

Monitoring & Compliance

School Year 2018-2019

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Office of Federal Programs

VISION

To create a world-class educational system that gives students the knowledge and skills to be successful in college and the workforce, and to flourish as parents and citizens

MISSION

To provide leadership through the development of policy and accountability systems so that all students are prepared to compete in the global community

1. All Students Proficient and Showing Growth in All Assessed Areas
2. Every Student Graduates from High School and is Ready for College and Career
3. Every Child Has Access to a High-Quality Early Childhood Program
4. Every School Has Effective Teachers and Leaders
5. Every Community Effectively Uses a World-Class Data System to Improve Student Outcomes
6. Every School and District is Rated “C” or Higher

Overview

Agenda

- Purpose of Monitoring
- Monitoring Process
- Monitoring Document Review
 - Overarching Requirements
 - Review of Indicators and Required Documentation
- Questions & Answers

...according to the law

Monitoring and reporting program performance

The non-Federal entity is responsible for oversight of the operations of the Federal award supported activities. The non-Federal entity must monitor its activities under Federal awards to ensure compliance with applicable Federal requirements and performance expectations. Monitoring by the non-Federal entity must cover each program, function, or activity ... **Section 200.328 Uniform Guidance**

Purpose of Monitoring

- Monitoring of federal programs is conducted to ensure all children have a fair, equal, and significant opportunity to obtain a high-quality education.
- Monitoring emphasizes accountability for using federal resources wisely.
- Monitoring assists MDE with efforts to help LEAs achieve high-quality implementation of educational programs utilizing the federal allocations.

Monitoring Process

Monitoring Process

Ways MDE Monitors

1. Risk assessment and analysis
2. Review of compliance requirements
3. Monitoring of budgets & expenditures
4. Single Audit (2 CFR 200.501)
5. On-site monitoring
6. Desk review and follow-up visits
7. Inventory/equipment checks

Risk Assessment and Analysis

Office of Federal Programs Risk Assessment Tool:

- Assess the financial and programmatic management of all federal grants
- Identify potential problems
- Analyze or evaluate the level of risk associated with concerns and areas of noncompliance
- Identifies conditions, situations, and processes that may cause areas of noncompliance
- May determine if an LEA receives on-site monitoring annually (if deemed “High Risk”)

Risk Assessment Indicators

- Single Audit Findings
- New Personnel
- Fiscal Monitoring Findings
- Late Budget
- Late FETS
- Allocation Amount
- Overpayments
- Lapsed/Forfeited Funds
- Application Revisions (11+)
- Late Monitoring
- Training Attendance
- Questioned Cost Repayment
- Financial Concerns
- Timely Correction of Findings
- Timely Submission of Data
- Data Quality

Risk Assessment cont'd

Risk Assessment Scores

Total=100 points

High Risk: Greater than 30 points (On-site visit and Focused Technical Assistance)

Medium Risk: 20-25 points (On-site visit)

Low Risk: 15 or less (Self-assessment)

On-Site Monitoring Selection Process

- LEAs monitored on a three year cycle.

Note: *Some federal programs are monitored more frequently (e.g. McKinney-Vento grant recipients are monitored annually).*

- Office of Federal Programs is currently on cycle two of the three year monitoring schedule.
- High-Risk LEAs added to current cycle
- LEAs identified by other offices at MDE
- Other LEAs as deemed necessary

Monitoring Process and Procedures

1. The Office of Federal Programs will contact LEA/Subgrantee to establish a Primary Point of Contact for monitoring.
2. The LEA/Subgrantee Primary Point of Contact is responsible for uploading the evidence of program implementation to support compliance indicators. Documents may include a word document containing a link to the LEA's policies online, to the LEA document library in MCAPS by the specified date. The MDE/OFP contact will review uploaded documents prior to the on-site visit.

