

**Chapter: General Financial Provisions**  
**Rule: Grants and Contracts for Assistance**

**Effective Date:** 11/1/06, T-82  
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**Replaces:** GAP.09.53  
**Dated:** 5/16/05, T-72

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(a) **Policy.**

The Texas Youth Commission (TYC) may seek additional funding by submitting applications for federal, state, and private funds. All grants shall be considered to be for the benefit of TYC as a whole and shall not be the exclusive concern of a single department or program. The executive director or designee shall have final authority on all grant decisions.

(b) **Definitions.**

(1) **Grant** – Shall include all forms of federal financial assistance such as direct block grants, sub-recipient grants, contractual agreements, discretionary grants, or reimbursements, receipt of property or commodities, and the performance of services on a per unit reimbursement basis. The term also includes all gifts and grants from state, city, or private sources for a specified use.

(2) **Grant Requestor** – Any TYC employee interested in procuring a new grant.

(c) **Person Responsible.**

(1) The **grants coordinator** shall be responsible for ensuring that grants are in compliance with TYC written policy, as well as federal and state rules and regulations pertaining to the specific grant such as, but not limited to, Uniform Grant Management Standards (UGMS), appropriate Office of Management and Budget circulars (A-87, A-102, A-133), Education Department General Administrative Regulations (EDGAR), and Texas Administrative Code (TAC). The grants coordinator is also responsible for seeking new funding opportunities.

(2) The **grant supervisor** shall be responsible for determining if the grant application is in compliance with the agency program, mission and goals, as well as continuing oversight, monitoring and support to the grant manager. The grant supervisor is the chief local administrator, or a program administrator or the appropriate department director who is designated by the appropriate assistant deputy executive director.

(3) The **grant manager**, who is identified by the grant supervisor, shall be responsible for the day-to-day administration of the assigned grant.

(4) The **budget manager for monitoring and control** shall be responsible for monitoring all funding regarding grants.

(5) The **grants accountant** shall be responsible for providing financial services.

(d) **Grant Conditions.**

The acceptance of grants is subject to the following conditions:

(1) funds may be accepted and expended only for those activities within TYC's appropriation bill pattern and enabling statutes;

(2) expenditures must meet requirements outlined in (GAP) §111.31 regarding contracts and Full Time Equivalent (FTE's);

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- (3) funds, unless exempted by statutory authority, must be deposited to the Comptroller of Public Accounts-Treasury Operation;
  - (4) acceptance must not necessitate any additional requests of state funds; and
  - (5) grants are administered in accordance with applicable state regulations, legislative appropriation riders, federal financial assistance requirements, and with the grantor's special provisions.
- (e) **Process for New and Renewals of Grants.**
- (1) **Submission of Funding Opportunity Evaluation Form for New Grants.**
    - (A) Prior to obtaining approval to begin the grant process, the grant requester must:
      - (i) consult with the grants coordinator to determine the feasibility of the grant by reviewing the application to ensure the grant is in compliance with TYC written policy, as well as federal and state rules and regulations. See subsection (c) for grants coordinator responsibilities for ensuring the grant is in compliance; and
      - (ii) consult with field staff or program staff or both (if necessary) to ensure the implementation of the grant is feasible if the grant is received.
    - (B) When it is determined the grant request complies with relevant rules and regulations, the grant requester shall forward the Funding Opportunity Evaluation form to the grants coordinator. The grants coordinator will consult with the grant requester to coordinate the signature process. Signatures could include, but are not limited to, the requestor's supervisor, the chief local administrator (CLA), the appropriate department director, legal services department in the Office of General Counsel and the appropriate assistant deputy executive director or designee.
    - (C) Within two (2) working days of receipt of the form, the form must be reviewed, signed and forwarded indicating the approval or disapproval of the grant request. If grant request is disapproved for any reason, the individual who is disapproving the grant request must justify in detail the rationale for disapproving the grant request on the Funding Opportunity Evaluation form.
    - (D) The grants coordinator shall review the form for completion and immediately forward the form to the executive director, through the deputy executive director, to determine whether to proceed with the grant request.
    - (E) The executive director will notify the grants coordinator of the decision regarding the grant application.
  - (2) **Submission of New Grant Application.**
    - (A) The grants coordinator will notify the appropriate parties of the executive director's decision regarding the grant application approval.

