

Monitoring Prep:

Fiscal Indicators

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Offices of Federal Programs & Grants Management

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

MISSISSIPPI STATE BOARD OF EDUCATION
STRATEGIC PLAN GOALS

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**



Topics

Purpose of Fiscal Monitoring

Policies and Procedures

Fiscal Indicators

- Things to think about in preparation

...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*

Fiscal Review Focus

2017-2018 Monitoring visits will have a fiscal focus.

Major topics of concern include:

- Budget and Budget Revisions
- Travel
- Purchases/Procurement
- Contracts
- Equipment
- Compensation

Uniform Grant Guidance Requirements

- Written Cash Management Procedure - 200.302(b)(6) & 200.305
- Written Allowability Procedures - 200.302(b)(7)
- Written Conflicts of Interest Policy - 200.318(c)
- Written Procurement Procedures - 200.19(c)

Uniform Grant Guidance Requirements

- Written Method for Conducting Technical Evaluations of Proposals and Selecting Recipients - 200.320(d)(3)
- Written Travel Policy - 200.474(b)
- Written Indirect Cost Rate Development Procedures - 200.414(e), 200.331(a)(4), Appendices
- Procedures for managing equipment - 200.313(d)

Why are Procedures Important?

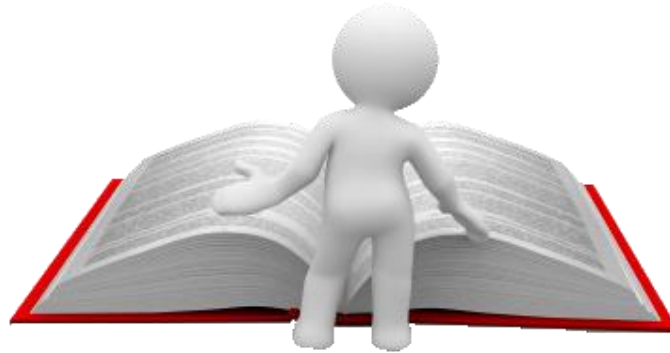
- Uniformed Grant Guidance §200.302- 200.474
- Compliance Supplement 2018 (2 CFR Part 200, Appendix XI)
- USDE Fiscal Assessment – May 2017

QUICK...WHERE ARE YOUR POLICIES AND PROCEDURES!?!



Policies vs. Procedures

- Policies – goals for your organization
- Procedures – steps to achieve your goals



Where do I start?

- Review & collect existing documentation
- Policies & procedures from different offices and websites
- Memos
- Emails
- Forms
- Job descriptions
- Directly from the source – the staff member(s)

A. Accounting Systems and Fiscal Controls

Indicator

- Written procedures for determining allowability of costs
- Accounting system to ensure all transactions have been accurately and properly recorded
- Written policies/procedures to ensure the LEA's budget and accounting records align with approved funding application

Evidence of Implementation

- LEA/Subgrantee Policies and/or Procedures
- Current approved application in MCAPS
- Budget
- Expenditure Reports

A. Allowability of Cost

- Is a checklist required? NO!!!
- We are looking for a process that outlines who is responsible for ensuring that this cost is allowable.
- How will this be documented?

A. Budget Alignment*

- Budgets must align to MCAPS by School (Unit).
- How often do you review to ensure that the budgets are aligned?
- Who is responsible for this?
- Do you have evidence of this?

D. Internal Controls

Indicator

Policies/procedures to demonstrate:

- Internal controls to protect against waste, fraud, and abuse
- Identification and assessment of risks to compliance along with response to risks
- Segregation of duties among LEA staff
- Evaluation of the performance of its internal controls systems

Evidence of Implementation

- LEA/Subgrantee Policies and/or Procedures
- Documentation of necessity
- Travel requests
- Purchase orders
- Receipts/Invoices
- Checks/Expenditures

Evaluation of Internal Control System

- Who spot checks the segregation of duties?
- Is the system automated?
- Can you show in the system the automation?
- The single audit review of internal controls is sufficient implementation to meet this indicator.

