



Public Schools of North Carolina

Fiscal Review Findings & Fiscal Responsibilities of Subgrantees

21st Century Community Learning Centers (CCLC) Grant

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Agenda

- Summary of Findings for 2016-17 Fiscal Reviews
- Federal and State Guidelines and Regulations
 - Grant Funds
 - Questioned Cost
 - Uniform Guidance
 - Procurement
 - Expenditures
 - Transactions
 - Documents
 - Certification Payroll/Time and Effort
 - Proof of Purchase
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- Reminders



Findings for 2016-17 Fiscal Reviews

- Top five areas of non-compliance for both non-LEAs and LEAs (Cohorts 10 & 11)
 - Timesheets lacking the certification statement of the % hours worked (41% of all locations)
 - Expenditure coding either undocumented or incorrect
 - Expenditure approval either undocumented or not from proper individual (41% of all locations)
 - Expenditures not supported with documentation (32% of all locations)
 - Procurement procedures not in place (24% of all locations)

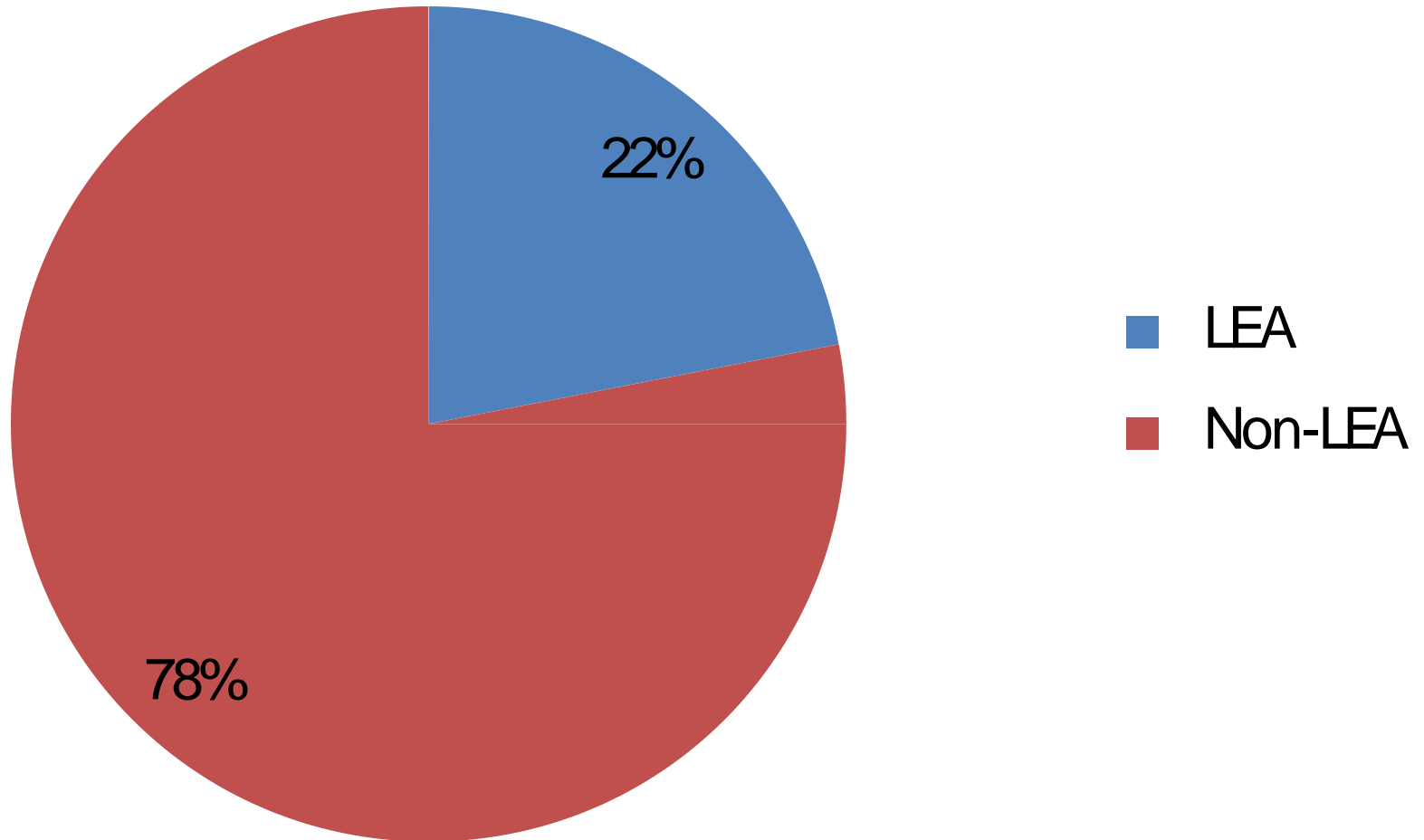


Feedback from 21st CCLC Locations

- Inconsistent communication from NC DPI when inquiries are made
- Unaware of the Bid and Procurement procedure requirement
- Changes to the Monitoring Instrument (MI) were not communicated in advance

