



CARES Act Funding and COVID Expense Reimbursement FAQ Updated January 7, 2021

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CARES Act Funding and Documentation FAQ

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General Guidance

1. What funding to LEAs is available under the CARES Act? [Updated September 17, 2020](#)

- Multiple fund sources for K-12 education are included in the Coronavirus Aid, Relief and Economic Security (CARES) Act. There are four that will potentially impact your LEA.
 1. Section 18003, Elementary and Secondary School Emergency Relief Fund (ESSER) – a minimum of 90% of the ESSER grant to TEA will be allocated to LEAs that received Title I, Part A funding in school year 2019-2020 (see ESSER section below)
 2. Title VIII of Division B, Child Care Development Block Grant (CCDBG) – this funding will provide reimbursement to the small number of LEAs that provided childcare to the children of essential workers as defined in the statute
 3. Section 5001, Coronavirus Relief Fund (CRF) – this funding is administered by the Governor’s Office and is designated for state, high population county and city uses; the Governor and legislative leadership have approved an amount of the state’s portion of the CRF for use in reimbursing school systems for COVID-19 expenses (see CRF section below)
 4. Title VIII of Division B, School Emergency Response to Violence (SERV) – this funding is expected to be released by USDE in the fall and is expected to be a formula grant program which could fund some additional COVID-9 related expenditures

In addition to CARES Act funding, FEMA reimbursement is available in limited circumstances. For more information related to FEMA reimbursement, please see the [20-21 FEMA FAQ](#).

The National School Lunch program also received additional funding under the CARES Act to support additional meals provided through their normal formula program.

2. For a charter school that receives the PPP loan, what account code will be used for a charter to record the loan proceeds/revenue? Assuming it is ultimately forgiven. [Posted July 28, 2020](#)

Charters should record it like other grants if partial or total forgiveness is expected. As the requirements of the loan are met and is officially forgiven, they would recognize the forgiveness as a revenue and reduce the loan payable. For the portion of the loan that is not met it would remain recorded as a loan payable and would accrue interest. This would be recorded in fund 420 with federal revenue object code 5949. It would be reported separately from CARES (ESSER) funding.

If the charter receives PPP for COVID-19 related expenses, those expenses may not reimbursable under the CRF reimbursement program administered by TDEM.

3. Will CARES Act Funds be allowed to replace lost revenues in the Child Nutrition Budget to offset the wages LEAs continued to pay employees while not working during school closures? Also, for wages incurred to provide meals to our community under the Summer Feeding Program. [Posted July 28, 2020](#)

These activities could be paid under the ESSER grant.

4. Is it possible to pay for portables with FEMA funds? [Updated September 17, 2020](#)

No, not under the Category B costs, which are the only allowable FEMA expenses for LEAs for the pandemic.

FEMA reimbursement is available in limited circumstances. For more information related to FEMA reimbursement, please see the [20-21 FEMA FAQ](#).

5. Many LEAs used busses to feed or deliver packets to students, so we have many busses still running. What if busses were used to deliver food and instructional packets? [Posted May 28, 2020](#)

While transportation costs related to using busses to deliver meals or instructional packets may be allowable under the ESSER grant, it is not eligible mileage to report to TEA for reimbursement through the state transportation allotment. Mileage driven for COVID-19 related services can be reported on the Transportation Operations Report but must not be included in the Transportation Route Services Report of the FSP Subsystem.

Cares Act – Elementary and Secondary School Emergency Relief (ESSER) Grants

1. Where can I find the ESSER grant entitlement amounts that my LEA will receive? **Posted May 21, 2020**

The entitlements will be posted by May 22 to the grant [entitlements](#) web page under the federal funds section of the TEA Grants web page and in the [Waivers, Finance and Grants](#) section of the Coronavirus web page.

2. When will the ESSER funding be available? **Posted May 21, 2020**

The grant application will release in June. Training on the application will be made available around the opening date of the application.

The Grants Administration Division will issue a preliminary NOGA by email within ten (10) business days of receipt of the application to TEA. This preliminary NOGA will 1) release 20% of the funding, 2) be in the format of an email to the superintendent as listed in AskTED, or the authorized official as identified on page one of the applications, along with the primary and secondary contacts listed on page one of the application, and 3) not look like a standard NOGA.

The LEA will later be able to view the preliminary NOGA in the ER system and print it for their records. In the meantime, the LEA should maintain the email preliminary NOGA as documentation that the 20% of grant funds are available. The LEA will receive the official, full NOGA and access to 100% of the grant award after the application is negotiated and awarded.

3. How are the ESSER funding amounts calculated? **Posted May 21, 2020**

TEA has calculated the entitlements following the statutory formula and guidance provided by USDE. The formula states that an LEA will receive the same proportionate share of the total ESSER formula grant as it received in proportion to the state's Title I, Part A grant in 2019-2020. You can find LEA specific amount information on the grant [entitlements](#) web page by May 22, 2020.

4. What type of reporting will be required? **Updated July 23, 2020**

In addition to standard expenditure reporting through the ER system, USDE had previously stated that quarterly reporting would be required for the ESSER grant under the CARES Act. However, the quarterly reports are no longer required. USDE has notified TEA that they will instead use existing reporting mechanisms that TEA already submits to meet the quarterly reporting requirement under the CARES Act.

USDE will require an annual report from the state. TEA will require LEAs to submit required data elements in a time and manner to be determined after USDE releases the data reporting elements and instructions.

Remember, the questions in the application for funding regarding the uses of funds and the planned quarter of the expenditure are not related to the previous quarterly reporting requirement and must still be completed in order to receive a NOGA.

5. Will COVID-19 expenses back to the start of the school closures be allowed as pre-award costs under the CARES Act stimulus funding? [Updated July 23, 2020](#)

USDE is allowing pre-award costs for the ESSER funding back to March 13, 2020. Expenses must be allowable under the ESSER statute (see question 18 below) and have occurred on March 13, 2020, or after.

All activities charged to the ESSER grant must be reasonable and necessary to meet the overall purpose of the program, which is “to prevent, prepare for, and respond to” the COVID-19 pandemic.

6. Once we know the expenditures can be legally charged to the ESSER grant, how will we code the expenditures in our accounting system? [Posted April 14, 2020](#)

For accounting purposes, you will code the expenses using the 15-digit beginning with a three-digit fund code to comply with FASRG and ending with a local option code to indicate the expense was COVID-19 related. The expenditures for the LEA ESSER grant will be recorded under fund code 266 with the appropriate program intent code (PIC) related to the allowable activities for which funds will be expended. When the use of a PIC is not appropriate or mandatory to a specific program, expenditures can be coded to PIC 99.

For example, a transaction charged to the stimulus grant for payroll costs pursuant to IDEA-B will be coded as per following: 266-11-6119-00-101-0-23-V-00, where “V” is a local option code for the coronavirus.

7. Is there a supplement, not supplant provision in the ESSER funding? [Posted May 21, 2020](#)

No.

8. Can TEA provide some guidance on ESSER funding for the LEAs and paying their employees and contractors? [Posted May 21, 2020](#)

LEAs that receive ESSER funds are required, to the greatest extent practicable, to continue to pay employees and contractors during the period of any disruptions or closures related to Coronavirus. (See related guidance in the Federal Funding and Grants FAQ on the TEA Coronavirus web site.)

9. Will the ESSER funding have the same life span as current Title I, Part A dollars? [Posted May 21, 2020](#)

The ESSER grant is a separate federal grant program, and is not Title I, Part A funds. The grant period for the ESSER grant is May 15, 2020, through June 30, 2021, with 12 additional months carryover under the Tydings amendment. This means the LEA may begin to expend funds on March 13, 2020, (pre-award begin date) through September 30, 2022.

