



Opportunity Through Education

Subrecipient Fiscal Monitoring

LEA Training

Presenters



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Session Objectives

- Understand the subrecipient fiscal monitoring requirements under the Uniform Grant Guidance
- Understand the different components of the special education fiscal monitoring tools used by the Wyoming Department of Education (WDE)
- Prepare to participate in the special education fiscal monitoring activities and respond to monitoring requests promptly

Question 1

How would you rate your knowledge of the subrecipient fiscal monitoring requirements?

- a. Very strong
- b. Strong
- c. Fair
- d. Weak

Agenda

- Fiscal Monitoring Overview
- WDE Fiscal Monitoring System
- WDE Special Education Fiscal Monitoring Protocols
- Monitoring Reporting and Corrective Action Plans
- Enforcement Mechanisms

Acronyms and Initialisms

- **CFR** – Code of Federal Regulations
- **EDGAR** – Education Department General Administrative Regulations
- **GEPA** – General Education Provision Act
- **IDEA** – Individuals with Disabilities Education Act
- **LEA** – Local Educational Agency
- **SEA** – State Education Agency
- **SWD** – Students with Disabilities
- **U.S.C.** – United States Code

Fiscal Monitoring Overview

What is fiscal monitoring?

State Monitoring

[34 CFR § 300.600\(a\)](#)

IDEA

The State must —

- Monitor the implementation of IDEA.
- Make determinations annually about the performance of each LEA.

State Monitoring Activities

[34 CFR § 300.600\(b\)](#)

IDEA

The primary focus of the State's monitoring activities must be on —

- Improving educational results and functional outcomes for all children with disabilities; and
- Ensuring that public agencies meet the program requirements under Part B of the Act, with a particular emphasis on those requirements that are most closely related to improving educational results for children with disabilities.

Enforcement Mechanisms

IDEA

[34 CFR § 300.600\(a\)](#)

The State must —

- Enforce this part, consistent with § 300.604, using appropriate enforcement mechanisms, which must include, if applicable, the enforcement mechanisms identified in § 300.604(a)(1) (**technical assistance**), (a)(3) (**conditions on funding of an LEA**), (b)(2)(i) (**a corrective action plan or improvement plan**), (b)(2)(v) (**withholding funds, in whole or in part, by the SEA**), and (c)(2) (**withholding funds, in whole or in part, by the SEA**); and
- Report annually on the performance of the State and of each LEA under this part, as provided in § 300.602(b)(1)(i)(A) and (b)(2).

Uniform Grant Guidance

[2 CFR §200.332](#)

The pass-through entities —

- Must evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and subaward terms and conditions.
- Must use risk assessment results to determine appropriate subrecipient monitoring activities.
- Must monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes.

[2 CFR §200.332\(b\)](#)

Uniform Grant Guidance

The State's considerations in assessing risk may include —

- Prior experience with IDEA subawards.
- Results of previous audits, including whether the subrecipient receives a Single Audit.
- New personnel or new and/or substantially changed systems.
- Extent and results of Federal agency monitoring.

Uniform Grant Guidance

[2 CFR §200.332\(e\)](#)

The State's monitoring tools may include —

- Providing training and technical assistance on program-related matters.
- Conducting on-site reviews of the subrecipient's program operations.
- Arranging for agreed-upon-procedures engagements (audit services).

Uniform Grant Guidance

[2 CFR §200.339](#)

Remedies for Noncompliance —

- Imposing special conditions.
- Temporarily withholding cash payments pending correction of the deficiency or more severe enforcement action.
- Disallowing all or part of the cost of the activity/action not in compliance.
- Suspending or terminating the Federal award.
- Withholding further Federal awards for the project or program.

Question 2

Which one of the following is a WDE requirement related to the monitoring of its LEAs?

- a. WDE must evaluate each LEA's risk of noncompliance.
- b. WDE must use risk assessment results to determine appropriate LEA monitoring activities.
- c. WDE make determinations annually about the performance of each LEA.
- d. All of the above.

