Federal and State Monitoring

FY 2015 NCLB Workshops
Topics of Interest

• Overview of OMB Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards

• Audit and Monitoring Expectations

• Time and Effort

• Common Findings

• Reminders
OMB Super Circular

- Subrecipient Monitoring
- Compensation Personal Services
- Single Audit Requirements – Threshold
- Written Policies and Internal Controls
Super Circular Subrecipient Monitoring – Risk Assessment

- Prior Experience with same or similar awards
- Results of previous audits
- Is the LEA required to have a A-133 Audit
- New Personnel or substantially changed systems
- The results of Federal awarding agency monitoring
Super Circular Compensation
Personal Services

• Increases emphasis on internal controls of subrecipient for personnel cost.
• Provides less prescriptive guidance on documentation
Super Circular Single Audit Requirements – Threshold

• Increases the Requirement for an A-133 Audit from current level of $500,000 to $750,000
Super Circular Written Policies and Internal Controls

• Increased requirements for written policies for Federal Grants
• Increased emphasis on LEA’s Internal Control Structure
Audit and Monitoring Expectations

• Monitoring Instrument
  – Districts responses should be consistent with their approved application
  – Each comment box should contain specific detail to document that the district is in compliance for that specific portion of the grant
  – Submission of the instrument by the required date

• Comparability
  – Submission of the instrument by the required date
  – Maintain supporting documentation
Audit and Monitoring Expectations

• Onsite and Desk Reviews
  – Supporting Documentation for all programs to be reviewed
  – Access to staff responsible for the programs being reviewed
Time and Effort

• Policy and Procedures for Time and Effort
• Ongoing Training of Staff Regarding Time and Effort
• Maintaining Time and Effort Records
Common Programmatic Monitoring
Findings – Title I

- Parent Involvement
- Comparability of Services
- Disclosure of Highly Qualified Professionals
- Private School Participation
- Supporting Documentation for programs
Common Fiscal Monitoring
Findings – Title I

• Inaccurate Expenditure Reports
• Salaries paid were not approved or were inaccurate
• Inventory Issues
• Expenditures paid were unallowable or did not support program intent
• Not maintaining separate accounts in accordance with IPAM for each grant
Basic Guidelines for Allowable Expenditures

• Does the cost meet the requirements of the law?

• Is the cost necessary, reasonable and allocable?

• Is the cost consistently applied?

• Is the cost adequately documented?
  – Examples: segregated accounts, invoices, cancelled checks, inventory records and other valid supporting documentation

OMB Circular A-87 Attachment A, section C
Inventory Requirements

- Procedures must be in place to ensure the control of equipment and materials both in the LEA and those in private schools.
- Equipment purchases must be approved in the grant budget.
- Inventory records must include the following components:
  - Description
  - Serial number or other identification number
  - Funding source for purchased property
  - Who holds title
  - Acquisition date
  - Cost
  - Location, use and condition
  - Disposition date, if applicable
- All equipment purchases must be physically located in the grant usage area and must support the intent of the program.
References and Helpful Links

• United States Department of Education: http://ed.gov
• Office of Management and Budget (OMB) Circular A-87: http://www.whitehouse.gov/omb/circulars/a087/a87_2004.html#atta
• State and Federal Grant Administration Policy and Fiscal Requirements and Procedures: http://www.isbe.net/funding/pdf/fiscal_procedure_handbk.pdf
• http://www.isbe.net/e-bulletins/default.htm
• http://isbe.net/grants/default.htm
• http://isbe.net/ea/htm/checklist.htm
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Questions and Answers