Monitoring Process and Procedures

3. The LEA Monitoring Team must consist of the Superintendent, Federal Programs Director, 21st CCLC Coordinator, Business Manager, and other designated contacts and should all be available for the on-site monitoring visit.
4. The Office of Federal Programs will determine a Monitoring Team Leader. The Monitoring Team Leader will be responsible for completing the official copy of the Monitoring Report and obtaining necessary signatures for the Monitoring Report during the on-site review.

Programs to be Monitored

Programs administered by Office of Federal Programs:

- Title I, Part A
- Title I, Part C
- Title I, Part D
- Title II, Part A
- Title III, Part A
- Title IV-Part A and Part B
- Title V, Part B; and
- Title IX, Part A-McKinney Vento Act

Documentation Needed for Monitoring of Federal Programs

- Written policies and procedures
- Evidence/documents of implementation
- Emails/memos
- Dated meeting agendas and sign-in sheets
- Meeting minutes
- Checklists with comments

Documentation Needed for Monitoring of Federal Programs

- Evidence of training and technical assistance
- Record of physical inventory of equipment and real property
- Fiscal documentation (e.g., expenditure detail reports, payroll distribution)
- Programmatic documentation (e.g., completed plans—LEA, SWP, TA, Parent & Family Engagement)

Overarching Requirements

- The LEA should conduct monitoring of its schools and programs to ensure compliance with Federal program requirements.
- The LEA ensures that it complies with submission of LEA Plan and Funding Application to MDE and revising the LEA's plans as necessary to reflect substantial changes in the LEA's program

Documentation of Overarching Requirements

- The development process for SWP/TA/PFE plans including written procedures (Checklists, meeting minutes, samples of correspondence with schools and other LEA departments)
- Guidance to schools regarding SWP/TA/PFE plans, LEA plan, and amendments

Documentation of Overarching Requirements

- Evidence of timely LEA plan approval and release of funds
- Documentation to support the selection of evidence-based action steps in LEA plan

Programmatic Indicators

Equitable Services to Eligible Private School Children

ESSA Requirement (§1117, §8501, 34 CFR 76.661, 2 CFR 200.62-67)

The LEA shall provide for the equitable provision of services to eligible private school children, their teachers, principals, and other school leaders:

- Evidence that LEA provided initial consultation to private schools on their participation
- Evidence that participating private schools engage in ongoing consultation around the equitable provision services
- Evidence that ensures calculation of funds for equitable services to private school participants and their teachers and families

Equitable Services to Eligible Private School Children

Evidence of Implementation:

- Correspondence to private school officials in the attendance area inviting participation
- Documentation of consultation has occurred between the LEA & private school officials
- Written affirmation forms, program plans, provision of services, and resources
- Written procedures to ensure calculation of funds for equitable services
- Evidence that LEA regularly supervises the provision of services to private school children

Title I, Part A

LEA must comply with program requirements with regard to:

- Reserving funds for various set-asides required or allowed under the statute (§ 1113, 1116, and 1118, 34 CFR 200.70-71)
- Allocating funds to eligible attendance areas or school in rank order of poverty (34 CFR 200.70-71 and § 1113)

Title I, Part A

Evidence of Implementation:

- Written procedures for identifying eligible students
- Free/reduced lunch counts
- Direct certification reports from Food Services/Child Nutrition
- Student listing with criteria for students receiving services in TA programs, including equitable services at private schools

Parent & Family Engagement—Consultation

LEA is required to have meaningful consultation with Parents, Family and the Community through multiple ways:

- LEA Parent and Family Engagement Policy/Plan
- School Parent and Family Engagement Policy/Plan
- School-Parent Compact
- Building School Staff Capacity with the assistance of parents
- 1% set-aside for PFE activities, if LEA receives more than \$500,000 in Title I, Part A funds
- Annual Title I Parent Meeting
- Evaluations/Parent Surveys

Parent & Family Engagement—English Learners

Parent Notification Requirement of Participating English Learners (ELs)

The notification must contain all of the content required under ESSA, Section 1112(e)(3) and 1112(e)(4).