10. Can my district recognize the reduction in FSP revenue in 2019-2020 and then wait to recognize the ESSER Grant revenue in 2020-2021 in our annual financial audits in order to help with COVID costs incurred for instruction in 2020-21? [Posted June 4, 2020](#)

Yes. The ESSER grant funds may be expended March 13, 2020, through September 30, 2021, with 12 additional months carryover under the Tydings Amendment through September 30, 2022. The FSP reduction that the ESSER funds will offset will be taken in the 2019-2020 fiscal year. Please note that this approach could cause the LEA's expenses to exceed its revenue resulting in the LEA ending the year with a deficit. In addition, the LEA should ensure the final budget reflects the reduced FSP revenue and record its impact on FSP settle up. Also, this may cause the LEA to fail the Financial Integrity Rating System of Texas (FIRST) indicator 9.

11. Will there be a separate application, or will the monies be added to the ESSA application? [Posted May 21, 2020](#)

Due to the ESSER grant funding having a different funding period, and to be able to develop the application and award the grants more efficiently, ESSER will require a separate grant application (see timeline described in question 3 above) and will not be a part of the ESSA Consolidated Application for Funding.

12. Are the ESSER funds available only for LEAs to receive reimbursement for additional expenses during this pandemic or is there a guaranteed amount each LEA will receive based on their Title I qualifications? [Posted May 21, 2020](#)

The ESSER grant is distributed as a formula grant based on the proportionate share of the state's Title I, Part A allocation received by each LEA in 2019-2020. This is a statutory formula program, and each eligible LEA will receive an entitlement amount for which they may apply by submitting the grant application. The ESSER funds may be used for any of the allowable activities listed in question 18 below.

13. Will the ESSER funding come to LEAs through TEA's normal grant processes? [Posted May 21, 2020](#)

Yes, the ESSER funds will be a standard TEA grant application with payments being requested through the eGrants Expenditure Reporting (ER) system.

There will be additional reporting required for the ESSER funds.

14. What fiscal year should these funds be accounted for? [Posted May 21, 2020](#)

The funds will be accounted for in the fiscal year in which they are expended.

15. Will my school board need to approve a budget amendment in order to spend these funds? [Posted May 21, 2020](#)

The funds will be awarded through a new grant application, with amendments as needed throughout the life of the grant. The LEA must follow its normal policy for providing public notice of the grant application, which is normally through it being an agenda item for the school board to review for most LEAs.

16. By when do these funds need to be expended? [Posted May 21, 2020](#)

The grant period will end September 30, 2022. All eligible expenditures must occur within the grant period.

17. Are all LEAs eligible for ESSER grants? [Posted May 21, 2020](#)

No. Only LEAs who were eligible, applied for, and received Title I, Part A funds in 2019-2020 are eligible for ESSER grants.

18. Will the ESSER funding allow the LEAs to pay for the direct costs incurred for planning and mitigation of the coronavirus pandemic such as, but not limited to, additional technology, hot spots for internet service, costs of distance learning, and cleaning of buildings to include staff time and supplies? [Posted May 21, 2020](#)

Yes. Ninety percent (90%) of the ESSER funding is a formula grant program to LEAs based on a statutory formula. All these types of costs appear to be allowable costs under the ESSER grant program.

The following activities are allowable under the grant as specified in the statute.

1. LEA discretion for any purpose under:
 1. Elementary and Secondary Education Act (ESEA)
 2. Individuals with Disabilities Education Act (IDEA)
 3. Adult Education and Family Literacy Act (AEFLA)
 4. Perkins Career and Technical Education Act
 5. McKinney-Vento Homeless Education Act

2. Activities related to coordination of preparedness and response to improve coordinated responses among LEAs with state and local health departments and other relevant agencies to prevent, prepare for, and respond to coronavirus
3. Provide principals and other school leaders with the resources necessary to address the needs of their individual schools
4. Address the unique needs of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster students including how outreach and service delivery will meet the needs of each population
5. Developing and implementing procedures and systems to improve the preparedness and response efforts of LEAs
6. Training and professional development of LEA staff on sanitation and minimizing the spread of infectious diseases.
7. Purchasing supplies to sanitize and clean facilities operated by the LEA
8. Planning for and coordinating during long term closures, including for how to provide meals to eligible students, how to provide technology for online learning to all students, how to provide guidance for carrying out requirements under IDEA, and how to ensure other educational services can continue to be provided consistent with all Federal, State, and local requirements
9. Purchasing educational technology (including hardware, software, and connectivity) for students who are served by the local educational agency that aids in regular and substantive educational interaction between students and their classroom instructors, including low-income students and students with disabilities, which may include assistive technology or adaptive equipment
10. Providing mental health services and supports
11. Planning and implementing activities related to summer learning and supplemental afterschool programs, including providing classroom instruction or online learning during the summer months and addressing the needs of low-income students, students with disabilities, English learners, migrant students, students experiencing homelessness, and children in foster care.
12. Other activities that are necessary to maintain the operation of and continuity of services in LEAs and continuing to employ existing staff.

19. Can the ESSER funds be used for construction? [Updated July 23, 2020](#)

On July 22, 2020, USDE notified TEA of the following guidance on construction as a potentially allowable cost for LEAs. Construction as part of PNP equitable services is not allowed.

Because ESSER funds may be used for “any activity authorized by the ESEA,” and construction is an allowable activity under the ESEA’s Impact Aid program, an LEA may use ESSER funds for construction, *subject to prior written approval by TEA*. Specifically, in ESEA, Section 7013(3) the Impact Aid definition of “construction” includes (A) the preparation of drawings and specifications for school facilities; (B) erecting, building, acquiring, altering, remodeling, repairing, or extending school

facilities; (C) inspecting and supervising the construction of school facilities; and (D) debt service for such activities.

As is the case with all activities charged to the ESSER grant, construction costs must be reasonable and necessary to meet the overall purpose of the program, which is “to prevent, prepare for, and respond to” the COVID-19 pandemic. Therefore, any construction activities, including renovations or remodeling, that would be necessary for an LEA to prevent, prepare for, and respond to COVID-19 would be allowable. This might include renovations that would permit an LEA to clean effectively (e.g., replacing old carpet with tile that could be cleaned more easily) or create a learning environment that could better sustain social distancing (e.g., bringing an unused wing of a school into compliance with fire and safety codes in order to reopen it to create more space for students to maintain appropriate social distancing).

Approved construction projects must comply with applicable Uniform Grant Guidance requirements, as well as the Department’s EDGAR regulations regarding construction at 34 CFR § 76.600. As is the case with all construction contracts using laborers and mechanics financed by federal education funds, an LEA that uses ESSER funds for construction contracts over \$2,000 must meet all Davis-Bacon prevailing wage requirements and include language in the construction contracts that all contractors or subcontractors must pay wages that are not less than those established for the locality of the project (prevailing wage rates).

20. Pre-award costs are allowed back to March 13, 2020. We anticipate payroll being paid through the ESSER grant. Each employee has multiple payroll accounts including salary, TRS, Medicare, Federal Withholding, etc. To avoid having to journal voucher the many payroll codes for each employee, could we recode salary now for future payrolls in anticipation of funding? [Posted May 21, 2020](#)

Yes, under certain circumstances. Once the ESSER grant application is available in June, you may charge allowable costs to fund code 266.

USDE is allowing the ESSER funding to offer pre-award back to March 13, 2020. You will be able to charge allowable costs to the ESSER funding (fund code 266 when it becomes available) starting on that date for these added COVID-19 costs incurred by the LEA. If you choose to charge salaries, ensure they are reasonable, necessary, and allocable charges to the new fund source 266.

21. Will the expense of setting up and using technology to remotely register and enroll students or recruit and hire staff be allowable costs under the ESSER grant? [Posted May 21, 2020](#)

Yes, those types of costs are allowable.

22. My district transferred general funds in order to fund the child nutrition expenses in light of reduced food service revenue. Can we use these funds to replenish the general fund? [Posted May 21, 2020](#)

It depends. The LEA must first receive all allowable reimbursement from the Child Nutrition Program through the Texas Department of Agriculture. Additional costs not reimbursed by TDA may be allowable expenses under the ESSER grant.