E. Records & Information Management

Indicator

Policies/procedures for:

- Protecting personally identifiable information (PII) to ensure integrity and security of information
- Controls or access limits for authorized individuals to LEA information systems
- Retention and maintenance of all financial and programmatic records, along with supporting documentation

Evidence of Implementation

- LEA/Subgrantee Policies and/or Procedures
- Interview
- Records on file for 5 years

Protecting Personally Identifiable Information (PII)

- District Requirement
- FPD does not have to be responsible, bring in the district appointed staff member that handles this
- Who has access to records?
- How is information shared?
- What kind of training to staff (evidence)? There is an online course that provides a certificate of completion.

Helpful FERPA Links

FERPA Webpage:

<https://www2.ed.gov/policy/gen/guid/fpco/ferpa/index.html>

Family Policy Compliance Office:

<https://www2.ed.gov/policy/gen/guid/fpco/index.html>

Training Videos:

<https://studentprivacy.ed.gov/training>

FERPA 101: For Local Education Agencies:

<https://studentprivacy.ed.gov/training/ferpa-101-local-education-agencies>

F. Equipment Management

Indicator

Policies/procedures for:

- Equipment that complies with state and federal regulations
- Database/system for equipment inventory and maintenance
- Control system to ensure adequate safeguards
- Maintenance and Disposition of equipment

Evidence of Implementation

- LEA/Subgrantee Policies and/or Procedures
- Budget documents
- Visual inspection/Interview
- Requisitions/Purchase Orders
- Checks/Expenditure reports
- Equipment Log/Database
- Inventory report
- Disposition list
- Maintenance records

Equipment Management***

- This is the easiest thing to fix and easiest to cite.
- Follow your procedures
- Conduct a review prior to the MDE visit and update the condition of equipment
- If something is lost or stolen, follow your procedures (evidence)
- If something is broken, follow your procedures
- If something has been moved, update the inventory log.

Equipment Management*** (Continued)

- Disposed property should follow procedures and include board minutes and listing of items.

OSA Public School Fixed Asset Manual

<http://www.osa.ms.gov/documents/property/PublicSchMan.pdf>

G. Personnel

Indicator

Policies/procedures to demonstrate:

- Fringe benefits charged to the program are reasonable and in compliance with requirements
- Internal process to evaluate the accuracy of its time and effort system
- Specific officials are designated to approve employee time and effort documentation
- Personnel documentation meets the Federal standards

Evidence of Implementation

- LEA/Subgrantee Policies and/or Procedures
- MCAPS Application
- Budget documents
- List of personnel by funding source
- Payroll distribution sheets
- Semi-annual certifications, PARs, Time sheets, Activity logs
- Expenditure Reports
- Corrective journal entries

Personnel & MSIS

- Conduct a review of MSIS to ensure that all federally funded staff are coded correctly before finalizing personnel each December.
- Title I – “1”
- Other federally funded positions – “9”
- Maintain a listing of federally funded staff and position titles.

Time and Effort Documentation

- Follow procedures for completion of appropriate forms
- Reconciliation documentation for staff completing PARs
- Sign and date appropriately
- Monitor staff changes to ensure that PARs or Semi-Annuals are completed timely and update MSIS

H. Procurement

Indicator

Policies/procedures that demonstrate:

- Compliance with federal and state regulations
- Prior approval of purchases, goods, services
- Procurement process that avoids acquisition of unnecessary or duplicative items and determine the most economical approach

Evidence of Implementation

- LEA/Subgrantee Policies and/or Procedures
- Requisitions/Purchase Orders
- Invoice/Evidence of receipt of goods
- Checks/Expenditures
- Contract—signed/dated
- Evidence of bids, if required

Procurement Issues

- Electronic invoicing
- Food Purchases
- Procurement Packet Files
- SAM.gov
- Sole source

Electronic Invoicing

- Procedures should speak to the process used with accepting and paying an electronic invoice
- Consider what is needed to prove that the items were received and paid according to the original quote/PO
- Consider how you would document this process to an auditor or monitor

Food Purchases

- Is food allowed for staff meetings and trainings?
Generally No.
- Food for parent engagement meetings must be reasonable and typically a light snack.