Evidence of Implementation:

- Sample notification sent to parents of participating ELs in Title I or Title III Supplemental Language programs
- Sample notification sent to parents not later than **30 calendar days** after the beginning of school year
- Sample notification sent to parents during the **first two weeks** of the EL being placed in a supplemental language program (for newly identified ELs)
- Sample notification in a format and language the parent can understand

LEA is required to target funds for specified activities (ESSA Section 1401):

- to improve educational services for children and youth in local, tribal, and State institutions for neglected or delinquent children and youth so that such children and youth have the opportunity to meet the challenging State student academic achievement standards that all children in the State are expected to meet;

Title I, Part D, Subpart 2—Services for Neglected & Delinquent Children

- to provide such children and youth with the services needed to make a successful transition from institutionalization to further schooling or employment; and
- to prevent at-risk youth from dropping out of school, and to provide dropouts, and children and youth returning from correctional facilities or institutions for neglected or delinquent children and youth, with a support system to ensure their continued education and the involvement of their families and communities.

Title I, Part D, Subpart 2—Services for Neglected & Delinquent Children

- LEA must verify the authenticity of neglected facilities within the local area
- LEA must identify children in local institutions for neglected and delinquent children
- LEA must ensure programs for eligible students meet all requirements
- LEA must annually survey delinquent institutions and complete an annual data report
- LEA must collect and uses data to drive planning and instruction
- LEA must create program-specific evaluation reports
- LEA must ensure that institutions implement a parental engagement plan in order to increase student achievement, and if appropriate decrease delinquent behavior

Title I, Part D, Subpart 2—Services for Neglected & Delinquent Children

- LEA must describe Title I services and educational programs that are year round
- LEA must describe the process of collaboration with the local facility to provide services for children in N&D institutions
- LEA must account for Title I, Part D, Subpart 2 funds separately from other funds
- LEA must maintain documentation of any formal agreements between an LEA and N&D facility
- LEA must provide evidence that the LEA or facility is implementing planned and approved activities

Evidence of Implementation:

- Approved Title I, Part D, Subpart 2 application
- Source data for annual survey and evidence of longitudinal tracking of annual outcome data
- Class schedules and calendar confirming that services and educational program are year round, curriculum plan, staff listing
- Detailed expenditure reports, budgets
- Collaborative planning (agendas, meeting minutes, attendance sheets) that verify coordination between the LEA and N&D facility
- Parental engagement correspondence and Parent Engagement Plan
- Formal agreements and/or MOU for services

Title II, Part A—Supporting Effective Instruction

LEA is required to target funds for specified activities (ESSA Section 2103):

- to increase student academic achievement consistent with the challenging state academic standards;
- improve the quality and effectiveness of teacher, principals, and other school leaders;
- increase the number of teachers, principals, and other school leaders who are effective in improving student academic achievement in schools; and
- provide low-income and minority students greater access to effective teachers, principals, and other school leaders.
- Provide evidence that paraprofessionals meet the state qualifications
- Provide evidence that teachers meet state certification/licensure requirements

Title II, Part A—Supporting Effective Instruction

Evidence of Implementation:

- Approved Title II, Part A application
- Detailed expenditure report for Title II, Part A
- Source documentation—training artifacts, data analysis reports, teacher/administrator evaluation reports, personnel detail reports, purchase orders, contracts, travel expenses, etc.

LEA is required to target funds for specified activities (ESSA Section 3115):

- to improve the education of English learners by assisting the children to learn English and meet the challenging State academic standards.

Evidence of Implementation:

- Approved Title III, Part A application
- LEA Policies and Procedures for EL and Immigrant enrollment and identification
- Detailed expenditure report for Title III, Part A

Evidence of Implementation:

- Source documentation—teacher certifications, training artifacts, instructional program design information, parent notification letters and engagement activities, student progress reports, student monitoring documentation, data reporting sheets, annual evaluation, personnel detail reports, purchase orders, contracts, travel expenses, etc.

LEA is required to target funds for specified activities (ESSA Section 4101):

- provide all students with access to a well-rounded education;
- improve school conditions for student learning; and
- improve the use of technology in order to improve the academic achievement and digital literacy of all students.