23. Since there is no supplement, not supplant rule, can the LEA just select an appropriate amount of costs previously paid with the general fund and transfer them to ESSER, freeing up previously spent general fund? [Posted May 21, 2020](#)

Yes. That is one possibility to use the funding as long as the expenses are allowable under the ESSER statute. (See question 17 above for the allowable statutory uses.)

Another option is to look at uses in the coming months that would have otherwise been paid with other fund sources and are allowable costs under ESSER and charge those expenses to the ESSER grant (fund code 266). Both of these options free up the LEA's other fund sources and utilize the ESSER funds in a way that is allowable with the federal statute, saving the LEA's general fund.

24. Will my LEA be required to document time and effort reporting for these funds? [Updated July 23, 2020](#)

An LEA must maintain time distribution records (sometimes called "time and effort" reporting) only if an individual employee is splitting his or her time between activities that may be funded under ESSER and activities that are not allowable under ESSER. However, there will be very few situations when an employee of an LEA would perform multiple activities where some are not allowable under ESSER, and thus would be required to maintain time distribution records, given that an LEA is authorized to use funds on "activities that are necessary to maintain the operation of and continuity of services in [an LEA] and continuing to employ existing staff of the [LEA]" in order to "prevent, prepare for, and respond to" the COVID-19 pandemic.

This means there are very limited instances when time and effort records are needed for salary costs. USDE stated to TEA staff on July 22, 2020, that almost any LEA staff position would be allowable under the ESSER grant.

25. What guidance is available on private school services authorized under the CARES Act stimulus funding? [Posted May 21, 2020](#)

The LEA is required to offer equitable services to all private nonprofit schools within its boundaries with funds received under the ESSER grant, and potentially other grant funds that may become available in the future. The LEA will provide consultation with PNP officials and provide equitable services (not funding) to those PNP schools who choose to participate. The PNP may identify allowable services to meet their needs, and those PNP services are not required to be the same as the services the LEA provides to its campuses, students, or staff. Detailed equitable services guidance is being developed and will be released when it is available.

26. We need to purchase masks for the graduation ceremony for graduates and staff. Would it be best to purchase graduation items (masks etc.) with Title IV or a local budget and then reimburse the funding source when ESSER funds are available? [Posted May 28, 2020](#)

It could be an allowable expense under either scenario; however, it will only be allowable if the LEA is following the state's guidance/rules for graduation ceremonies.

27. Are there any grants available to provide Internet service for our students? We have some devices but paying for the service is more than our rural school can afford. [Posted May 28, 2020](#)

Internet service for students would be an allowable expense for the ESSER grant. Many internet service providers also provide free or discounted rates for low-income students. See [this document](#) for more information.

28. Will ESSERF grant will have a compliance report? [Updated July 23, 2020](#)

Yes. USDE will require an annual report from the state. TEA will require LEAs to submit required data elements in a time and manner to be determined after USDE releases the data reporting elements and instructions.

In addition, the quarterly reports that were previously being required by USDE are no longer required. USDE has notified TEA that they will instead use existing reporting mechanisms that TEA already submits to meet the quarterly reporting requirement under the CARES Act.

29. Are CARES Act funds for current participating PNP's or any PNP in the school boundary zones? [Posted May 28, 2020](#)

Any private nonprofit school located within the school district's boundaries may request and participate in the equitable services provision under the ESSER grant.

30. Is the state's estimated 5% of funding for PNP equitable services included in the district allocations posted on the website or is that a net of the private school allocations? [Posted May 28, 2020](#)

The 5% is an estimate of the potential statewide equitable services amounts based on the PNP enrollment data available to TEA. The district allocations posted include the amount to be provided to private nonprofit schools as equitable services.

PNPs do not receive allocations, rather they receive equitable services from the school district within whose boundaries the PNP is physically located. Each district must provide outreach and consultation with private school officials to determine which private nonprofit school will participate in equitable

services so that the calculation of the equitable services amount can be done at the district level. For more information, see the CARES Equitable Services Guidance document.

In the event that the district receives valid and appropriate requests for equitable services that exceed 5% of the LEA's ESSER allocation, contact the Department of Grant Compliance and Administration at GrantSupport@tea.texas.gov. TEA has reserved a portion of state-level funds to account for any overage in equitable services incurred by a district.

31. If there are no PNP in our District, will we be able to spend 100% of the ESSER funds listed on the entitlements webpage? Posted June 4, 2020

Yes.

32. Are charter schools subject to PNP equitable services requirements? Also, how would that impact the ADA adjustment as it relates to the ESSER Grant funds? Posted June 4, 2020

No, charter schools are not subject to PNP equitable services requirements since they do not have physical boundaries. Furthermore, because school districts have PNP equitable services requirements, and charters do not, the subtraction of 5% of the ESSER grant that is withheld prior to the calculation of the ADA hold harmless in question #1 of the general state funding FAQ is not applicable to charter schools. This means that the ADA adjustment will reflect the full amount of the ESSER grant for charter schools.

33. Can an LEA pay for normal operating costs such as, but not limited to, utilities with ESSER grant funds? Updated July 23, 2020

Yes, if the LEA can document it as an allowable activity under the statutory allowable activities, primarily item #12.

USDE notified TEA staff on July 22, 2020, that since the LEA did not have ESSER funding when the procurement of such items was made, the LEA must only have documentation that it followed state and local procurement rules at the time of the procurement. The operating costs must be treated consistently as either direct costs or indirect costs and all activities charged to the ESSER grant must be reasonable and necessary to meet the overall purpose of the program, which is "to prevent, prepare for, and respond to" the COVID-19 pandemic.

Specifically, for costs paid with ESSER between March 13, 2020, and the date the ESSER grant award is issued (the date of the preliminary NOGA releasing 20% of the funds) the LEA is not required to be able to document any federal procurement process.

Once the LEA receives the preliminary NOGA, the LEA must be able to document that all expenses and procurements followed the required federal procurement rules. This means that most likely the

LEA may only charge utilities and other operating costs to the ESSER grant between March 13, 2020, and the date the preliminary NOGA is received (pre-award costs).

However, at TEA's request USDE is reviewing this response and may issue further guidance. This response will be revised as appropriate at that time.

34. Our LEA brought in payroll staff during school closure due to COVID 19, these employees were paid premium pay. May ESSER funds be used to reimburse 100% of their pay? [Posted June 18, 2020](#)

Yes, if the LEA 1) had an existing premium pay policy in place, or 2) approved such a policy prior to paying the premium pay, and 3) followed its approved policy.

35. Is there an impact to IDEA-B LEA MOE compliance for an LEA that uses ESSER funds (Fund Code 266) versus General Funds (Fund Codes 199/420/437) on special education (PIC 23/33) expenses or to ESSA LEA MOE compliance? [Posted July 16, 2020](#)

It depends. For example, the IDEA-B LEA MOE calculation includes only Fund Codes 199/420/437 so if the amount charged to those Fund Codes goes down as a result of some expenditures being charged to Fund Code 266 then there would be an impact. Similarly, the ESSA LEA MOE calculation includes only Fund Codes associated with Local/State expenditures and excludes Fund Codes associated with federal expenditures such as Fund Code 266.

However, LEAs received additional funds in 2019–2020 due to HB 3, which individual LEAs may have expended on special education or other general education instructional uses. As a result, it is very difficult to determine the precise impact of these changes to an individual LEA for either IDEA-B or ESSA LEA MOE. However, we have asked USDE this question and will update the CARES Act FAQ document when a response is received.

36. May an LEA consolidate administrative funds from the ESSER grant into the ESSA Consolidated Administrative Fund and have the flexibility of consolidating its administrative funds? [Posted July 23, 2020](#)

Yes, An LEA may consolidate administrative funds under the ESSER grant to administer the programs included in the consolidation and for administrative activities designed to enhance the effective and coordinated use of funds under programs included in the consolidation.

