

SEER Monitoring

March 9, 2018

VASBO

Desk-Review Process

SEER monitoring is a desk-review process (materials are gathered via email and paper mail rather than reviewed by going on-site to SUs).

The goal is to identify and help SUs resolve compliance problems surrounding the SUs use of IDEA and state special education funds. In FY19, monitoring of IDEA funds will be moving to the Federal Fiscal Monitoring team.

Compliance references for IDEA are federal law and Uniform Guidance.

Compliance references for state special education funds compliance is Vermont Statutes, State Board Rules and the Technical Guide for Special Education Cost Documentation.

3 Sets of Information are Reviewed

1. Expenditures from the beginning of the fiscal year through the current date for both IDEA and state special education funds
2. Policies and Procedures as required by Uniform Guidance for expenditures from IDEA funds
3. Time Documentation for staff funded by both state and federal funds

NOTE: Although the process is called 'SEER' Monitoring, it is not related to a specific SEER report.

Risk Assessment

SUs are selected for monitoring based on the following risk factors:

- Fiscal Year of Last SEER or IDEAB Monitoring (0 to 20 points)
- % Increase in Sped Ed Cost FY- \ll last year minus 2 years \gg to FY- \ll last year \gg IDEAB Monitoring (4 to 20 points)
- FY- \ll last year minus 2 years \gg % Over/Under Statewide Avg Spec Ed Cost per ADM (4 to 16 points)
- Staffing Changes (0 to 7 points)

SUs with the highest number of point are selected for monitoring.

Timeline

Monitoring is conducted within the same year that costs are incurred.

The process involves these steps and timeframes:

November: Identification of SUs to be monitored

Begin January: Notification (Engagement Letter to SU)

End January: Collection of list of funded employees and expenditures

February: Sampling of expenditures and request for expenditure documentation

March: Collection of employee time documentation

April-June: Question and response between AOE and SU

April-June: Written Monitoring Report and Template for Corrective Action Plan (CAP)

April-December: Collection of CAP materials

April-December: CAP Acceptance Letter

April-December: CAP Closure Letter

Questions

Overview of Special Ed. Bill

- H.897 An Act Relating to Enhancing the Effectiveness, Availability, and Equity of Services Provided to Students Who Require Additional Support

Consolidated Federal Programs

Jennifer Gresham, M.Ed., MBA
Division Director – Federal & Education
Support Programs

Schoolwide Programs

- What can be included
 - Title I, Part A
 - Title II, Part A
 - Title III, Part A
 - Title IV, Part A
 - Title IV, Part B
 - IDEA, Part B
 - Local/state funds



Schoolwide Programs

- Why do schoolwide?
 - Increased flexibility of total funds within the school
 - Based off a comprehensive needs assessment that helps school and LEA understand the root cause of identified needs
 - Requires a Continuous Improvement/ Schoolwide Plan that addresses needs identified in the CNA
 - Don't have to identify a specific caseload of eligible students

Schoolwide Programs

- Things to remember
 - Must continue to meet intent of law
 - Prorated expenditure vs. sequential – do you want Title I first or do you want prorated? We're all going one way or the other...(old money always goes first)
 - Vote on live.voxvote.com PIN: 41638
 - Only applies to school level expenditures
 - If under 40% poverty, need to apply for waiver
 - CIP is your schoolwide plan
 - Still have to prove supplement not supplant

Schoolwide Programs

- Must maintain records to show that SWP addresses intent and purpose of each of the federal program whose funds are being consolidated
 - So what does that mean?
 - Functional expenditure categories (salary, travel, supplies, etc.)
 - If you spent \$100,000 on SWP, there should be \$100,000 of SWP work

Schoolwide Programs

- Meeting Intent and Purpose – for example
 - Title II, Part A
 - CIP contains activities and strategies that promote increased student achievement by improving the quality and effectiveness of teachers
- LEA must be able to demonstrate that each SWP contains sufficient resources and activities to address intent and purpose of each of the federal programs

Schoolwide Programs

- Funds must be used to:
 - Address educational needs of a school as outlined by:
 - Comprehensive Needs Assessment
 - Continuous Improvement Plan
 - Upgrade the educational program of a school as:
 - Reflected in Continuous Improvement Plan
 - Based on data from Comprehensive Needs Assessment

CFP Amendments

- When do you need to do an amendment
 - 10% shift in TOTAL grant funds
 - Work change



CFP Trainings

- Plan for VT AOE GMS trainings - regional
- To know:
 - In the CFP application
 - Title I, Part A
 - Title II, Part A
 - Title III, Part A
 - Title IV, Part A
 - Title I, School Improvement
 - RLIS