Evidence of Implementation:

- Approved Title IV, Part A application—Section 4106(e)
- Detailed expenditure report for Title IV, Part A
- Source documentation—needs assessment data, purchase orders, contracts, travel expenses, etc.

LEA/Subgrantee is required to target funds for specified activities ESSA Section 4201(a):

- provide academic enrichment opportunities for children, particularly for students who attend high-poverty and low-performing schools, to meet state and local student standards in core academic subjects;
- offer students a broad array of enrichment activities that can complement their regular academic programs; and
- offer literacy and other educational services to the families of participating children.

Evidence of Implementation:

- Approved Title IV, Part B application
- Detailed expenditure report for Title IV, Part B
- Source documentation—needs assessment data, purchase orders, contracts, travel expenses, etc.

Title V, Part B—Rural & Low Income Schools Program

LEA is required to target funds to schools for specified activities authorized in ESSA Section 5222—***any authorized activity of Title I-A, Title II-A, Title III, Title IV-A, and parent engagement activities.***

- LEA has an approved plan
- LEA complies with restriction against supplanting. Funds shall be used to supplement, not supplant any other federal, state, or local education funds.

Title V, Part B—Rural & Low Income Schools Program

Evidence of Implementation:

- Approved Title V, Part B application
- Detailed expenditure report for Title V, Part B
- Source documentation—needs assessment data, purchase orders, contracts, travel expenses, etc.

Title IX, Part A—McKinney-Vento Homeless Education Program

LEA is required to target funds to schools for specified activities authorized in ESSA Section 722.

- LEA must have established an appropriate infrastructure for implementation of the McKinney-Vento Education of Homeless Children and Youth Program.
- LEA must have procedures to address the identification, enrollment, and retention of homeless students through coordinating and collaborating with other program offices and community agencies.

Title IX, Part A—McKinney-Vento Homeless Education Program

- LEA must have a system for ensuring the prompt resolution of disputes.
- LEA must monitor academic progress and success of students experiencing homelessness.
- LEA plans for services to eligible homeless students must meet all requirements.

Evidence of Implementation:

- Local homeless education policy with evidence of annual review
- Reports on homeless students (e.g., enrollment data, referrals, counseling services, academic/career plans, case notes)
- LEA staff directory/website that identifies homeless liaison
- Training evidence where liaison has participated in professional development identified by the state coordinator
- Detailed expenditure reports, personnel reports, etc.
- Evidence the LEA implements the required authorized activities

Evidence of Implementation:

- LEA staff professional development schedule and tracking (e.g., agenda, minutes, handouts, notes)
- Evidence that liaison conducts outreach to relevant community groups to inform them of rights and services for homeless students
- Evidence that transportation to the school of origin is provided upon request
- Written dispute resolution policy
- Examples of written notification to parents
- Evidence of annual program evaluation

Fiscal Indicators

SNS Methodology

- In ESSA, Congress changed the way SNS is tested in Title I, Part A which also includes School Improvement
- Compliance is not tested based on an analysis of individual Title I costs or services

SNS Methodology

- Instead, LEAs must demonstrate that the “methodology used to allocate State and local funds to each school receiving assistance under this part ensures that such school receives all of the State and local funds it would otherwise receive if it were not receiving assistance under this part.”
- Methodology is described as “the manner in which LEAs distribute state and local funds to schools.”

SNS Methodology

- *Supplement not supplant* requires LEAs to distribute state and local funds to schools without taking into account a school's participation in the Title I program.
- SNS Methodology demonstration will be included in FY19
On-site monitoring

SNS Methodology

- **Title I costs must still be allowable under the Title I program.**

At a minimum this means:

- Costs still must only benefit eligible students (eligible students = all students in an schoolwide program and identified students in a targeted assistance program).