37. May and LEA use ESSER funds to pay for COVID testing or doctor visits when required for a student to return to on-campus instruction and the student does not have health insurance? [Posted October 8, 2020](#)

Per USDE communication to TEA on October 7, 2020, ESSER funds can be used to pay for student testing or for doctor visits when the family does not have health insurance. Generally, there is no prohibition on using funds for medical services in the CARES Act. As long as the activity meets the purposes of the ESSER program (to prevent, prepare for, and respond to coronavirus) and determines that the proposed expense is necessary for students to go back to school, it is allowable.

38. If we chose to use our ESSER (Cares Act) grant funding to cover payroll costs in 2020-2021, for the purposes of the Title I, Comparability calculation for the 2020-2021 year will the personnel funded by the ESSER grant funds be considered “federally funded” or “state funded”. As the ESSER grant funding is being used as a Method of Finance to support a Foundation School Program (FSP) ADA hold harmless for SY 2019-2020. [Posted October 8, 2020](#)

Based upon currently available USDE information and guidance, since ESSER funds are federal funds, they will not be included in Title I, Part A Comparability of Services compliance determinations.

39. It is my understanding that funds received from the HHS Provider Relief Fund should be coded as revenue 5849 and expenditures from fund code 289. How will expenditures from fund code 289 and PIC 23 or 33 (PIC 43 would not apply, correct?) impact IDEA-B MOE if at all? [Posted October 8, 2020](#)

If the expenditures are coded to Fund Code 289, then they will not be included in the IDEA-B LEA MOE calculation regardless of which PIC code is used.

40. Is there any flexibility or best practices on choosing a date to use for the Title I comparability of services report due to the impact of COVID-19 on attendance? [Posted October 15, 2020](#)

As of October 14, 2020, TEA has not received any guidance from USDE regarding flexibility to the Title I, Part A Comparability of Services requirement resulting from COVID-19. If an LEA requires assistance in reviewing the different tests available to meet the compliance standard, please contact the Federal Fiscal Compliance and Reporting Division via email at compliance@tea.texas.gov, or by telephone at (512) 463-9127.

State Aid Implications for ESSER Grants

1. Will receiving ESSER (CARES Act) formula funds result in a loss of Foundation School Program (FSP) State Aid? [Posted May 21, 2020](#)

LEAs will receive their full FSP entitlement as earned through the first 2/3 of the school year before school closures. In addition, districts will receive additional FSP hold harmless funding delivered via ADA/minutes adjustments to mitigate the financial impact of school closure. This additional hold harmless will be offset by the ESSER formula funding as further described below. For more information, see the **General State Funding FAQ** located on the [TEA Coronavirus website under the Funding and Waivers](#) for the answer to this question.

2. **How will the agency calculate and fund my Foundation School Program ADA funding for the 2019-2020 school year given we will not have daily attendance information for a large number of school days this year?** [Posted May 21, 2020](#)

See the **General State Funding FAQ** located on the [TEA Coronavirus website under the Funding and Waivers](#) for the answer to this question.

6. **Does my LEA need to spend all the funds received for fund 266?** [Posted May 21, 2020](#)

The LEA needs to utilize all the funds received in fund 266 to offset allowable expenditures. There is not a supplement, not supplant stipulation with this fund. The LEA has the flexibility of offsetting state expenditures with this fund and should maximize its use.

7. **Are we required to apply for the ESSER Grant? We would prefer to simply use our state general revenue funds instead of the compliance requirements imposed by the federal funds.** [Posted May 28, 2020](#)

ESSER funds will be used as a method of finance for the FSP for all districts who are entitled to receive the funds through the Title I allocation methodology prescribed by the grant and in the amount outlined in the Entitlements Document located on the TEA Coronavirus website. An LEA is not technically required to apply; however, the amount of ESSER grant funds that each LEA is entitled (minus 5% private school equitable services) will be incorporated while calculating the ADA hold harmless adjustment, regardless of whether the LEA applies for the grant or not. If an LEA does not apply for the ESSER grant, this would result in a net loss of overall revenue.

8. **Is all this CARES Act money from the feds going to supplement ADA funding flows or is it only to reimburse specific expenditures by specific schools?** [Posted May 28, 2020](#)

Currently there are two large funding streams from the CARES Act that will impact K-12 education in the state. (There are also several smaller funding streams.)

The ESSER fund flows to school districts. A portion of the ESSER fund would supplement expected FSP funding in district budgets (roughly 5% of the ESSER formula total per LEA, which would be used to cover any requested private school equitable services, but if no/fewer requests are received, would be extra funding for any lawful purpose). The remainder will be used as a source of funds for the Foundation School Program ADA Hold Harmless, and so would not be supplemental funding.

9. **Can you clarify that our ESSER grant will be separate and in addition to regular formula (FSP) funding? And then the regular formula (FSP) funding will be part FSP/part ESSER?** [Posted May 28, 2020](#)

The ESSER grant is a new, federal fund source that is separate from your FSP allotment. However, because ESSER Funding will actually be used as a method of finance for the 2019-2020 ADA Hold Harmless, LEAs must combine the ESSER grant with the remainder of the normal FSP allotment in order to account for the total FSP allotment, as previously expected prior to COVID-19:

- TEA waived the necessary statutory requirements so school systems would be held harmless for the lack of in-person attendance required to receive formula funding.
- The CARES Act's ESSER fund is a critical resource to support this hold harmless process. ESSER funds do not have a supplement versus supplant requirement, and federal guidance explicitly authorizes their use as a way for states to sustain their school finance system, as long as net state funding remains above prior years. With historic increases to state funding through HB 3, funding is significantly above prior years.
- TEA will calculate how much CARES Act ESSER formula funding an LEA is going to get, excluding 5% of that CARES formula total to ensure each LEA has an amount of funding sufficient to cover the private school equitable services requirements in the CARES Act.
- TEA will use that CARES Act formula funding (excluding the 5%) to help fund the full amount of each LEA's ADA hold harmless adjustment and the result will be that LEAs will receive their full year's ADA funding expectation but from two funding streams – one state, via the FSP, and one federal, via CARES Act ESSER funds.
- Utilizing ESSER funds as a method of finance will assist in maintaining state funding for future years.

10. If our ESSER allotment was \$200,000, but our FSP reduction is more than that, will we receive more money to cover the loss through ESSER, or via FSP? [Posted June 4, 2020](#)

Your LEA's FSP reduction should not exceed your ESSER Grant amount.

11. Does the ESSER Funding offsetting the FSP reduction impact our SCE allotment? [Posted June 18, 2020](#)

No, the ESSER Funding offsetting FSP reduction only applies to the regular program allotment. Special program allotments will be unaffected.

12. If the LEA reimburses payroll costs using ESSERS funds, do we report the federal match to TRS? [Posted June 18, 2020](#)

TRS has provided the following guidance. TRS stated that because the ESSERS funds are offsetting state funds and there is not a supplement/supplant issue then the treatment of the funds should be the same as the state funds. Therefore, the LEA will not report a federal match to TRS for the use of the ESSER funds for payroll.

13. My LEA has a June 30th fiscal year end, how will I include March 1 through June 30, 2020, costs even though I may not receive all the funds until late in the Fall? [Posted July 28, 2020](#)

The ESSER grant can be used to pay for costs beginning March 13, 2020, and through June 30, 2022. Once the complete application is received the LEA will receive a preliminary NOGA and access to 20% of its grant funding. After the LEA is issued a full NOGA it may access the remaining funds. Once the LEA requests payment from TEA, then the LEA can record the payment as a receivable. The LEA should be tracking the expenditures related to COVID-19 using a locally defined code. If the amount is unknown, LEAs should record an estimated revenue/receivable based on the information available and the allowable expenditures recorded in the fund before the accounting records are closed, and the audit is finalized.