LEA – LEA Agreements

- Required for consortium for federal funds
- [LEA agreement guidelines on AOE website](#)

Questions

Fiscal Compliance

Single Audit Requirement

Federal Indirect Cost Rate

State Bid Law Waivers

Excess Spending Exclusion for Approved Construction \$

Common Areas of Weakness in Grant Compliance

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Single Audit Requirements

Indirect Costs

Period of Performance

Single Audit Requirement

- Required for entities expending \$750,000 or more in federal grants in a fiscal year
- AOE is required to follow-up on all single audits
- Must submit to the Federal Audit Clearinghouse (FAC) within the **earlier** of 30 calendar days after receipt of the auditor's reports *or* 9 months after the end of the audit period. (March 31 for most)
- Auditor must notify the AOE the audit has been submitted to the FAC by emailing:
 - AOE.financialreports@Vermont.gov

Single Audit – Late Penalties

- Per Vermont State Agency of Administration Bulletin 5 Policy for Grant Issuance and Monitoring
 - “Organizations that are currently delinquent in submission of a Single Audit report for any of the preceding three years are ineligible to receive new awards, regardless of funding source, until the delinquent status has been resolved.”
 - Current year funding will be placed on hold until the entity complies

Indirect Cost Rates

- Requires annual application / agreement
 - Based on actuals from 2 years prior (brand new entities will use current year budget)
 - Due April 1, 2018 – but earlier submission is appreciated (this date will change for FY20)
 - New requirement: must also send organization chart with application beginning with FY19 applications
 - Deeper review starting with FY19 / More assistance
 - Fall Training being planned
- Common errors:
 - Send application as an Excel file – no PDFs
 - Pulling wrong number from two years prior

Indirect Costs Rate

Common Application Errors

- Send application as an Excel file – no PDFs
- Not excluding costs as required:
 - Purchases of equipment
 - Contract costs exceeding \$25,000
 - Food and supplies cost
- Incorrectly labeling costs as direct vs. indirect in the application
- Pulling wrong number for the carry forward adjustment

2019 Application (bottom section)

Calculated Indirect Cost Rate			
Numerator / Denominator			
Adjusted Indirect Cost Rate (must be calculated from third year of rates onward)			
		Actual Direct Costs - FY 2017	\$ -
		FY 2017 Indirect Calculated	0.00%
		FY 2019 Indirect Actual	\$ -
		Adjustment	\$ -
FY 2019 Adjusted Indirect Cost Rate			

Reference: To obtain the FY17 Calculated Indirect Rate, open your Approved FY17 Indirect Rate application. Go to the Calculated Indirect Cost Rate section. In this section, gather the Numerator/Denominator percentage and then enter this percentage in the green highlighted area on the 2019 Indirect Rate application.

2017 Application (bottom section)

Calculated Indirect Cost Rate			
Numerator / Denominator			2.59%
Adjusted Indirect Cost Rate (must be calculated from third year of rates onward)			
		Actual Direct Costs - FY 2015	\$ 25,040,198.00
		FY 2015 Indirect Calculated	2.52%
		FY 2017 Indirect Actual	\$ 631,012.99
		Adjustment	\$ 18,266.01
FY 2017 Adjusted Indirect Cost Rate			2.67%



Indirect Cost Rate Usage

- Only about 1/3 of VT LEAs applied to receive an indirect cost rate in FY18.
- If your LEA does not use an indirect rate, and is at risk of forfeiting federal funds due to carry over maximums or the end of the grant you should consider an indirect cost rate.

Period of Performance

- Memo to be released soon
- Just a reminder – no changes
- Identifies Period of Performance including:
 - Substantial approval for federal formula grants only
 - Approval for federal and state grants
 - Approval for amendment to federal and state grants

VT Public Bid Law Waivers

Bid Waivers

V.S.A. Title 16 §559 Public Bids

- When the following exceeds \$15,000:
 - (1) the construction, purchase, lease, or improvement of any school building;
 - (2) the purchase or lease of any item or items required for supply, equipment, maintenance, repair, or transportation of students; or
 - (3) A contract for transportation, maintenance, or repair services
- The board shall publicly advertise or invite three or more bids
- Contract shall be awarded to one of the three lowest bids
- If effort produces less than three bids board must request a waiver

Bid Waiver -What to include?

Example:

I am writing to request a waiver on behalf of the Your Town School District per 16 V.S.A. §559.