SNS Methodology

- Costs must be permissible under Title I and ESSA generally (note that ESSA clarified the wide uses of funds that can be permissible under the Title I program).
- Context matters. For example, a school operating a schoolwide program should be able to demonstrate that a Title I cost is consistent with the school's needs assessment and schoolwide plan.
- Costs must still be necessary and reasonable.

Comparability requires that state and local funds are used to provide services that, taken as a whole, are comparable between Title I and non- Title I schools.

Evidence of Implementation:

- Board policy and/or procedures to monitor comparability throughout the school year
- Required Comparability documentation submitted to MDE
- Comparability Letter for current and/or previous fiscal year

Maintenance of Effort §1118

Maintenance of effort requires LEAs to maintain a consistent floor of state and local funding for free public education from year-to-year.

Evidence of Implementation:

- Policies and/or procedures to demonstrate calculation of MOE
- Documentation of process when LEA fails to meet MOE requirements (Evidence verifying expenditures maintained by LEA)
- Evidence of Monitoring process during the fiscal year to ensure MOE is met

Internal Controls 2 CFR 200

All LEA Internal Controls specific to LEA expenditures are required to be in **writing** and meet requirements:

- Segregation of Duties
- Written Allowability Procedures—200.302(b)(7)
- Written Procurement Procedures—200.319(c)
- Written Method for Conducting Technical Evaluations of Proposals and Selecting Recipients—200.320(d)(3)
- Written Conflict of Interest Policy—200.318(c)

Internal Controls 2 CFR 200

All LEA Internal Controls specific to LEA expenditures are required to be in **writing** and meet requirements:

- Written Compensation and Leave Policies (Time and Effort)—200.430
- Written Travel Policy—200.474(b)
- Written Procedures for Managing Equipment/Inventory—200.313
- Written Cash Management Procedures—200.313(b)(6)

Inventory Internal Controls must be in writing (2 CFR 200) and meet requirements:

- Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition
- Management/database of equipment (***including item description, serial number or ID number, cost, funding source, vendor, acquisition date, location, use and condition, and disposition data, including date of disposal***)

Inventory Internal Controls must be in writing (2 CFR 200) and meet requirements:

- Annual physical inventories and reconciliation of physical inventory with property records
- Maintenance procedures to keep the property in good condition
- Sale of property procedures to ensure the highest possible return
- Disposition of equipment in accordance with state laws and procedures

Internal Controls cont'd—Cash Management

Cash Management Internal Controls must be in writing (2 CFR 200) and meet requirements:

- Written cash management procedures—200.313(b)(6)

(To include segregation of duties, monitoring of cash management activities—including reconciliations, ensuring reimbursements after costs have been incurred)

- Drawdown records

LEA must maintain accounting records that are supported by source documentation and costs are allowable under applicable laws and regulations.

Expenditures

All LEA expenditures must meet the following standards including, but not limited to:

- Segregation of duties in review and authorization (must include Federal Program Coordinator)
- Allowable under applicable laws and regulations
- Prove necessary, reasonable, and allocable
- Supplement not supplant non-federal funds
- Reconciles all applicable reports—expenditure, budget, etc.

Expenditures

All LEA expenditures must meet the following standards including, but not limited to:

- Align with approved Federal budget
- Occur within the period of performance and benefits students in the current grant period
- Comply with standards of documentation of personnel expenditures (time and effort)
- Maintain oversight of contracts/contracted services

Expenditures

All LEA expenditures must meet the following standards including, but not limited to:

- Avoid conflict of interest
- Verification of vendors against suspension and disbarment (www.sam.gov)
- Follow federal, state, and local standards and policies related to competition and methods of procurement

Evidence of Implementation:

- Internal Controls Procedures
- Payroll and Expenditure Detail Reports for every program organized by site, function, and object
- Source Documentation for all requested expenditures (*e.g., **pre-approval**, purchase orders, invoices, contracts, agendas, travel authorizations, receipts, administrative costs, all competitive procurement*)

Evidence of Implementation:

- General Ledger for each federal program
- SNS Methodology
- Single Audits
- Time and Effort Records (Semi-annuals/PARs)

Questions



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