CARES ACT – Coronavirus Relief Fund (CRF)

The following guidance has been updated now that TDEM is scheduled to release guidance and training during the week of July 28, 2020. Questions regarding the CRF LEA Reimbursement Program should be directed to CRF@tdem.texas.gov, however TEA will assist LEAs as we can with the TDEM process. Questions to TEA may be sent to GrantSupport@tea.texas.gov. Please remember that TEA staff may need to direct the LEA to TDEM or its contracted staff for some questions. Posted July 28, 2020

- 1. Besides the ESSER grant, does CARES Act provide any other assistance to reimburse LEAs for COVID-19 related expenditures? Posted July 28, 2020**

The CARES Act also includes \$6.2 billion in the Coronavirus Relief Fund from the U. S. Department of Treasury for statewide purposes. The Governor and legislative leadership have approved an amount of the state’s portion of the CRF for use in reimbursing school systems for COVID-19 expenses incurred as of close of business May 20, 2020.

TDEM is releasing guidance and training materials to LEAs the week of July 27, 2020. Guidance and information will be available at <https://tdem.texas.gov/crf-lea/>. TDEM will offer training on an ongoing basis on the CRF LEA Reimbursement Program, the process for funding, and their Grant Management System.

- 2. Do LEAs provide expense reimbursement to private schools as part of this CRF reimbursement? Posted May 21, 2020**

No. LEAs are only required to provide equitable services from ESSER formula funds received. LEAs are not eligible to submit expense requests for private schools through this CRF reimbursement program.

- 3. Is the CRF Reimbursement separate from the 75% FEMA public assistance? How does this go against FEMA’s 75%? Posted July 28, 2020**

Yes. Expenses that are allowable under the FEMA public Assistance for Category B expenses (basically 1 cleaning and sanitizing last spring) must be submitted to that process. Expenses covered under CRF may not be used to meet the LEA's 25% FEMA PA local share.

4. Can CRF funds be used for reopening schools this fall? [Posted September 10, 2020](#)

On September 2, 2020, the U.S. Department of Treasury released an updated FAQ document for the Coronavirus Relief Fund under the CARES Act, which included the following question and answer:

May Fund [CRF] recipients incur expenses associated with the safe reopening of schools?

Yes, payments from the Fund may be used to cover costs associated with providing distance learning (e.g., the cost of laptops to provide to students) or for in-person learning (e.g., the cost of acquiring personal protective equipment for students attending schools in-person or other costs associated with meeting Centers for Disease Control guidelines).

To this end, as an administrative convenience, Treasury will presume that expenses of up to \$500 per elementary and secondary school student to be eligible expenditures, such that schools do not need to document the specific use of funds up to that amount.

The new response from Treasury reduces the administrative burden on LEAs in documenting (for audit purposes) the allowability of CRF funding used for the safe reopening of schools. This also reduces the burden on the applicable county or city who sub-allocates CRF funding to an LEA.

Although on first reading the response appears to broaden the allowable uses of CRF funding for education purposes, it does not change the rules or guidelines for any of the following CRF reimbursement programs currently in implementation or planned:

- Op Conn Bulk Purchase Local Match Reimbursement Program (To be completed in September/October 2020)
- Op Conn Prior Purchase Reimbursement Program (Details TBD as of September 2020)

The current rules and guidelines for these two state-determined reimbursement programs remain the same; however, the LEA is not required to document the use of funds (up to \$500 per elementary and secondary student) for a safe reopening of schools to a more detailed specified allowable use for audit purposes. If the amount of CRF received by an LEA for safe reopening of schools exceeds \$500 per student, the amount received exceeding that threshold must be documented to specific allowable CRF activities.

TEA will continue to require more detailed information from LEAs for these programs as currently contained in the application. TEA will review the current negotiation and approval processes and

streamline them where appropriate when the requested reimbursement for LEAs for safe reopening of schools is less than the \$500 per student threshold.

Note that this new Department of Treasury FAQ response does *not* impact the TDEM CRF LEA Reimbursement Program, as that program is designed to reimburse LEAs for supplemental allowable expenditures from March 1 through May 20, 2020.

5. When must LEAs pay invoices related to expenses submitted to TDEM for reimbursement?
Posted October 1, 2020

TDEM is aware that LEAs have submitted orders for remote learning equipment and received partial fulfillment of their orders to date, for which they may have provided partial payment. LEAs should continue to follow their existing procurement and payment policies. The LEA must document the obligation for the expense occurred during the allowable dates of March 1 through May 20, 2020. This guidance is not intended to mandate a 90-day liquidation period but reference a general expectation for when payments would be made. Funds must liquidate before December 30, 2020.

Operation Connectivity Bulk-Purchase Program and Local Match Reimbursement Program

For programmatic information on the **CRF Operation Connectivity Bulk Order Program**, please see the [Operation Connectivity Bulk Order FAQ](#) located on the [TEA Coronavirus webpage under Instructional Continuity Planning](#).

1. Can our ESSER Grant be used as bulk-purchase local match for the devices purchased through Region 4 ESC in the CRF Operation Connectivity Bulk-Purchase Program? Posted August 20, 2020

Yes. Since the local match requirement in the Operation Connectivity program is required by the state and not federal CRF statute, TEA has allowed the ESSER Grant to be allowable as local matching funds.

2. Our county told us they can only contribute the county CRF funds to our local match if this can be considered "prevention of disease" which they have to spend 75% of their CRF Funds on. Will TDEM allow this to be considered "prevention of disease"? Posted August 20, 2020

No. Section 1.5 of the Department of Treasury CRF Terms and Conditions require all jurisdictions to spend a minimum of 75% of their CRF allocation in the categories of medical expenses, public health expenses, and payroll expenses for employees substantially dedicated to mitigating or responding to the public health emergency. This aligns with the first three categories of eligible CRF expenditures as

defined by Treasury Department guidance. Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions, do not fall under these three categories and therefore may not count towards the 75% requirement.

However, there is no sequencing requirement. The city/county is not required to have expended all their 75% of funding in Categories 1-3, see above, before expending in Categories 4-6 (where the LEA reimbursements would be coded). At the completion of the CRF period of performance, TDEM will review each jurisdiction's spending in the aggregate order to determine compliance with the 75%/25% requirement.

3. Our LEA paid for half the bulk order purchase to Region 4 ESC from local funds. Does this reimbursement program pay for that 50% that was expended? [Posted September 3, 2020](#)

TEA paid 50% of the bulk order through Region 4 ESC, and the LEA paid the remaining 50%. If the LEA receives city or county CRF funding as part of their local match, then they may apply for the local match reimbursement from TEA. TEA will match the amount received from the city or county, therefore reducing that actual cost to the LEA.

4. When will TEA provide the detailed training on the bulk-purchase local match reimbursement process before the application opens September 7, 2020? [Posted September 3, 2020](#)

TEA offered training to ESC staff on Monday, August 31, 2020, and training to eligible LEAs on Wednesday, September 2, 2020. The recording of the LEA training is available on the TEA YouTube [channel](#) in the Grant Compliance and Administration [playlist](#) under the title [LEA LMRP Training Recording](#).

5. How do LEAs record revenues and expenditures for allowable COVID-related costs when they are having to pay the invoice in the 2019-2020 fiscal/budget year, and will later receive reimbursement from federal CRF funds in the 2020-2021 fiscal/budget year? [Updated December 3, 2020](#)

See the "Reconcile on Schedule of Expenditures of Federal Awards (SEFA)" response in Question 4 in the PPRP Section below for coding instructions.

6. Does the LEA code the TEA portion of the bulk purchase (50% base share) in our accounting? [Posted September 3, 2020](#)

Yes, when items are donated to the LEA you must show a revenue and an expense for the donated item. The TEA share of the bulk purchase is treated like a donation to the LEA.