The correct answer is "d"

Question 3

Which one of the following is NOT an example of a remedy the WDE may use for LEA noncompliance?

- a. Imposing special conditions.
- b. Temporarily withholding cash payments.
- c. Suspending the LEA special education director.
- d. Suspending or terminating the Federal award.

The correct answer is “c”



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Fiscal Monitoring System

WDE Procedures

Purpose of a Fiscal Monitoring System

- Improve fiscal compliance, accountability, and technical assistance for better program outcome.
- Set the standards for fiscal monitoring and oversight.
- Standardize evaluation and monitoring guidelines.
- Identify each component of subrecipient fiscal monitoring.

- Special education fiscal monitoring is integrated with the federal program monitoring.
- WDE uses multi-grant indicators applicable to all programs for both fiscal and programmatic monitoring.
- WDE has a risk-based fiscal compliance and accountability system to ensure compliant LEA procedures and practices.

Tier I – Universal Monitoring Activities

- **LEAs reporting requirements**
- **WDE annual risk assessment for IDEA and ESSA programs**

Tier II – Targeted Monitoring Activities

- **Establishes a 4-year LEA monitoring cycle**
- **LEA desk reviews using fiscal monitoring protocols**

Tier III – Intensive Monitoring Activities

- **LEA desk or on-site reviews based on risk assessment result**
- **LEA desk or on-site reviews using fiscal monitoring protocols**

The following monitoring activities are performed annually and serve as the first line of oversight of all grant recipients:

- Review of LEA's IDEA Part B Consolidated Grant Application and required assurances
- Annual budget review
- Quarterly submission of Periodic Expenditure Reports (PERs) for review
- Quarterly submission of IDEA reimbursement requests for review
- Annual submission of IDEA expenditure reports with PERs for review

- Monitoring of excess cost requirements
- Monitoring of timely obligation of funds
- Annual risk assessment
- Review of Single Audit reports
- Budget modification process with thresholds requiring WDE's approval
- Annual training provided to LEAs on compliance requirements



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Tier II – Targeted Monitoring Activities

There are 48 districts reviewed once every 4 years on a cycle. Targeted monitoring activities consist of these reviews:

- Budget or expenditure reports
- Time and effort documentation
- Written, board-approved fiscal policies and procedures
- Additional fiscal data submitted requested by WDE
- Grant award letters, contracts, files, documents, and related correspondence
- Audit reports (as necessary)

May include —

- Follow-up interviews
- On-site visits
- Requests for additional information
- Requests for explanation for any policies, procedures, or practices inconsistent with federal regulations



Tier III – Intensive Monitoring Activities

The following monitoring activities are performed annually for LEAs selected based on the annual risk assessment:

- WDE selects up to five (5) additional LEAs for intensive monitoring based on annual risk factors.
- Intensive monitoring requires LEAs to submit a larger sample of documentation for review than targeted monitoring; intensive monitoring may include on-site visits.
- A district may be selected 2 or more years in a row.
- A district may be identified based on risk during its cycle year and will participate in the intensive monitoring.
- With 12 school districts selected based on the cycles, there can be up to 17 LEAs that are monitored annually.

Fiscal Monitoring Reviews

- A review is **NOT a Single Audit**.
- Reviews are conducted in collaboration with other federal programs.
- On-site and desk reviews follow similar procedures, assessing for
 - capability,
 - performance, and
 - compliance.

Question 4

What is the purpose of fiscal monitoring?

- a. Improve fiscal compliance and accountability.
- b. Improve technical assistance for better program outcome.
- c. Standardize evaluation and monitoring guidelines.
- d. Set the standards for fiscal monitoring and oversight.
- e. All of the above.

The correct answer is “e”

Question 5

Which statement is true regarding WDE fiscal monitoring?

