is approved contract recipients are notified to proceed with the services.

Payroll authorizations and requisitions are not processed until a fully executed contract is received in the Department of Finance. **Payments are processed upon receipt of an invoice and after services have been rendered.**

Contractual services funded through the Title I Part A grant must address one or more of the **ten components of a School-wide program:**

1. Transition
2. Assistance for Mastery
3. Highly Qualified
4. Reform Strategies
5. Parent Involvement
6. Professional Development
7. Comprehensive Assessments
8. Coordination/Integration of Programs
9. Teacher Involvement in Assessment Decisions
10. Employment and Recruitment

See **Attachment B** for explanation on each of the ten components.

Copies of contracts, requisitions and the district developed form tied to requisitions using federal funding need to be submitted to the Program Coordinator when all approved signatures have been acquired. The original contract is submitted to the Department of Finance.

Fees for services must be **reasonable and necessary.**

Reasonable costs are consistent with sound business practices and comparable to current market value and necessary costs are essential to accomplish the objectives of the project or grant.

Note: All contractual services must be tied to the district or campus improvement plans.

Grant Procedures For Expenditures

Requisition Processing

Requisition processing of grant/program expenditures must follow the district's purchasing procedures. All those designated on the approval route for approving requisitions must document and keep copies of all requisitions approved and the district form aligned to the campus/district improvement plan must be attached to the requisition.

All designees on the approval route must verify that the purchase is in accordance with the approved grant budget. All costs must be reasonable,

necessary, and allowable in accordance with the provisions and assurances of the applicable cost principles and the terms and conditions of the grant. Grant directors should adhere to the contract funding period and avoid acquisitions that cannot be fulfilled during the contract/grant funding period.

All goods must be delivered prior to the end of the grant period.

Vendor Payments

Payments to vendors for contract/grant activities shall follow procedures as documented in the Department of Finance and Purchasing Procedures Manual. Grant Directors will work closely with the Department of Finance to ensure that all vendors requesting payments are paid at the conclusion of services or the delivery of goods.

Technology/Equipment

Requests for purchasing technology/equipment must be made through the Department of Technology where the Director of Technology will ensure that bids are taken and the best offer is accepted. Once this has been approved then requisitions can be submitted to the various program/grant/finance directors for approval.

When using federal funding all equipment/technology will be delivered to the program director for inspection and shipment verification and numerical decaling of equipment will be done by the Purchasing Department for equipment valued over \$5,000 (Capital Outlay). Equipment under \$5,000 is tagged with the school district's name.

Travel

Travel authorizations should be processed in accordance to the district's travel procedures. Travel using federal funds must be preapproved by the Superintendent of Schools and the Program Coordinator.

Allowable/Nonallowable Expenses

Please refer to the **Reference Guide** in the attachments that clarifies what expenses are allowable or non-allowable for each funding source. If additional clarification is needed please contact the funding source director.

See **Attachment F** for Reference Guide.

Note: The following questions will determine if expenditure is allowable:

1. How is the program, activity, or strategy reasonable and necessary to carry out the intent and purpose of the program?
2. How does the program, activity, or strategy address a need previously identified in the campus comprehensive needs assessment?
3. How the program, activity, or strategy to be funded is described in the campus or district improvement plan before the decision of whether to pay the expenditures from Title I Part A funds?
4. How will the program, activity, or strategy be evaluated to measure a positive impact on student achievement?
5. If for a schoolwide campus, how will the program, activity, or strategy upgrade the entire educational program on the campus?
6. How is the program, activity, or strategy supplemental to other non-Federal programs? On a schoolwide program, the amount of Title I Part A funding on the campus must be supplemental.

Use of funds must be for:

1. Research-based mathematics program, activities, or strategies
2. Research-based reading or language arts programs, activities, or strategies.
3. Research-based science programs, activities, or strategies.
4. Research-based social studies programs, activities, or strategies.
5. Research-based writing programs, activities, or strategies.
6. Research-based arts programs, activities, or strategies.
7. Research-based foreign language programs, activities, or strategies.
8. Research-based individualized instruction programs, activities, or strategies.
9. Research-based small-group instruction programs, activities, or strategies.
10. Tutorials
11. Computer-aide instruction

Procedures for Cash Management/Expenditure Reports

The Department of Finance is responsible for all cash and cash flow management. The following steps are followed to track cash, cash flow needs and for federal draw downs:

1. A cash flow statement is prepared and revised as changes occur.
2. A printout of the general ledger is conducted daily.
3. Excess cash is determined for investment purposes.
4. Quotes are solicited for certificates of deposits.
5. Obtain the Superintendent of Schools signature to invest funds.

Submission of Expenditure Reports:

The following steps are conducted in submitting /expenditure reports:

1. Monthly, drawdowns are made based on expenditures.
2. A general ledger is printed according to fund codes.

3. All reports are reviewed by the CEO/ Superintendent and submitted electronically to Texas Education Agency.
4. All drawdown reports are kept on file.
5. All funds received are posted to the cash receipts journal.