7. What is the process if a city/county wants to allocate local CRF funding to the LEA for hotspots or devices? [Posted September 3, 2020](#)

The city and LEA must enter into a documented agreement stating the amount of city funding approved to be allocated to the LEA, the purpose, and the timeline. If the funding can be approved by the city and the signed documentation provided by the October 1 deadline, the matching funding can meet part of your local match requirement to your bulk order purchase. After that date, the city and LEA would work together to determine the process for the city reimbursing the LEA or other allowable purchases.

8. How should the LEA ask its city/county for an allocation toward the local match? Posted September 3, 2020

Each city or county will vary in its process and in who will be the appropriate official to contact. Find out the appropriate official to contact and reach out to explain the bulk purchase and local match reimbursement programs. Ask for an allocation of the city/county's CRF funding. Once the allocation is secured, request the required documentation so that you will have it available when you are ready to request the reimbursement funding from TEA.

In some instances, LEAs going together to request the allocations has proven successful. However, remember that it may take 1-2 weeks to get the required signed documentation so do not wait until the last minute to start this request process.

9. Did the county and city receive detailed information on how to apply for their CRF funding? Posted September 3, 2020

The U.S. Department of Treasury provided direct allocations to the Governor's Office and to the largest 12 counties and 6 cities in the state. The Governor's Office selected TDEM to administer the funds to the remaining counties. Counties may sub-allocate their CRF funding to cities, towns, LEAs, or any other sub-level of government within their boundaries.

Counties and eligible cities have already applied to TDEM and in most cases already have access to the city/county CRF funding.

10. How can I find out how much CRF funding my county received? Posted September 3, 2020

The high population counties and cities that received the direct allocations from Department of Treasury are available [here](#). The remaining counties that received CRF funding from TDEM are available [here](#).

Additional information on the county CRF program is available from TDEM at <https://tdem.texas.gov/crf/>. Questions may be submitted to crf@tdem.texas.gov.

11. How do we know if we are eligible to apply? How do I apply for the local match reimbursement funding? Posted September 3, 2020

To be eligible to apply for the local match reimbursement program your LEA must have:

1. Participated in the bulk order program through Region 4 ESC,
2. Paid your invoice for your 50% local match to Region 4 ESC, and
3. Received an allocation of city/county CRF funding for your bulk purchase local match.

To start the application process, send an email to customerservice@teabulkorder.com and request the local match reimbursement application forms. You will receive a return email with a link to your individual LEA application forms with as much pre-filled data as we have available. You will complete the forms and submit them through the system. The system will generate a DocuSign request which will be sent to your designated authorized official.

12. Can we receive these local matches if we did not use the bulk purchase but ordered our devices in the early summer and paid for them directly? Posted September 3, 2020

The prior purchase reimbursement process from TEA for devices ordered outside the bulk-purchase process will be different. That process will be described at a later date. However, the LEA may request reimbursement funding from the city/county for those expenses as well and the LEA would only apply to TEA for reimbursement for costs not covered by the city/county funding.

13. How is this different then the CRF being applied for through TDEM? Posted September 3, 2020

This Operation Connectivity bulk-purchase local match reimbursement process is administered by TEA. You will apply for the funds through the Operation Connectivity system similar to how you ordered your bulk-order devices. This reimbursement application opens September 7, 2020, and closes October 1, 2020. For more information on the bulk purchase program status or the local match reimbursement program contact customerservice@teabulkorder.com.

The TDEM CRF reimbursement program follows TDEM's grant process and is only for allowable costs to the LEAs caused by COVID-19 from March 1 to May 20, 2020. The TDEM process application opened the first of August and closes September 30, 2020. For more information on TDEM's reimbursement program contact crf@tdem.texas.gov.

Operation Connectivity Prior Purchase Reimbursement Program (PPRP)

1. Which LEAs are eligible to apply for PPRP funding? Posted December 3, 2020

Local Educational Agencies (LEAs), including Public School Districts and Open-Enrollment Charter Schools, that expended funds from May 21, 2020, to December 11, 2020, for eligible technology purchases (laptops, tablets, and/or hotspots) due to the COVID-19 pandemic. Purchases must be outside of the Operation Connectivity Bulk Purchase Order Program.

LEAs must be in good standing within the Operation Connectivity program for their LEA's PPRP application to receive top priority for funding. While the LEA remains eligible for PPRP funding, failure to pay LEA bulk order invoices for devices ordered by the LEA will lower the priority of the LEA's application for PPRP funding.

UPDATED
1/7/21

2. What are the eligible devices to generate PPRP reimbursements? Updated January 7, 2020

Laptops (including Chromebooks, tablets, and hot spots purchased (costs incurred by the LEA) on May 21, 2020, or after that will be received by the LEA by February 28, 2021.

Required fees to make the device functional, such as Chromebook licenses, hot spot data plans (through the end of the 2020-2021 school year) and CIPA filtering, are also allowable costs when associated with the eligible devices listed above.

3. How is "costs incurred" defined? Posted December 3, 2020

Generally, unless the LEA has an approved policy defining "costs incurred" differently, costs are incurred (as defined by FASRG) when the LEA issues a purchase order (PO) and the PO is submitted to a vendor and accepted. LEAs following a different definition may be required to provide the approved LEA policy in writing to TEA.

UPDATED
1/7/21

4. How may the PPRP reimbursement funds received by the LEA be used? Updated January 7, 2020

The PPRP reimbursement funds must be expended by the LEA by one of the following methods. Ensure your business office staff are aware of this information.

1. Reclassify Original Expenditure

Reclassification of all eligible expenses originally charged to state/local funds, to these federal reimbursement funds. This is the preferable use of this reimbursement funding if the LEA can reclassify expenses in the prior fiscal year or if the original expenditure occurred in the LEA's current fiscal year.

2. Reconcile on Schedule of Expenditures of Federal Awards (SEFA)

If due to the timing of the reimbursement, the LEA cannot reclassify the original expenditures in the prior fiscal year due to the reimbursement funding being received in the subsequent fiscal year, then the LEA may reconcile the reimbursement on the FY2020-2021 SEFA.

In this case, the LEA may pay an applicable invoice in the 2019-2020 budget/fiscal year and receive reimbursement from CRF funds in the 2020-2021 budget/fiscal year. See question 25 below for guidance on coding the revenue and expenditures.

Note this will be a reconciling item on the FY2020-2021 SEFA and LEAs must keep the documentation from the original purchase, including these errata. This is the same process as used previously for Hurricane Harvey or FEMA funding.

If the LEA follows this TEA guidance and receives an audit finding related to the reconciliation process outlined above, TEA will not sustain the audit finding. This option is allowable for both TDEM CRF reimbursements and Operation Connectivity reimbursements.

3. Other Allowable CRF Activities by December 31, 2021

If due to the timing of the reimbursement, the LEA cannot reclassify the original expenditures from the prior fiscal year and chooses not to implement the reconciliation on the SEFA, then the LEA must use this reimbursement funding for one of the following CRF allowable activities that were incurred in the current fiscal year and by December 31, 2021.

- Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions, including safely reopening schools.
- Other eligible expenditures, including payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. (This does not include general LEA staff.)

Notes:

1. The allowable costs, for eligible devices that generated the PPRP amount, must be incurred from May 21, 2020, through December 11, 2020, and received by the LEA by February 28, 2021.
2. The accounting transactions to reclassify/charge these expenses in the PPRP reimbursement funding received must be completed prior to the end of your fiscal year.

UPDATED
1/7/21

5. When must the PPRP reimbursement funds received by the LEA be used? Updated January 7, 2021

Based on the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act of 2021, signed December 27, 2020, the federal grant period for CRF funding ends December 31, 2021. Any PPRP reimbursement funds received by the LEA must be expended for allowable costs by that date. See Question 4 above.

Notes:

1. The physical reclassifying of the expenditures in the LEA's records or reconciliation on the FY2020-2021 SEFA must be completed prior to the end of your fiscal year.

6. Can the LEA apply for reimbursement if we are paying for the eligible devices through a lease-purchase option? Posted December 3, 2020

If you did a multi-year lease purchase, you have two options.