- a. WDE selects up to five (5) additional LEAs for intensive monitoring based on annual risk factors.
- b. There can be up to seventeen (17) LEAs that are monitored annually.
- c. WDE selects twelve (12) LEAs for targeted monitoring annually.
- d. All of the above.

The correct answer is “d”

Question 6

Which of the following statements is true for an LEA scheduled for targeted monitoring and identified for intensive monitoring?

- a. The LEA will not participate in the intensive monitoring activities.
- b. Intensive and targeted monitoring activities will be combined for the LEA.
- c. The LEA will not participate in the targeted monitoring activities.
- d. None of the above.

The correct answer is “b”

On-site Monitoring

Entrance meeting

Meeting is conducted to review the scope and purpose of the monitoring, requests for additional information are made, and verifies that information required to complete the monitoring visit is available at the site.

Interviews

Interviews with staff involved with IDEA Part B grants (specifically business managers and special education directors).

Detailed document review

Detailed review of documents such as fiscal records, payroll, staffing, written policies and procedures, etc.

Verification of practice

Senior Fiscal Analyst may visit schools and classrooms to verify purchases and allowable costs, including the review of personnel and verification of time and effort reporting.

Exit interview

WDE holds an exit interview with the appropriate LEA staff when the monitoring visit is completed. Potential findings of noncompliance are discussed in general terms.

Fiscal Monitoring Timeline

Step 1

LEA training in June

Step 2

Annual risk assessment for all LEAs in August

Step 3

LEAs notification in September and documents submission

Step 4

Virtual desk reviews in December and January

Step 5

On-site reviews if needed



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WDE Fiscal Monitoring Protocols

Special Education Fiscal Monitoring Tools

Fiscal Monitoring Protocol Components

Section A-I

Written Policies and Procedures

Section A-II

Allowability of Costs

Section A-III

Time and Effort

Section A-IV

Inventory Management

Section A-V

Financial Management System

Fiscal Monitoring Protocol Components

Section B-I

LEA MOE

Section B-II

CEIS

Section B-III

Private School Proportionate Share

Section B-IV

IDEA/Title I-A Schoolwide Expenditures



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Section A-I: Written Policies and Procedures

Testing Procedures

- Test the existence of written policies and procedures in compliance with the Uniform Grant Guidance

Documents requested

- Written Policies and Procedures in compliance with the UGG



Written Policies and Procedures (Cont'd)

Uniform Guidance Required Written Procedures

- Cost Principles – 2 CFR Part 200 Subpart E
- Procurement – 2 CFR § 200.318
- Time and Effort – 2 CFR § 200.403(a)
- Inventory Management – 2 CFR § 200.313
- Cash Management – 2 CFR § 200.302(b)(6) & § 200.305

Uniform Guidance Required Written Policies

- Time and Effort – 2 CFR § 200.430
- Conflict of Interest Policy – 2 CFR § 200.318
- Record Retention – 2 CFR § 200.334

Testing Procedures

- Test allowability of costs
- Test internal control procedures for expenditures approval

Documents requested

- General Ledger Report by Funding Source (detailed revenue and expenditures, vendor, payment date, invoice number, amount paid)
- Up to 25 paid invoices with purchase orders (PO)

Testing Procedures

- Test allowability of salaries and benefits charged to federal grants

Documents requested

- Gross salary report
- List of staff paid with funds: names, FTE, funding sources
- 6 semiannual certifications, personnel activity reports (PAR) or timesheets chosen by LEA; WDE will request more if needed

Single Cost Objective

- Employees working 100% of time on a single cost objective for federal education programs
- Semi-Annual Certification

Multi-Cost Objective

- Employees working 100% of time on multiple cost objectives for federal education programs
- Monthly Certification (Personnel Activity Report or Substitute System)

Section A-IV: Inventory Management

Testing Procedures

- Test inventory management systems for efficiency and effectiveness

Documents requested

- Inventory List
- Asset/Inventory Management Reconciliation

Testing Procedures

- Test financial management systems for efficiency and effectiveness
- Test compliance with records retention (copies in GMS); LEA must demonstrate record retention compliance

Documents requested

- FY Prior Audit-Year Budget vs. Expenditures report
- FY Audit-Year Budget vs. Expenditures report
- Copy of Audit-Year Grant Award Notification (GAN)

Question 7

What is the purpose of the time and effort review?

