Special Education Finance Training Series

Fiscal Monitoring Process

Need for Monitoring

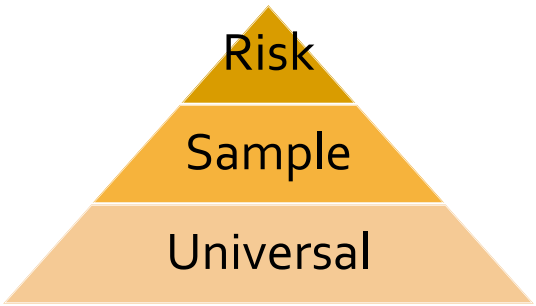
AUTHORITY

- IDEA
- EDGAR
- OMB Circulars
- Utah Code
- USBE Rule

PURPOSE

- General supervision
- Reduce paperwork & reporting burden
- Identify & resolve fiscal risk

FICAM System



Universal Monitoring

- Review of audits submitted by each LEA
- Review of AFR and APR
- Self-Assessment
- Application for funding

Self-Assessment

- General Fiscal Compliance Checklist
- CEIS Checklist
- Private School Checklist
- Schoolwide Title I Checklist
- High Cost Checklist

Available online at
www.schools.utah.gov/sars/Finance/Fiscal-Monitoring.aspx

Application for funding

- Allowability
- Assurances
- Budget
- CEIS
- Excess Costs
- IDEA Program Compliance
- MOE
- Equitable Services (Private School Proportionate Share)
- Self-Assessment

Allowability

- Students with disabilities addressed in goals
- Funding is directly related to goals for students with disabilities
- Prior approval required for equipment over $5000 or construction
- Indirect cost is no greater than the allowed percentage

Assurances

- Lobbying
- Debarment, suspension (www.epls.gov)
- Drug-free workplace
- Constitutionally protected prayer
- IDEA Implementation requirements

Budget

- Initial approval
- Changes requiring explanation and approval
  - Greater than 10% of any line
  - Greater than 5% of total allocation
  - Increase in the amount for equipment
  - Funds in an object code that was previously $0

CEIS

- Voluntary or Mandatory use of CEIS funds
- Amount set aside
- Percent set aside
- Upload plan as related document
- Prepare for reporting 2 years following implementation of CEIS program

Excess Costs

- Upload calculation as related document
- FY13 application requires calculation of FY11 excess costs
- Instructions
  - http://www.schools.utah.gov/sars/DOCS/finance/cecinstruct.aspx
- Calculator
  - http://www.schools.utah.gov/sars/DOCS/finance/ecselfcwsheet.aspx

IDEA Program Compliance

- Verify UPIPS submissions
- https://upips.schools.utah.gov/Login.aspx

Maintenance of Effort

- Calculated by USOE based on APR
- LEA must estimate state & local budget
- USOE reviews for eligible reduction or exception
  - Increase in IDEA funds
  - Decrease in enrollment of students with disabilities
  - High cost students
  - End of long term finance project (construction)

Equitable Services

- Meetings held with eligible private schools
- Result of meeting
- Upload proportionate share calculator
  - http://www.schools.utah.gov/sars/Finance/Fiscal-Monitoring.aspx

Self-Assessment

- Review and update as needed
- Working toward ability to update checklists within UPIPS

Universal Monitoring

- Integrated with current systems
  - UCA
  - AFR/APR
  - Audit
- No new reports or procedures required

Sample Monitoring

- Targets areas of risk
  - Audit review
  - Onsite visits
  - Concerns brought to USOE
  - Requirements of EDGAR and OMB
- Aligned with UCA or UPIPS
- Requires additional documentation within 30 days of reimbursement request

Sample Monitoring Targets

- Time & Effort Certification
- Inventory Management
- CEIS
- Equitable Services
- Allowable Costs

Time & Effort

- Provide listing of all personnel on the current request
- Submit sample as requested (from list)

- Districts
  - Semi-annual certification for 100% effort
  - PAR for less than 100% or multiple fund sources
- Charters
  - PAR for all employees paid with federal funds

Personnel Activity Report

- Must be maintained for all employees who are paid in part or full by federal funds
- Must be after-the-fact
  - a report of actual time worked, not just an estimate or percentage
- Account for the total activity of the employee
  - you must show the full work of the employee, even if part of their salary is paid by state or other funds
- Must be signed by the employee or direct supervisor
- Must be prepared at least monthly

Inventory Management

- Provide listing of equipment or supplies purchased
- Identify items in inventory management system
- Target "easily pilfered" items such as laptops, iPads, prizes, gift cards

CEIS

- Submit PAR for personnel assigned to CEIS
- Submit receipts, invoices, etc for CEIS expenditures
- On-site UPIPS visit for observation of program as described in plan

Equitable Services

- Submit PAR for personnel assigned to private schools
- Submit receipts, invoices, etc for purchases
- Submit evidence of inventory control
- Provision of services monitored through UPIPS

Allowable Costs

- Provide receipts, invoices, etc documenting expenditures made with IDEA funds
- On-site UPIPS visit observation for allowable use of IDEA funds

Sample Monitoring

- Triggered by reimbursement request
- Minimum of 2 districts & 2 charters monthly
- Documentation provided within 5 days can still be processed within normal timelines
- 30 days to provide documentation, or request is rejected
  - Increases rating of risk
  - Finding of noncompliance will be issued

Risk Monitoring

- Results from limited compliance at universal and sample levels
- Rubric establishes risk for each LEA
  - Completed annually by USOE staff
  - Rubric available to LEA but not public

Risk Procedures

- Vary based on area(s) and level of risk
- Additional evidence of expenditure required
- Interview with LEA personnel
- Audit visit
- On-Site visit
- Review of general ledger
- Review of bid, quote, or RFP procedures
- Review of overall fiscal management
- Review of vendor eligibility

Findings of Noncompliance

- LEAs have the opportunity to correct fiscal records within 30 days before a finding is issued
- Findings require correction asap, no later than 1 year
  - Prong 1 – fix the mistake
  - Prong 2 – fix the system
- Failure to correct results in corrective action

Corrective Action

- Finding of Noncompliance issued
- USOE Associate Superintendent informed
- LEA administration informed
  - Superintendent or Charter Director
  - Business Administrator
  - LEA board chairperson
- Improvement plan developed by LEA
  - Outlines areas of noncompliance
  - Establishes timeframe for correction
- Review of progress on improvement plan

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Continued Noncompliance

- Inform USOE Internal Auditor and State Superintendent
- Investigation by USBE audit committee
- USBE will determine if and what level of funds will be withheld or terminated

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Questions?

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