

Illinois State Board of Education Federal and State Monitoring



21st Century Community
Learning Center Spring
Conference

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Consultant

Preparing for the Monitoring Visit



Federal and State Monitoring Division Mission

To Monitor Local Education Agencies for compliance with established United State's Department of Education and Illinois State Board of Education Rules and Policies.



Topics of Interest

- ❑ Overview of Federal and State Monitoring Role in the Grants Process
- ❑ Audit and Monitoring Events
- ❑ Monitoring Process
- ❑ Monitoring Report and Procedures for Resolution of Findings
- ❑ Common Findings

Federal Grant Structure

- ❑ Federal Government is represented by the US Department of Education.
- ❑ State of Illinois is represented by Illinois State Board of Education, which is a State Education Agency (SEA). The SEA is also referred to as a recipient.
- ❑ The Grant Recipient is represented by it's local Board, which is Local Education Agency (LEA). The LEA is also referred to as a sub-recipient.

Federal Grants Process at ISBE

- LEA files an application with the Appropriate Education Division of ISBE who will review and approve the application.
- Once the application is submitted, the LEA can begin to expend the funds. Once the application is approved the LEA can submit requests for reimbursement, which is processed by the Funding and Disbursement Division.
- Federal and State Monitoring Division then conducts monitoring visits to the LEA' s.



Audit and Monitoring Events

- Audits are performed on claims filed with the State of Illinois.
- Monitoring Events are performed on Grants issued by the US Department of Education and the State of Illinois.

Objectives of Federal and State Grants – Fiscal Issues

- To test on a sample basis that the funds are being used in accordance with the requirements of the grant.
 - Were expenditures allowable
 - Were funds expended within the grant period
 - Is there proper supporting documentation
 - Were expenditures properly accounted for and recorded in the correct accounts

Objectives of Federal and State Grants – Programmatic Issues

- To test on a sample basis that the LEA is complying with the program requirements of the grant.
 - Serving the students outlined in the application
 - Providing the required notifications
 - Maintaining the required program documentation



Selection Process

- Based on specific criteria such as risk assessments, referrals, audit cycle, complexity of the LEA, dollar amount of funding and other indicators, a LEA may be selected for an audit or monitoring visit. We operate on a fiscal year plan which runs from July 1 to June 30.
- Once a LEA is selected, an Announcement Letter is sent to the Director of the LEA, informing them of the upcoming visit. The letter also includes a listing of the programs to be audited and monitored, including a detailed listing of documentation required for the visit.

FSM Fieldwork Process

- Auditor in Charge will contact the LEA to arrange for dates for onsite fieldwork.
- Auditor will begin fieldwork at which time they will meet with LEA staff to go over process and then complete their audit / monitoring procedures.
- Auditor will conduct a preliminary closing conference with LEA staff to go over findings.



Review and Report Process

- The file is then sent to our Springfield office for a senior staff review in order to determine that the review was conducted within our standards.
- After the completion of the senior staff review the final report is then prepared.



Monitoring Report and Procedures for Resolution of Findings

1. After the field work monitoring examination is completed, a monitoring finding report, enumerating all of the findings, is sent to the sub-recipient, including a cc to the current Board President. The sub-recipient is then required to respond to the findings and the recommended corrective actions within 30 days of receipt of the report.
2. After 30 days – the sub-recipient will receive a telephone call and a past due letter indicating that they have not responded within the 30 day timeline and are then given a specific date to respond.

Monitoring Report and Procedures for Resolution of Findings

3. After 45 days – the sub-recipient will receive an additional reminder with a specific date to respond.
4. Incomplete response – when a sub-recipient response is not adequate, lacks documentary evidence to demonstrate corrective action, or does not include a response to each finding, a verbal communication via telephone and/or written correspondence with specific details related to the response is provided with a specific date to respond.

Monitoring Report and Procedures for Resolution of Findings

5. Final Reminder – when a sub-recipient has not responded via written correspondence, a final reminder is sent indicating that failure to respond within a specific timeline will result in the freezing of funds.
6. Final Closing Letter – after an acceptable response is received and any specific funds are returned, a final monitoring closing letter is sent to the sub-recipient. Sub-recipient responses are scanned into the Federal and State Monitoring shared drive for review and/or assistance during the next on-site monitoring visit to ensure that the noted deficiencies have been resolved.

Common Monitoring Findings – 21st Century Grants

- ❑ Inaccurate Expenditure Reports
- ❑ Claiming Unallowable Expenditures and expenses prior to program start date
- ❑ Inventory Issues
- ❑ Supplement vs. Supplanting
- ❑ Not maintaining separate accounts for revenues and expenditures
- ❑ Lack of supporting documentation
- ❑ Time and Effort Documentation

Basic Guidelines for Allowable Expenditures

- Does the cost meet the requirements of the law?
- Is the cost necessary, reasonable and allocable?
- Is the cost consistently applied?
- Is the cost adequately documented?
 - Examples: segregated accounts, invoices, cancelled checks, inventory records and other valid supporting documentation

Inventory Requirements

- ❑ Procedures must be in place to ensure the control of equipment and materials
- ❑ Equipment purchases must be approved in the grant budget
- ❑ Inventory records must include the following components
 - Description
 - Serial number or other identification number
 - Funding source for purchased property
 - Who holds title
 - Acquisition date
 - Cost
 - Location, use and condition
 - Disposition date, if applicable
- ❑ All equipment purchases must be physically located in the grant usage area and must support the intent of the program

References and Helpful Links

- United States Department of Education:
<http://ed.gov>
- Office of Management and Budget (OMB) Circular A-87: http://www.whitehouse.gov/omb/circulars/a087/a87_2004.html#atta
- State and Federal Grant Administration Policy and Fiscal Requirements and Procedures:
http://www.isbe.net/funding/pdf/fiscal_procedure_handbk.pdf
- <http://www.isbe.net/e-bulletins/default.htm>
- <http://isbe.net/grants/default.htm>
- <http://isbe.net/ea/htm/checklist.htm>

Questions and Answers