- a. Test allowability of salaries and benefits charged to federal grants
- b. Test the existence of written policies and procedures
- c. Test allowability of cost
- d. Test financial management systems for efficiency and effectiveness

The correct answer is “a”

Question 8

Which of the following is NOT the main purpose of the financial management review?

- a. Test financial management systems for effectiveness
- b. Test financial management systems for efficiency
- c. Test allowability of cost
- d. Test compliance with records retention

The correct answer is “c”



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WDE Fiscal Monitoring Protocols

IDEA Fiscal Requirements

Section B-I: LEA MOE

Testing Procedures

- Test compliance with IDEA Maintenance of Effort (MOE) requirements
- Test allowability of costs included in MOE calculation

Documents requested

- MOE detailed expenditure reports
- Up to 25 invoices and POs with other supporting documents of expenditures
- MOE exception and adjustment supporting documentation

Section B-II: CEIS

Testing Procedures

- Test compliance with IDEA CEIS fiscal requirements

Documents requested

- CEIS/CCEIS detailed expenditure reports
- Up to 15 invoices and POs with other supporting documents of expenditures paid with CEIS/CCEIS funds

Testing Procedures

- Test compliance with IDEA parentally-placed private school proportionate share fiscal requirements

Documents requested

- Parentally-placed private school proportionate share detailed expenditure reports
- Up to 15 invoices and POs with other supporting documents of expenditures paid with private school proportionate share funds
- Services plan documenting agreed-upon services

Testing Procedures

- Test compliance with IDEA/Title I-A schoolwide implementation fiscal requirements

Documents requested

- Documentation supporting the calculation of the IDEA amount transferred to the ESSA schoolwide budget (i.e., student IEPs to verify schoolwide program is consistent with IEPs)

Question 9

Which of the following documents may be requested for the monitoring of CEIS fiscal compliance?

- a. CEIS/CCEIS detailed expenditure reports
- b. Up to 15 invoices and POs with other supporting documents of expenditures paid with CEIS/CCEIS funds
- c. Parentally-placed private school proportionate share detailed expenditure reports
- d. a & b
- e. None of the above

The correct answer is “d”

Question 10

Which of the following documents may be requested for the monitoring of LEA MOE fiscal compliance?

- a. MOE detailed expenditure reports
- b. Up to 25 invoices and POs with other supporting documents of expenditures
- c. MOE exception and adjustment supporting documentation
- d. All of the above

The correct answer is “d”



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WDE Fiscal Monitoring

Reporting and Corrective Action Plans

Fiscal Monitoring Report

- LEAs receive a monitoring report within **30 days** of the completion of the desk or on-site review.
- The report states the objectives, scope, and methodology of the monitoring.
- The report will clearly state findings of noncompliance when applicable and recommendations for a corrective action plan.
- Each finding of noncompliance must be corrected in a timely manner and in no case later than **1 year** from the date of the monitoring report.

Corrective Action Plan

- LEAs may be required to submit a detailed corrective action plan within **45 days** of the notification of finding of noncompliance.
- Failure to address the findings within **90 days** could lead the WDE to use enforcement mechanisms as outlined in 2 CFR §200.339.
- To complete a corrective action, the LEA must provide specific documentation that supports the completion of the corrective action by the date specified or submit the required documentation in the GMS system as indicated on the corrective action notification.

Types of Noncompliance

- Expenditure of funds or conducting activities that are not in accordance with the grant's authorizing statute, regulations, guidelines, or approved application.
- Failure to account for funds in accordance with WDE financial management standards or administrative rules.
- Findings in a single audit conducted by an independent auditor.
- Failure to comply with programmatic or fiscal reporting requirements and/or previous required corrective actions, refund requests, or special conditions.