Drawdown Procedure:

On the 10th of each month, a summary of expenditures for all grants including all federal funds is printed and the drawdown schedule filed in a binder.

Quarterly reports are submitted based on the latest drawdowns and are also certified. A copy of all reports are kept and filed.

FTEs

Total expenditures are verified and all FTE's are reported according to the Notice of Grant award and has been verified by payroll journals.

Grant Procedures for Budget Allocation

Title I Part A, Title I Part C, Title III, State Compensatory, and State Bilingual allocations are disseminated to campuses based on need and based on number of students that have been identified as at-risk and Limited English Proficient.

Campus administration submits a preliminary budget for needs identified through their Comprehensive Needs Assessment (CNA) document. These preliminary budgets serve as resources to develop the grant budgets and program needs. Once the grant/application is approved by the Texas Education Agency, then the Federal Programs' Director finalizes the campus budgets and submits a final copy to the Department of Finance for electronic submission.

Requests for budget modifications must be forwarded to the program director and the CEO/ Superintendent for review. Expenditures will not be authorized in advance until the budget change has been approved.

Grant Procedures for Tutorials/After School Enrichment

At the start of the school year each campus must submit a Tutorial Proposal Form estimating the number of students that will receive after school tutorials for each grade level and funding source used to provide these services. This form will be submitted to the prospective director responsible for the program indicated in the funding source.

Grant Procedures for Reporting

Fiscal Reporting

The program coordinator will prepare all required narrative reports.

The CEO/ Superintendent will prepare all required fiscal /financial reports in collaboration with the Program Coordinator and submit reports electronically to the Texas Education Agency website.

The Department of Finance will prepare all required invoices for processing. Quarterly reports will be done in accordance with grant/application requirements and Federal cash “drawdowns” will be done by the CEO/ Superintendent based on expenditures.

Record Keeping

All technical and fiscal reports related to grants must be maintained for a period of **seven years** at the conclusion of the grant period.

The Executive Director of Finance is responsible for the preparation of all final fiscal reports.

All copies of completed “drawdown reports will be retained with the Department of Finance.

All funds will also be posted to the cash receipts journal as received.

The Department of Finance will obtain all general ledger printouts by fund numbers.

The Federal Programs’ Director is responsible for the completion and submission of all required programmatic and technical reporting in accordance with specified due dates. Communications between the Department of Finance and all project directors/grant administrators is essential to ensure coordinated reporting.

Grant Procedures for Supplementing

NOT SUPPLANTING

DRAW Academy Charter School ensures that compliance with the federal fiscal requirement of supplementing and not supplanting is implemented. Federal funds are used to supplement (add to, enhance, expand or increase) the funds that are available from non-federal sources and not to supplant (replace, take the place of) existing non-federal funds.

Federal funds **are not to be used** to provide services that the District is required to provide under federal, state, or local laws/policies.

Examples:

Salary expenditures for staff required by federal, state, or local policy shall not be paid from federal funds.

Teachers meeting the state's 22:1 student-teacher ratio for grades K through 4 will not be funded from federal funds.

Salary expenditures for staff required by local policy shall not be paid from federal funds. (Nurses, counselors etc.)

Federal funds shall not be used to pay for state-required activities: state testing.

Federal funds shall not be used to provide staff that the district provided with non-federal funds in the prior year.

Federal funds shall not be used to pay for goods and services that the District provided with non-federal funds in the prior year.

NOTE: All purchase orders with federal funds shall be reviewed by the Federal Programs' Director to ensure compliance with the supplement, not supplant provision. The final approvers' signature and date is his/her representation that the grantee complied with local policy and procedure and state and/or federal law, rules and/or grants requirements, as applicable.

DRAW Academy Charter School
Procedures for Understanding School-wide Programs

2010-2011

A. How did my campus get designated as a school-wide campus?

The school's poverty rate is at least 40% or above and is able to participate as a Title I Part A school.

B. What are the basic components of a school-wide program that my campus has to adhere to?

1. *Comprehensive Needs Assessment of the entire school (including taking into account the needs of migratory children) that is based on information on the performance of children in relation to the state content and student performance standards.

2. *Schoolwide reform strategies that:

Provide opportunities for all children to meet the state's proficient and advanced levels of student performance.

Use effective methods and instructional strategies that are based on scientifically based research that:

- . Strengthen the core academic program in the school
- . Increase the amount and quality of learning time, such as providing an extended school year, before and after-school and summer programs, and help provide an enriched and accelerated curriculum and
- . Includes strategies for meeting the educational needs of historically underserved populations.

Include strategies to address the needs of all children in the school, but particularly the needs of low-achieving children and those at risk of not meeting the state student academic achievement standards who are members of the target population of any program that is included in the school wide program, which may include—

- . Counseling, pupil services, and mentoring services
- . College and career awareness and preparation, such as college and career guidance, personal finance education, and innovative teaching methods, which may include applied learning and learn-teaching strategies and
- . Integration of vocational and technical education programs, and
- . Address how the campus will determine if such needs have been met, and are consistent with, and are designed to implement, the state and local improvement plans, if any.

