

**STUDENT ALTERNATIVES PROGRAM, INC. DBA TRIUMPH PUBLIC HIGH
SCHOOLS (TPHS)
BOARD POLICY MANUAL
POLICY GROUP 5 – FISCAL MANAGEMENT
GRANT ACCOUNTING**

PG-5.120

Sec. 1. PURPOSE OF POLICY.

Through this policy, the Board of Directors (hereafter, the “Board”) of Student Alternative Programs, Inc. doing business as Triumph Public High Schools (TPHS) (hereafter, the “Charter District”) shall address the legal requirements, as applicable, pertaining to the administration of Federal awards.

Sec. 2. APPLICABILITY.

Unless otherwise indicated, this Policy PG-5.120 applies to the Charter District’s administration of Federal awards of financial assistance received from the Texas Education Agency (“TEA”), U.S. Department of Education, Texas Department of Agriculture, and other Federal and state agencies.

Sec. 3. AUTHORITY OVER FISCAL MATTERS.

Unless otherwise indicated, the Board’s Policy PG-5.001, Authority Over Fiscal Matters, will govern and control over the policy statements set forth in this Policy PG-5.120.

For the Board policy pertaining to the Delegate and designee, see Section 3.2 and Section 4 of PG-5.001.

Sec. 4. FEDERAL AWARD DEFINED.

For purposes of this Policy PG-5.120, “Federal award” and “grant” means the Federal financial assistance that a recipient receives directly from a Federal agency or indirectly from a pass-through entity pursuant to a grant agreement or cooperative agreement, as applicable.¹

Sec. 5. FINANCIAL MANAGEMENT SYSTEM.

See Board Policy PG-5.102, Financial Management System.

Sec. 6. RESPONSIBILITY FOR GRANT ADMINISTRATION.

Sec. 6.1. Financial Management. The Delegate or designee shall bear responsibility for the following financial management activities:

- (a) Maintaining fiduciary and financial responsibility over each Federal award.

¹ 2 C.F.R. § 200.1

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- (b) Maintaining accurate and complete contemporaneous financial accounting records for each Federal award, including the use of grant funds and property and the maintenance of employee time accounting records.
- (c) Reviewing and approving the budget for each grant, including budget amendments.
- (d) Ensuring compliance with applicable law, rule, and grant requirement governing grant financial management, including the appropriate expenditure of grant funds.
- (e) Ensuring the lawful procurement of goods and services with grant funds.
- (f) Timely preparing and submitting accurate and complete expense reports for the reimbursement or advanced payment of grant expenses.
- (g) Liaising with external auditors to coordinate the conduct of the annual audit and other audits.
- (h) Reporting to the Board, the Audit Committee and the Finance Committee the results of the annual and other audits.
- (i) Performing other duties and responsibilities necessary to ensure fiscal compliance with applicable law, rule and grant requirement.

Sec. 6.2. Program Management. Each grant shall have a manager assigned who shall be responsible for:

- (a) Initiating, planning, preparing, filing, and negotiating grant applications, including conducting a needs assessment, developing goals, strategies, and performance measures, and preparing the grant budget.
- (b) Monitoring grant program implementation to ensure that grant terms and conditions are met and that grant goals are attained.
- (c) Ensuring compliance with applicable law, rule, and grant requirement governing grant program activities.
- (d) Identifying, preparing and proposing amendments to the approved grant program to address changed circumstances.
- (e) Monitoring, assessing, and ensuring that individuals and entities awarded a contract supported with grant funds comply with the contract terms and conditions.

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- (f) Initiating, planning, and conducting evaluations, surveys and studies to recommend adjustments to the grant program and to submit required evaluations and reports to the grantor.
- (g) Preparing and submitting grant reports.
- (h) Performing other duties and responsibilities necessary to yield a successful outcome for the grant program.