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- (B) Upon notification to proceed with the grant application, the appropriate assistant deputy executive director will immediately designate a grant supervisor and the grant supervisor will immediately designate a grant manager.
- (C) The grant manager, the grants coordinator and the grant requester will:
  - (i) establish a workgroup (to include other departments, such as finance, legal, human resources, business services, appropriate field representative) in order to complete the grant application. The work group will develop a work plan, which must include time frames and responsibilities; and
  - (ii) forward the work plan to the grant supervisor.
- (D) Within the timeframe designated by the work plan, the grant supervisor will review and modify the work plan as needed.
- (E) The workgroup will develop the application packet according to the work plan.
- (F) Within two (2) working days of receipt of the application packet, the grant supervisor, the appropriate assistant deputy executive director and the assistant deputy executive director for finance shall:
  - (i) review the application packet to determine if the application is in compliance with agency program, mission, goals and deadlines; and
  - (ii) forward the application packet indicating his/her agreement or disagreement to the grants coordinator.
- (G) The grant application packet will be presented to the Executive Council for approval. If the executive director is not present at the Executive Council meeting, the grants coordinator shall forward the grant application packet to the executive director, through the deputy executive director, for final approval. When presentation to the Executive Council is not feasible due to scheduling issues and deadline requirements, the grants coordinator will proceed with forwarding the packet to the executive director through the deputy executive director.
- (H) Following the executive director's approval, the grants coordinator will submit the grant application to the funding source. Submission may be delegated to the appropriate assistant deputy executive director or designee at the discretion of the executive director, depending upon grantor requirements.

**PLEASE NOTE:** If the grant application is rejected for any reason during the submission process, the grant application process will automatically stop.

**(3) Submission of Grant Renewals.**

- (A) Within 30 days prior to the grant renewal deadline (as indicated on the grants calendar), the grants coordinator will send reminders to grant managers of the grant renewal.

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- (B) No later than 15 days prior to the grant renewal deadline, the grant manager who is responsible for the grant will:
    - (i) initiate the grant renewal process;
    - (ii) ensure information previously provided remains current for the renewal of the grant; and
    - (iii) forward a copy of the original Funding Opportunity Evaluation form and renewal application packet to the grant supervisor, the grants coordinator, the appropriate assistant deputy executive director and the assistant deputy executive director for finance, through the grants accountant.
  - (C) Within two (2) working days of receipt of the renewal application packet, each party listed in subparagraph (B)(iii) above shall:
    - (i) review the renewal application packet to determine if the application is in compliance with agency program, mission, goals and deadlines; and
    - (ii) forward the renewal application packet indicating his/her agreement or disagreement to the grants coordinator.
  - (D) The grants coordinator shall forward the grant application packet to the executive director, through the deputy executive director, for final approval.
  - (E) Following the executive director's approval, the grants coordinator will submit the grant renewal application to the funding source. For federal education formula grants received through the Texas Education Agency, the grants supervisor will submit the grant renewal application; for all other grants, the grants coordinator will submit the renewal application. Submission may be delegated to the appropriate assistant deputy executive director or designee at the discretion of the executive director, depending upon grantor requirements.

**PLEASE NOTE:** If the grant renewal is denied for any reason during the submission process, the grant renewal process will automatically stop.

(f) **Grant Administration.**

- (1) Upon receiving notification that a grant has been awarded, the grants coordinator notifies the executive director of the notification and provides a copy to the appropriate assistant deputy executive director, director of internal audit and assistant deputy executive director for finance.
- (2) If notification is received by anyone other than the grants coordinator, the individual must notify the grants coordinator immediately.
- (3) The grants coordinator and grant manager shall meet with the budget manager for monitoring and control, the grants accountant, a representative from the Juvenile Corrections Department (if youth services are to be purchased pursuant to (GAP) §111.1) and a representative from the Business Services Department to review the conditions of the grant.