Procurement Packets***

- All monitoring visits will include a sampling of procurement packets. The monitors will take a look at the History Transaction Report or Detailed General Ledger and make a selection on site.
- When pulling the packets, ensure that all information is pulled to show the beginning to end of the procurement process. (Requisitions, quotes, PO, invoice, checks, travel authorization, agenda, receipts as required, etc.)

Procurement Packets*** (Continued)

- Who monitors the procurement packet to ensure all items are maintained or scanned and uploaded into the accounting software?

- Follow your procedures
- According to EDGAR the check is required on vendors that you pay \$25,000 or more
- If your procedures state that you check once you cross this threshold, you must demonstrate how you are monitoring this

Use of Sole Source 2 CFR § 200.320(d)(5)(f)

Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- (1) The item is available only from a single source;
- (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- (3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
- (4) After solicitation of a number of sources, competition is determined inadequate.

J. Budgeting and Activities

Indicator

Policies/procedures :

- Governing the preparation and approval of budgets and budget revisions for the LEA and the schools
- Outlining the process that will be followed to amend an approved application prior to obligating funds
- Evaluating the relative value received from different types of expenditures made using program funds

Evidence of Implementation

- LEA/Subgrantee Policies and/or Procedures
- MCAPS Consolidated Application and Budget
- Approved budget reflected in LEA accounting software
- MCAPS Budget Revisions
- Personnel Hire Dates

Budget Alignment

- Who is involved in the review of budgets prior to submitting a revision?
- Do you consider what has been requested prior to submitting a revision in MCAPS?
- Are evaluations completed to show the effectiveness of certain types of expenditures? (Contract for services? Other types of interventions?)

L. Maintenance of Effort

Indicator

Policies/procedures to demonstrate:

- Calculation of MOE
- Process if it fails to meet MOE requirements
- Monitoring and review process used during fiscal year to ensure LEA meets MOE requirements for expenditure levels

Evidence of Implementation

- LEA/Subgrantee Policies and/or Procedures
- MOE Correspondence from MDE

Maintenance of Effort Review

- Does your district run the MOE formula at some point in the year and compare it to the last fiscal year to ensure that it is on track to meet the 90% requirement?
- <https://www.mdek12.org/sites/default/files/documents/OSF/FETSIInformation/title-i---maintenance-of-effort.pdf>

This is important because of the new Title I SNS flexibility.

O. Data Quality

Indicator

Policies/procedures for:

- for reviewing LEA/Subgrantee and school level data
- include data quality checks to ensure the accuracy of reporting data

Evidence of Implementation

- LEA/Subgrantee Policies and/or Procedures
- On-site Interview

Data Quality

- FPD is typically not solely responsible for data quality, but there are required data for the administration of federal programs, allocation processes, services to students, personnel, enrollment, and ultimately resource allocation.
- Work across district offices to ensure procedures are aligned or appropriate processes are in place for quality reviews and reasonableness of reporting.

R. Title II, Part A

Indicator

- Title II, Part A funds are used to supplement state and local funds

Evidence of Implementation

- Monthly CSR Calculation
- Documentation of activities
- General Ledger

Title II - SNS

- Follows the old SNS test

S. Title III, Part A

Indicator

- Title III, Part A funds are used to supplement state, local, and other Federal funds

Evidence of Implementation

- General Ledger

Technical Support

- Zoom Sessions to discuss indicators and evidence of implementation
- Updated weekly Q & A's in MCAPS

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