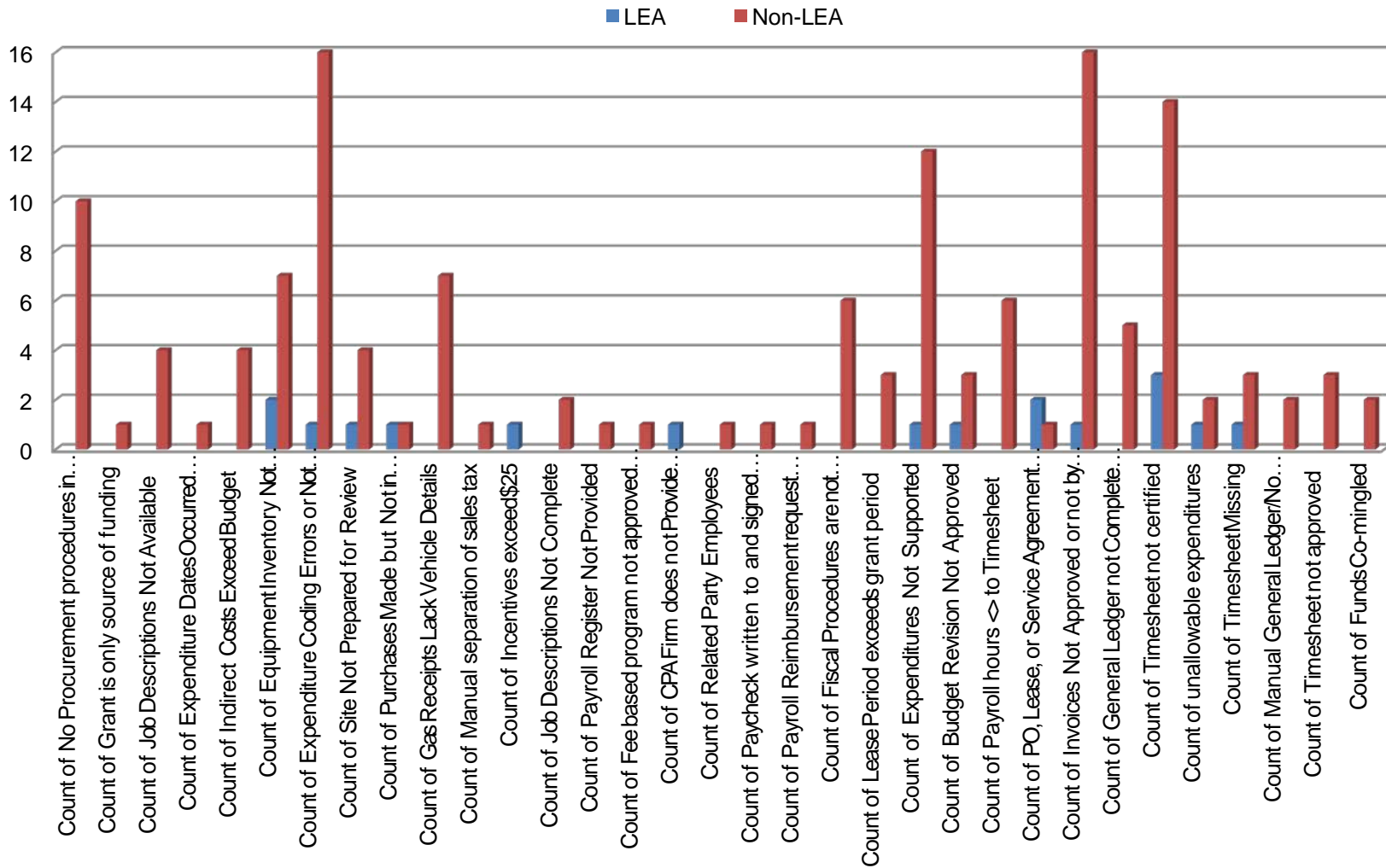


Percentage of LEA vs Non-LEA with Observations



Note: 74% of total subgrantees are non-LEAs

All Observations – LEA vs Non-LEA Occurrences



Uniform Guidance

A government-wide framework for grants management which encompasses eight separately-held circulars, including the 2 CFR Part 230 (Cost Principles for Non-Profit Organizations – OMB Circular A-122) for the composition of total costs (allowable direct and allocable indirect costs), to include:

Multiple Cost Objectives

- Monthly Report
- Signed by Employee or Supervisor
- After the fact
- Account for 100% of time

Single Cost Objective

- Monthly Report
- Signed by Employee or Supervisor
- After the fact
- Account for 100% of time



Grant Funds

- Grant funds must only be used to supplement, not supplant, any federal, state or local dollars available to support activities allowable under the 21st CCLC program
- Parental meetings offering snacks and/or meals must be documented with agendas and sign-in forms
- Leases should not exceed one year
- Student incentives are limited to school supply-type items with no intrinsic value greater than \$25
- If the expenses are legitimate, they may be built into the budget



Grant Funds *continued*

- Gift cards and/or direct cash cannot be provided to any recipients and/or parents of the program participants
- If an organization has more than one operating program, they must ensure the funds in support of the identified program are used only for that program
- Personnel cannot be employees and contractors within the same grant year



Questioned Cost

- EDGAR § 200.84 – a cost that is questioned by the reviewer during an audit/review finding
 - a) *which resulted from a possible violation of a statute, regulation, or the terms of the Federal award*
 - b) *where cost at the time of the audit/review, are not supported by adequate documentation*
 - c) *where cost incurred appears unreasonable and do not reflect the actions a prudent person would take in the circumstances*