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- (4) The grant manager is responsible for:
  - (A) developing a work plan to include:
    - (i) funding period;
    - (ii) staffing of grant (FTE/subcontractors);
    - (iii) timeline for activities to be completed;
    - (iv) update the grant calendar to indicate due dates for grantor's required reports and renewal dates;
    - (v) timeline for expenditures; and
    - (vi) any other pertinent information, including other divisions' involvement.
  - (B) forwarding a copy of the work plan to the grant supervisor for approval;
  - (C) ensuring that each employee engaged in the grant is provided access to agency's policy and procedures manuals, as well as an explanation that the employee is expected to exercise reason and judgment consistent with their position and training;
  - (D) monitoring the day-to-day administration of grant activities to ensure all programmatic items and expenditures comply with the grant agreement and TYC's policies;
  - (E) requesting grant expenditure reports from the grants accountant, if needed;
  - (F) preparing and submitting required or requested programmatic reports in accordance with guidelines specified by the funding agency to the grant supervisor and grants coordinator;
  - (G) submitting copies of the grant packet to the grants accountant; and
  - (H) maintaining the grant masterfile with all appropriate documentation.
- (5) The grant supervisor must approve the grant manager's work plan and forward a copy of the approved work plan to the grants coordinator.
- (6) The budget manager for monitoring and control is responsible for the ongoing review of the fund balances, the progress of expenditures against elapsed time of the grant, and notifications to the grant manager and supervisor as appropriate.
- (7) The grants accountant is responsible for:
  - (A) establishing special accounts in the Comptroller of Public Accounts-Treasury Operations;
  - (B) preparing requests for funds and reimbursement claims;
  - (C) submitting financial reports required by grantor;
  - (D) transferring funds as required for indirect cost and payroll matching costs;

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- (E) coordinating fiscal activities with the budgeting, payroll, and purchasing staff;
  - (F) reviewing purchase vouchers for post payment financial compliance;
  - (G) ensuring professional service contracts and expenditures based on available income comply with the grant agreement;
  - (H) submitting monthly budget summaries to the grant manager and grants coordinator; and
  - (I) maintaining financial documentation on all grants.
- (8) All purchases are coordinated through the Business Services Department.
- (A) All grant requisitions must be submitted to Business Services Department, through the grant manager, prior to encumbering and purchasing.
  - (B) All grant requisitions greater than \$5,000 must be accompanied by a justification statement and appropriate competitive bids.
  - (C) All grant requisitions from institutions must be encumbered at least 90 days prior to the grant's end.
  - (D) All grant requisitions from Central Office must be submitted to Business Services at least 60 days prior to the grant's end.
  - (E) All items ordered must be received in compliance with the terms and conditions of the grant.
  - (F) All orders not received within time constraints of a grant are to be canceled.
  - (G) All items received after the end of the grant are to be returned. Not paid for from the next year's grant.
  - (H) Those items not received may be re-requisitioned and submitted back through the process.
  - (I) Exceptions to the preceding can be granted by the assistant deputy executive director for finance based on severity of financial loss to the agency.
- (9) Any proposed amendments to grants or contracts shall be reviewed and approved by the grant supervisor. Following approval by the grant supervisor, the grants coordinator will coordinate approval reviews by the Finance Division and the appropriate assistant deputy executive director. Notification by a granting agency's disposition of a submitted amendment will be made immediately to the grant supervisor, grants coordinator, and the appropriate assistant deputy executive director(s).
- (10) The grants coordinator shall submit required programmatic reports to the funding agency following approval from the executive director, through the deputy executive director.

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- (11) Grant audits are included in the annual internal audit plan. The State Auditor's Office conducts the annual single audit to meet Office of Management and Budget (OMB) Single Audit Act guidelines for all agencies in the State of Texas.
- (12) If an individual receives any state or federal audit or any monitoring visits by a grantor agency which includes fiscal and/or program compliance notification, he/she shall immediately notify the:
- (A) assistant deputy executive director for finance;
  - (B) director of internal audit;
  - (C) grants coordinator;
  - (D) grant supervisor;
  - (E) budget manager for monitoring and control;
  - (F) grants accountant;
  - (G) grant manager; and
  - (H) appropriate assistant deputy executive director(s).
- (g) **Evaluations.**
- (1) Evaluations may be included as part of the grant proposal or as conditions of the grantor. Evaluations may be conducted by the grantor, TYC, or a private evaluator.
- (2) The Research Department is responsible for conducting or coordinating any evaluations of grant funded programs, except those for educational programs, which are the responsibility of the superintendent of education.
- (h) **Reports.**
- The grants coordinator shall report to the Governor's Office of Budget, Planning and Policy in accordance with Texas Government Code § 772.009:
- (1) each application or request made to the United States government for grant funds;
  - (2) the award or designation by the United States government of any funds for expenditure by TYC; and
  - (3) the agency's efforts in acquiring available discretionary federal funds during the preceding state fiscal year.
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