1. Submit the year 1 payment invoice for the amount incurred between May 21 and December 11, 2020, with your PPRP application.
2. Pay the entire lease purchase amount early (or as much as needed to submit an amount for the max reimbursement) before submitting the PPRP application for reimbursement and include that amount in your PPRP reimbursement application.

In either instance, only submit for the eligible devices, not cases, insurance, or peripherals that may have also been part of the lease-purchase agreement.

If you pay off the lease early, you need to be able to show that your local policy or procedures allow for early payoff of contracts/lease purchases. If the LEA has no such policy, you must document authorization to pay off the lease purchase early.

7. How does the LEA select activity 2 for reconciling the costs on the FY2020-2021 SEFA when it is not an option in the PPRP application? [Posted December 3, 2020](#)

Allowable activities 1 (reclassification) and 3 (other allowable uses) are included in the application.

TEA did not have time to reprogram the application to add the new allowable activity 2. If you are selecting the new allowable activity 2 (Reconciling the SEFA), from the November 30 errata, mark the second option in the application so you can submit.

You should keep the November 30 PPRP Application Errata and this FAQ for your documentation.

8. If the LEA used ESSER or other federal grant funds to initially purchase the eligible devices before the PPRP program was known, can the LEA use PPRP to reimburse those federal funds? [Posted December 3, 2020](#)

If the eligible technology devices were originally purchased by a **2019-2020 federal grant that has closed**, the LEA must submit a refund of the expenditure back to TEA. The LEA then can submit the PPRP application and include the eligible devices for reimbursement. However, because the grant is closed, the LEA does not get the original federal funding back. If carryover is available, the LEA receives the refunded amount as carryover in the following grant year following standard carryover policy and procedures.

If the eligible technology devices were originally purchased by a **2019-2020 federal grant** that had the end date extended and/or **is still an open grant**, the LEA must submit a budget amendment to remove the eligible devices from the original federal grant budget before submitting an application for PPRP reimbursement for those eligible devices. The LEA must also do one of the following:

- a) If the LEA has not requested payment for the expenditure in the Expenditure Reporting (ER) system, then the LEA may adjust their general ledger and accounting documentation system locally to move the expense from the original federal grant.
- b) If the LEA has received payment from TEA after submitting a payment request through the ER system, the LEA must submit a refund to TEA for the expense. As long as the refund is received while the grant is open, TEA will process the refund and replace the refunded money back into the LEA's open grant account. The LEA is not required to wait for the refund to process before applying for PPRP.

If the eligible technology devices were purchased by a **2020-2021 federal grant that is currently an open grant**, the LEA must submit a budget amendment to remove the eligible devices from the original federal grant budget before submitting an application for PPRP reimbursement for those eligible devices. The LEA must also do one of the following:

- a) If the LEA has not requested payment for the expenditure in the Expenditure Reporting (ER) system, then the LEA may adjust their general ledger and accounting documentation system locally to move the expense from the original federal grant.
- b) If the LEA has received payment from TEA after submitting a payment request through the ER system, the LEA must submit a refund to TEA for the expense. As long as the refund is received while the grant is open, TEA will process the refund and replace the refunded money back into the LEA's open grant account. The LEA is not required to wait for the refund to process before applying for PPRP.

When an amendment is required and in the eligible devices are not clearly identified in the federal grant application, the LEA must still submit an amendment for documentation purposes. In those instances, in the "Reason for Amendment" section, the LEA should enter *"To remove eligible devices to be reimbursed by PPRP CRF funds."*

For questions on how to submit a refund for a federal grant program, contact the Grants Administration Division's Cash Management Unit at TEAExpenditures@tea.texas.gov.

9. Our LEA is not going to apply for PPRP. Do we need to notify TEA? Posted December 10, 2020

While you are not required to notify TEA that you will not apply, even if you requested an original application, we do appreciate the notice and it will prevent you from being contacted multiple times requesting you to apply. You may notify TEA by either of two options.

1. Email customerservice@teabulkorder.com and give the LEA name and state that you will not apply for PPRP.
2. Notify your regional ESC staff who will compile a list and notify TEA on your behalf.

10. Question 4 above references coding options when the LEA selects activity 2, reconciliation on the SEFA. Does a charter school recode to Fund 199 or would charter schools use Fund 240 instead? Posted December 10, 2020

If the original expenditures were paid from the Foundation School Program or other state aid, as describe in FASRG Module 3: Special Supplement - Nonprofit Charter School Chart of Accounts, the charter school uses Fund 420 rather than Fund 199 as described above.

UPDATED
1/7/21

11. Will 1) the January 31, 2021 deadline for requesting a new application or an amendment, 2) the February 15, 2021 application/amendment submission deadline, or 3) the February 28, 2021 deadline for receiving the devices, be extended for LEAs? Updated January 7, 2021

No, these deadlines have been extended with the passage of the statute extension to allow maximum flexibility to LEAs. These new deadlines will not be extended, and no exceptions or waivers will be granted.

UPDATED
1/7/21

12. Will I hear from TEA to negotiate our LEA PPRP application? Updated January 7, 2021

If everything is correct the application will move through the review and approval process without hearing from TEA. If something needs clarification or additional information is needed, the LEA will be contacted to address any application issues.

UPDATED
1/7/21

13. Will I hear from TEA when our LEA reimbursement payment is paid to the LEA? Updated January 7, 2021

LEAs will see the payment in their designated bank account coded to Fund 277. TEA will notify ESCs after each payment batch is processed.

14. Are "white glove" service or extended warranties allowable with the purchase of devices to generate PPRP funding? Posted December 10, 2020

No, only the devices and fees required to make the device functional are allowed. See Question 2 above.

15. Apple will not provide an invoice until the devices actually ship, unlike other vendors. We have a confirmation email with all the same information as an actual invoice, can we upload the confirmation email? Posted December 10, 2020

If your LEA is in this situation, contact either customerservice@teabulkorder.com or TEA staff for a work around so that you can submit your application.

16. How come I sent the email requesting the PPRP application but still have not received the email sending me the link to our LEA PPRP application? Posted December 10, 2020

Always check your Spam folder in your email.

The application link is sent to whomever is listed in the system as the contact person for Operation Connectivity, not necessarily to the person who submitted the original email request for the application. The contact person is often someone in the IT department who placed the original bulk order.

Also know that sending the application out to the LEA is a manual process as the application has to be created and the preprinted information uploaded into the application before the link can be sent. Emails are processed in the order received.

17. Are batteries and power cords for eligible devices allowable costs to generate PPRP reimbursement funds? [Posted December 10, 2020](#)

Batteries and power cords that come with the original device are allowable under PPRP because they are required for the device to be functional.

Additional batteries or power cords purchased are not allowable costs for PPRP.

18. Is expedited shipping (additional cost) to ensure the devices are received by the December 30 deadline allowed for generating reimbursement funding? [Posted December 10, 2020](#)

No. While the LEA may pay expedited shipping costs, those costs are not eligible for reimbursement.

19. Are extended warranties allowable to generate funding for PPRP reimbursement? [Posted December 10, 2020](#)

No.

20. Are laptop storage carts eligible expenses to generate PPRP reimbursement? [Posted December 10, 2020](#)

No.

21. Must the requested reimbursement amount in the application match the total of the invoices uploaded? [Posted December 10, 2020](#)

It may, but it is not required.

It is required for the total eligible expenses on the uploaded invoices to equal or exceed the total requested reimbursement amount in the application.

22. Is imaging, deployment or asset tagging of devices allowable costs to generate PPRP reimbursement? [Posted December 10, 2020](#)

No. These are all considered "white glove" services and not allowable.

NEW
1/7/21

23. Are wireless access points (WAP) allowable costs to generate PPRP reimbursement funding? [New January 7, 2021](#)

No, wireless access points are not hot spots and are not allowable.