The school district went out to bid for snow plowing services at the
Your school name. An advertisement was placed in the Burlington Free Press and three invitations were mailed to local vendors with the requirements and specifications. Two proposals were received in response to the proposal from VENDOR 1 and VENDOR 2. The district believes the costs are reasonable and would like to accept the lower of the two bids. *(Include reason if choosing a bid that is not the low bid)*

Attached are:

1. Copy of advertisement placed in the Burlington Free Press on DATE.
2. The invitations to bid that were sent to each of the three invited vendors.
3. Copies of the bid summary with the preferred choice identified

Excess Spending Exclusion for Approved Construction Costs

Excess Spending Application

Approved Construction Costs

- **Per V.S.A. 16§4001(6)(B) For purposes of calculating excess spending pursuant to 32 V.S.A. § 5401(12), "education spending" shall not include:**
 - (i) Spending during the budget year for approved school capital construction for a project that received preliminary approval under section 3448 of this title, including interest paid on the debt; provided the district shall not be reimbursed or otherwise receive State construction aid for the approved school capital construction

Excess Spending Application Approved Construction Costs

- Must apply to the AOE and receive approval prior to the start of construction
- One page application plus exhibits
- Project must have voter approval
- Optional – not required

If you have an upcoming construction project please contact Cassandra Ryan at the AOE prior to the start of construction.

Common Areas of Weakness in Grant Compliance

Title I / Extended Day Programming

- Allowable use of Title I - if approved in grant award
- Requires thoughtful implementation when used with an afterschool program
 - Cannot blend the funds – must direct charge the Title I expenses to the Title I accounting record
 - Must meet the intent of Title I – not all 21C programming meets this bar
 - No fees may be charged (parent fees or state subsidies)

Procurement – Federal Grants

- Common issues/findings:
 - Completed after the purchase - *procurement must be completed prior to contract/purchase*
 - No backup documentation attached to documentation form – *must include evidence of procurement process, SAM.gov check, etc.*
 - Using non-competitive (sole-source) without meeting one of the four allowable uses per the Uniform Guidance – *back-up must include information to connect to one of the four allowable uses*

Personnel Documentation (Federal Grant Time and Effort)

- Common Issues /Findings:
 - Blanket Periodic Certifications are under-utilized
 - Not using SWP + School name as a cost objective
 - Time documentation not capturing 100% of an employee's work – only the federal portion
 - Incomplete forms
 - No documentation for afterschool and employees being paid “stipends” with federal funds
 - Insufficient cost objectives
 - Timesheets used as PARs – this doesn't always work
 - Approval signatures – Thoughtful use if form uses more than federal regulation requires

Contracts

- Common issues/findings:
 - No contract
 - Contract not executed by one or both parties
 - Contract executed after the work has started
 - Missing or Incomplete Elements
 - Scope of work
 - Rate of compensation
 - Termination clause
 - Invoice requirements

AOE 2.0 Reporting

- Common Issues/Findings:
 - Accounting records do not support the reported disbursements
 - Failure to maintain separate accounting record for grant funds causing inability to accurately report
 - Extra math required – accounting record doesn't stand on its own
 - Reporting subgranted district level expenditures as disbursements prior to the SU making payment to the district
- Keep back-up documentation for how you informed your reporting

Subgrant Agreements

- Required when a Supervisory Union needs to pass the federal grant funds to one of its member districts for spending
- Common issues/findings:
 - No subgrant agreement
 - Not signed by appropriate authorities
 - Not updated with amendments
 - Does not pass-on restrictions and requirements of funding to the district

AOE Fiscal and Regulatory Team Contact Info

Federal and State Fiscal Grants Monitoring/Compliance Questions:

Kristine Seipel, School Finance Analyst II

802-479-7451

kristine.seipel@vermont.gov

Single Audit and Indirect Cost Questions:

Bob Coathup, School Finance Analyst

802-479-1843

robert.coathup@vermont.gov

Bid Waivers, Excess Spending Exclusion, Emergency Construction Aid

Cassandra Ryan, Fiscal and Regulatory Compliance Coordinator

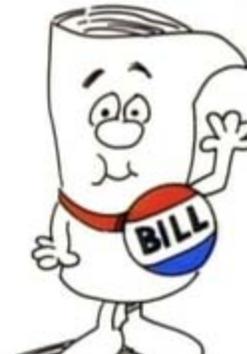
802-479-8545

cassandra.ryan@vermont.gov

Questions

Federal Picture

- What is the impact of the Federal system on compliance?
- Reimbursement, attention to detail



New Grants Management System

[VT AOE GMS](#)

<https://vtaoetest.mtwgms.org/vermontgmsweb/logon.aspx>