3. *Instruction by highly qualified teachers and highly qualified teacher aides.

4. *High-Quality, ongoing Professional development for teachers, principals and paraprofessionals and if appropriate, pupil services, personnel, parents, and other staff to enable all children in the school to meet the

state's academic standards.

5. **Employment and Recruitment**: Strategies to attract high-quality highly qualified teachers to high need schools.
6. ***Parental Involvement***: Strategies to increase parental involvement in accordance such as family literacy services, math and reading family nights, parents as partners training.
7. **Transition from Early Childhood Programs**: Plans for assisting preschool children in the transition from early childhood programs to DRAW Academy elementary school program.
8. ***Teacher Involvement in Assessment Decisions***: Include teachers in the decisions regarding the use of academic assessments in order to provide information to improve the performance of individual students and the overall instructional program.
9. ***Assistance for Mastery***: Activities to ensure that students who experience difficulty mastering the proficient or advanced levels of academic achievement standards shall be provided with effective, timely additional assistance, which shall include measure s to ensure that students' difficulties are identified on a timely basis and to provide sufficient information on which to base effective assistance.
10. **Coordination and Integration**: occurs between federal, state, and local services and programs, including programs under NCLB, violence prevention programs nutrition programs housing programs Head Start, adult education, vocational and technical education and job training

Every Purchase Order made using federal monies under Title I Part A, Title I Part C, Title III, Title IV, IDEA B, IDEA B-Pre-school and Stimulus, has to be coded for one or more of the following Title I components:

Transition
Highly Qualified
Assistance for Mastery
Parent Involvement
Comprehensive Assessments
Employment/Recruitment Strategies
Coordination/Integration of Programs
Teacher-Involvement in Assessment decision
Reform Strategies
Professional Development

School-wide Components Check one or more

- _Transition #7
- _Assistance for Mastery #9
- _Highly Qualified #3
- _Reform Strategies Tutorials #2
- _Parent Involvement #6

- _Professional Development #4
- _Comprehensive Assessments #1
- _Coordination/Integration of Programs #10
- _Teacher Involvement in Assessment decisions #8
- _Employment and Recruitment #5

Check Federal Funding Sources:

- _Title I Part A (At-Risk) 211
- _Title I Part C (Migrant) 212
- _Title II Part A (Teaching and Principal Training/Recruitment) 255-Central Office
- _Title II Part D (Technology) Stimulus 262
- _Title III (English Language Learners) 263
- _Title IV (Safe & Drug Free Schools) 204 C/O
- _IDEA B 224
- _IDEA B Pre-School 225
- _ARRA Title I Stimulus Funding 285 C/O
- _Stabilization Funding 266 Central Office
- _ARRA IDEA B Stimulus Funding 283 Central Office
- _ARRA IDEA B Pre-School Stimulus 284 Central

State Funding

- _State Compensatory 171
- _State Bilingual 191
- _Prekindergarten Grant 415
- _Optional Extended Year 401
- _Special Education 199
- _Gifted & Talented 199
- _Technology Allotment 411

Others

- _Jobs for the Future
- _Gates Foundation
- _Early College Expansion Grant 409
- _NOAA grant
- _Texas High School Project
- _Local Funding 199 21

Program Compliance:

The goal of federal and state compensatory programs is to provide at-risk students with educational programs that extend the regular instructional day. To comply with this requirement DRAW ACADEMY has developed and implemented a meaningful tutorial program that meets the needs of every student identified as at-risk. (Limited English Proficient, Migrant, and Economically Disadvantaged.)

Tutorial programs should supplement the regular instructional program by providing explicit, intensive, and direct instruction to students in a small group setting with a maximum of twelve students. Services will be provided before/after school or on Saturdays.

Tutors will instruct students following the topics indicated by the regular classroom teacher. These prescriptions will be provided by the regular classroom teacher on a “red-folder”, exchanged with tutors who will in turn return them to the teachers with their own set of recommendations and summaries.

This prescription must be very detailed and clear. The tutors do not replace the regular classroom teacher, thus they will not devise a separate academic program but will add up to the academic student experience by providing a 1:1 instructional time assuring concept mastery and collaboration with teachers and parents.

More specific instructions are detailed on the DRAW Way document.

Program Guidelines:

1. The program is designed school-wide.
2. Teachers must provide a list of students in need of participation after the first benchmark test of the school year.
3. Highly qualified teachers and highly qualified teacher aides can provide tutorial classes and can be paid with federal/state funding.
4. Tutorial funds can only be used to pay teachers for time outside the regular school day.
5. Instructional activities must focus on reading, writing, or mathematics.
6. No more than 12 students should be scheduled to a class.
7. Participants must utilize the sign-in system used during regular weekdays.

Pay Rates: (corrected for school year 2012-13)

1- Teachers will be paid \$25 an hour.

Teacher aides will be paid \$15 an hour