NEW
1/7/21

24. Are laptops or other eligible devices for teachers allowable to generate PPRP reimbursement funding? [New January 7, 2021](#)

If the LEA is also applying for reimbursement for student devices, then devices for teachers or staff may be allowed.

NEW
1/7/21

25. TEA previously provided two options for coding the reimbursement revenues and expenditures but GASB disagreed with those options. How does TEA and GASB now recommend LEAs code the revenues and expenditures? [New January 7, 2021](#)

Recommended methodology for recording revenues and expenditures of CRF funds when the expenditures were incurred in the FY2019-2020 but the reimbursement is received in the FY2020-2021.

- Record the expenditures in FY2019-2020 in Fund 199 or track locally (Note Fund 277 is not available until 2020-2021).
- When reimbursement is received in FY2020-2021, record the revenues in the same Fund Code as the expense was recorded in the prior FY.

For example. if the LEA is claiming a reimbursement of eligible costs from the prior FY2019-2020 that were coded as expenditures to Fund 199, then the receipt of the reimbursement must be coded as revenue to Fund 199 in FY2020-2021.

Notes:

1. Per GASB you cannot record the revenue in Fund 277 in FY2020-2021 and then transfer or move the prior year expenditures into the current fiscal year.
2. Per GASB you can only reclassify expenses between Fund 199 and Fund 277 if the expenses and revenue occurred in the same fiscal year. You can reclassify the expenditures From Fund 277 to Fund 199 by crediting expense in Fund 199 and expensing in Fund 277.
3. This will be a reconciling item on the FY2020-2021 SEFA audit and LEAs must keep the documentation from the original purchase/expenditures.

4. If the LEA follows TEA's recommended methodology (or followed the previous recommendations during the period they were provided as guidance) and the LEA receives an audit finding on this methodology, TEA will not sustain the audit finding.

NEW 1/7/21 **26. When there is no invoice for a direct purchase, is the receipt (indicating the purchase is paid) an acceptable form of documentation to upload instead of an invoice? [New January 7, 2021](#)**

When a direct purchase from a store (walked into a store and paid for them and took devices with them) there will be no invoice. The receipt is acceptable. However, it still must include allowable dates, items, and description of what was purchased.

NEW 1/7/21 **27. Related to Question 3 above. If the LEA has a written local policy defining costs incurred, must the LEA submit it to TEA? [New January 7, 2021](#)**

Unless the LEA submits the written policy as part of the PPRP application to support its application and invoices, TEA will assume the LEA is following FASRG and will not approve devices ordered prior to May 21 even if the invoice and delivery dates are after May 21, 2020.

NEW 1/7/21 **28. What if my device delivery is attempted but the LEA is closed, so there is not anyone at the site to accept the delivery? Will I still get my PPRP reimbursement? [New January 7, 2021](#)**

Under this extended timeframe there is no flexibility available for LEAs to receive the devices after February 28, 2021. There will be no exceptions or waivers granted for the deadline.

NEW 1/7/21 **29. I am listed as the emergency/holiday contact person in the application. Will TEA really call me during my school holidays? [New January 7, 2021](#)**

This is no longer applicable with the timeline extension.

NEW 1/7/21 **30. When will we receive our reimbursement payment? [New January 7, 2021](#)**

Payments will be made after the revised application deadline, with an estimated payment date of March 2021. Payments may be delayed if LEAs do not respond promptly to requests for additional clarification or information to be included in the application.

NEW 1/7/21 **31. Has TEA determined the reimbursement payment percentage for each round of the application process? [New January 7, 2021](#)**

TEA will determine the new reimbursement percentage after the revised application deadline.

NEW 1/7/21 **32. If TEA removes unallowable items from our PPRP application, can we try to add other devices to replace the denied items in our application? [New January 7, 2021](#)**

No, once the application period closes, calculations will be made based on the data already submitted.

NEW
1/7/21

33. How does the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act of 2021, enacted on 12/27/2020, impact the PPRP program? **New January 7, 2021**

The CRRSA Act includes 1) additional stimulus funding to be available to LEAs, and 2) an extension to the end date of the CRF funding (which is funding PPRP) to December 31, 2021.

Given this new federal extension, TEA has made the following limited changes to the PPRP program to allow LEAs more time and flexibility to maximize their potential for reimbursement:

- TEA is suspending processing the PPRP applications based on the new timeline below.
- The application/amendment process has been reopened.
- All requests for new applications or amendments must be received by January 31, 2021. Send an email to customerservice@teabulkorder.com to request an amendment or new application.
- If an LEA previously submitted a PPRP application and does not request an amendment by January 31, 2021, the original application will be processed for reimbursement.
- All amendments and new applications must be received by 11:59pm February 15, 2021.
- All eligible devices to be reimbursed must be received by the LEA by February 28, 2021.
- There will be no further extensions or exceptions to the program timeline or deadlines.
- TEA expects the final reimbursement percentage to be closer to the originally anticipated 75% reimbursement rate and will determine the reimbursement rate after the revised application period closes.
- TEA reserves the right to ratably reduce or increase the 75% reimbursement rate to ensure all CRF funds are allocated and expended, depending on the statewide total request for reimbursement received from all eligible LEAs that apply.

No other program changes are expected due to the timeline extension.

Required Documentation

1. What is the minimum documentation the LEA should maintain for COVID-19 related expenses? **Posted April 14, 2020**

At an absolute minimum, document the expenditures as you normally would and specify in writing 1) the need for the expenditure, 2) if using federal funds, why federal funds are needed to address the need, and 3) that it is COVID-19 related. Implement a subcategory or local option code in your accounting system so that you can specifically identify all these types of costs should the expenses, at a later time, be deemed allowable uses of state or federal reimbursement funding or other federal grant funds.

Subgrantees using current federal grant funds to meet COVID-19 related needs must maintain appropriate records and cost documentation as required by 2 CFR § 200.302 (financial management) and 2 CFR § 200.333 (retention requirements for records) to substantiate the charging of any costs to federal education grant funds related to the interruption of operations or services.

All general ledgers should contain, at a minimum, the following required elements:

- Complete account code with a minimum of 15 digits, beginning with a three-digit fund code to comply with [Financial Accounting System Resource Guide](#) (FASRG) and [Special Supplement – Nonprofit Charter School Chart of Accounts](#) (applicable to nonprofit open-enrollment charter schools) and ending with a local option code to indicate the expense was COVID-19 related.
- Predetermined set of cost categories and commodity codes used for the purpose of calculating aggregate costs
- Transaction date
- Transaction reference number (check number or purchase order number)
- Transaction description
- Vendor name
- Budgeted amount
- Obligated/Encumbered amount
- Expenditure amount

All payroll journals should contain, at a minimum, the following required elements:

- Complete account code with a minimum of 15 digits, beginning with a three-digit fund code
- Employee first and last name, and identification number
- Gross salary and other income, deductions, and net earnings
- Pay period, check date, and check number
- All fund codes to which the payroll costs were charged

Note: If an employee is paid from multiple funding sources, i.e., state and federal, include payroll distribution records that includes payroll costs charged to each contributing funding source.

13. State Documentation: How would we report these funds in the annual financial report?

Posted May 21, 2020

LEAs will report these funds using fund 266. Depending on the materiality of the funds it will be reported as a special revenue fund or as a major fund. The LEA should combine both the general operating fund 199 or 420 (for charters) and the new CARES Act fund 266 for budgeting and financial reporting purposes.

14. State Documentation: What fund number will my LEA use to account for this revenue? [Posted May 21, 2020](#)

Districts will use fund 266 to account for the ESSER revenue created from the CARES Act.

15. What is best practice or what does TEA recommend for documenting COVID-19 related expenses? [Posted April 14, 2020](#)

In addition to the minimum requirements described above, maintain the following detailed records described in Tables 1-6. Maintaining this more detailed record will assist the LEA later in reporting expenditures to federal and state government oversight entities and will better prepare the LEA to request reimbursement when becomes available.