[2 CFR §200.339](#)

Uniform Grant Guidance

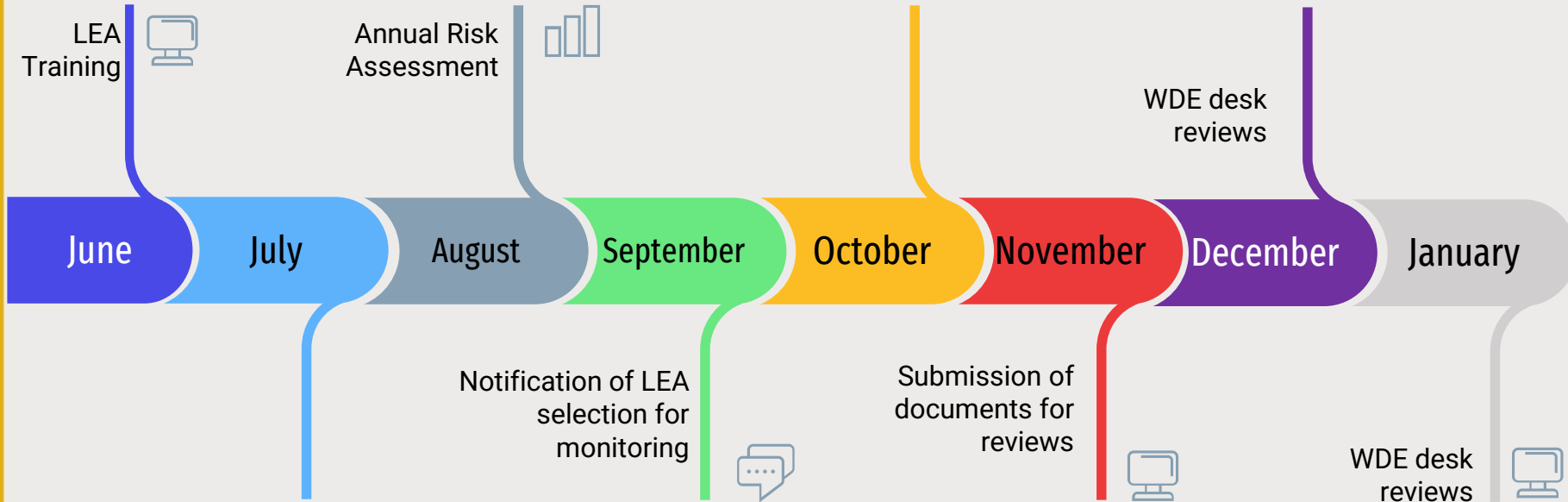
Remedies for Noncompliance —

- Imposing special conditions.
- Temporarily withholding cash payments pending correction of the deficiency or more severe enforcement action.
- Disallowing all or part of the cost of the activity/action not in compliance.
- Suspending or terminating the Federal award.
- Withholding further Federal awards for the program or project.

Monitoring Closeout

- WDE considers all findings of noncompliance as resolved only after the LEA has provided sufficient evidence that the corrective action plan is fully implemented.
- A closeout letter is issued to the LEA within **30 days** of the submission of the final satisfactory evidence.

Fiscal Monitoring Activities Timeline



Fiscal Monitoring Activities Timelines

**Submission of
Corrective Action Plan**

**45 business days after notification of
finding**

Finding Correction

Within 1 year of notification of the finding

Closeout letter

**Within 30 days of LEA submission of final
evidence**



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Federal Resources

2 CFR Part 200

[Uniform Administrative Requirements](#)

34 CFR Part 81

[General Education Provisions Act \(GEPA\) - Enforcement](#)

34 CFR Part 300

[Assistance to States for the Education of Children With Disabilities](#)



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Thank you!

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