Sec. 6.3. Audits. The Internal Audits Director shall be responsible for:

- (a) Liaising with external auditors to coordinate the conduct of the annual audit and other audits.
- (b) Reporting to the Board, the Audit Committee and the Finance Committee the results of the annual and other audits.

Sec. 7. GRANT ACCOUNTING RECORDS.

For each grant, the Delegate or designee shall maintain the following records:

- (a) Notice of Grant Award (NOGA), Grant Award Notice (GAN), or equivalent.
- (b) The approved grant application and approved amendments, including any guidelines, assurances, provisions, and other stipulations in effect during the grant period.
- (c) Communications with grantor, including call logs, emails, and negotiation notes.
- (d) Grant expenditure, evaluation, and programmatic reports.
- (e) All accounting, administrative, business, charge or credit, contract, finance, disbursement, payroll, personnel, procurement, time accounting, and other records that support the use of grant funds.

Sec. 8. ALLOWABLE AND PROHIBITED USES OF FUNDS.

Sec. 8.1. In General. See Board Policy PG-5.030, Allowable and Prohibited Uses of Funds.

Sec. 8.2. Prudent Person Rule. See Section 7 of Board Policy PG-5.001.

Sec. 8.3. Abuse and Waste Prohibited. See Section 8 of Board Policy PG-5.001.

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Sec. 8.4. Factors Affecting Allowability of Costs. Charter District officers and employees shall ensure that the costs incurred conform to the following criteria to be allowable under the Federal award:

- (a) Be reasonable and necessary for the performance of the grant program.
- (b) Be allocable to the Federal award, in accordance with the Federal Cost Principles.²
- (c) Conform to any limitations or exclusions set forth in the Federal Cost Principles or in the grant agreement or cooperative agreement as to types or amount of cost items.
- (d) Be consistent with the Charter District’s policies and procedures that apply uniformly to both federally financed and other activities of the Charter District.
- (e) Be accorded consistent treatment.
- (f) Be determined in accordance with generally accepted accounting principles.
- (g) Not be included as a cost or used to meet cost sharing requirements of any other federally financed program in either the current or a prior period.
- (h) Be incurred during the approved budget period, unless otherwise allowed.
- (i) Be adequately documented.³

Sec. 8.5. Reasonable Costs. In determining if an expenditure or cost is reasonable, Charter District officers and employees shall adhere to the prudent person rule. Moreover, Charter District officers and employees shall consider the following factors.

- (a) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the Charter District or the proper and efficient performance of the grant program. Importantly, Charter District officers and employees must follow the accepted practices of Texas public schools relating to the use of grant funds.
- (b) The restraints or requirements imposed by such factors as: sound business practices; arm’s-length bargaining; Federal, state, local and other laws and regulations; and terms and conditions of the grant agreement or cooperative agreement.
- (c) Market prices for comparable goods or services for the geographic area.

² 2 C.F.R. Part 200, Subpart E, Cost Principles

³ 2 C.F.R. § 200.403

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- (d) Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the Charter District, its employees, its students, the public at large, and the Federal Government.
- (e) Whether the cost represents a deviation from the Charter District's established written policies and procedures for incurring costs.⁴

Sec. 8.6. Allocable Costs. In determining if a cost is allocable to a Federal grant, Charter District officers and employees may assign the cost to the Federal award if the cost:

- (a) Is incurred specifically for the Federal award;
- (b) Benefits both the Federal award and other work of the Charter District and can be distributed in proportions that may be approximated using reasonable methods; or
- (c) Is necessary to the overall operation of the Charter District and is assignable in part to the Federal award in according with the Federal Cost Principles.⁵

Sec. 8.7. Standards for Documentation of Personnel Expenses. To support payroll costs charged to a grant, the Delegate or designee shall maintain records that accurately reflect the work performed by employees and that conform to the following requirements:

- (d) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.
- (e) Be incorporated into the Charter District's official records.
- (f) Reasonably reflect the total activity for which an employee is compensated by the Charter District, not exceeding 100% of compensated activities.
- (g) Encompass federally-assisted and all other activities compensated by the Charter District on an integrated basis.
- (h) Comply with the Charter District's established accounting policies and practices.
- (i) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on:

- (1) More than one Federal award;

⁴ 2 C.F.R. § 200.404

⁵ 2 C.F.R. § 200.405

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- (2) A Federal award and non-Federal award;
- (3) An indirect cost activity and a direct cost activity;
- (4) Two or more indirect activities which are allocated using different allocation bases; or
- (5) An unallowable activity and a direct or indirect cost activity.⁶

Sec. 8.8. Budget Estimates. The Delegate or designee must not use budget estimates, or estimates determined before the services are performed, alone to support charges to a Federal award. However, the Delegate or designee may use budget estimates for interim accounting purposes, provided that the following requirements are met:

- (a) The system for establishing the estimates produces reasonable approximations of the activity performed.
- (b) Significant changes in the corresponding work activity are promptly identified and entered into the records.
- (c) The Charter District's system of internal controls includes processes to perform periodic after-the-fact reviews of interim charges made to a Federal grant based on budget estimates.
- (d) All necessary adjustments are made such that the final amount charged to the Federal grant is accurate, allowable, and properly allocated.⁷

Sec. 8.9. General Costs. Federal funds may not be used for general costs of the Charter District normally incurred to provide instruction to students at one or more elementary or secondary grade levels as provided by the charter, unless authorized as a direct cost under a Federal program statute or regulation.⁸

Sec. 9. SUPPLEMENT NOT SUPPLANT.

In accordance with applicable Federal law for the pertinent Federal grant program, the Delegate or designee shall ensure that the Charter District uses Federal grant funds to supplement, and not supplant, Federal, state, and local funds.⁹

⁶ 2 C.F.R. § 200.430(g)(1)(i)-(vi)

⁷ 2 C.F.R. § 200.430(g)(1)(vii)

⁸ 2 C.F.R. § 200.444

⁹ 20 U.S.C. § 1413(a)(2)(A)(ii); 6321(b)

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Sec. 10. CASH MANAGEMENT.

The Delegate or designee shall implement a system of internal controls that provides for the periodic and timely draw down of grant funds to reasonably coincide with the disbursement of Charter District funds to pay for grant expenses. Importantly, with respect to Federal grants, the Delegate or designee must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the Charter District. The Delegate or designee shall maintain a record of all draw down requests and the corresponding costs charged to the grant program.¹⁰

Sec. 11. FINANCIAL OBLIGATIONS.

With respect to the use of grant funds, financial obligations are orders issued for property and services, contracts made, and similar transactions that require payment.¹¹ The Delegate or designee shall ensure that all financial obligations are made in accordance with applicable law and rule, are recognized when made, and are recorded in the Charter District's financial accounting records as encumbrances.¹²

Sec. 12. PRIOR WRITTEN APPROVALS.

As appropriate and necessary, the Delegate or designee may seek the prior written approval of the oversight agency before incurring the cost for which the reasonableness or allocability of the cost to a Federal award is difficult to determine. Importantly, when required by the Federal statute or regulations or the terms and conditions of the grant agreement or cooperative agreement, the Delegate or designee must obtain prior written approval of a cost before it is incurred and charged to a Federal award.¹³

¹⁰ 2 C.F.R. § 200.305(b)

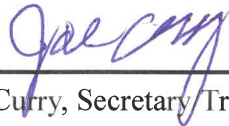
¹¹ 2 C.F.R. § 200.1

¹² 2 C.F.R. § 200.302(b)(2)-(3)

¹³ 2 C.F.R. § 200.407

CERTIFICATION

The Undersigned, being the Secretary of the Board, hereby certifies that the foregoing represents a true copy of the Board Policy PG-5.120, Grant Accounting, as adopted by the Board on May 16, 2026, which Policy is in full force and effect and has not been amended or repealed.



Joe Curry, Secretary/Treasurer



Date Certified