EDGAR § 200.403-405 – Allowable, Reasonable, Allocable Costs

- All costs must be necessary and reasonable for the performance or administration of the federal grant
- All costs must be properly documented
- Should not exceed that which would be incurred by a prudent person at the time the decision was made to incur the cost
- All costs must be allocable (to one or more costs objectives)



EDGAR § 200.318-319 Procurement Standards

- The Non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts
- No employee, officer, or agent may participate in the selection, award or administration of contracts supported by a federal award if he or she has a real or apparent conflict of interest*

* Such a conflict of interest would arise when the employee, officer, or agent, any member of his/her immediate family, his/her partner, or an organization that employs or about to employ any of the parties, has a financial or other interest in, or benefits from, a contract.



EDGAR § 200.318-319 Procurement Standards -*continued*

- All procurement transactions must be conducted in a manner providing full and open competition
- In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications or invitations for bids or requests for proposals must be excluded from competing for such procurements
- Areas considered to be restrictive of competition would be organizational conflicts of interest



Allowable Expenditures

Direct and Indirect costs should be pre-approved in the fiscal year budget (EDGAR § 200.407)

- Personnel (salaries & wages, with proper documentation)
- Staff development and training
- Parent education
- Contracted services
- Computer or electronic equipment and software
- Transportation
- Educationally-related field trips
- Program rental space (1 year lease)
- Travel reimbursement (with restrictions)
- Classroom materials

This list is not all inclusive



Transactions

- Non-LEAs are required to submit expenditure reporting and cash request through the Expenditure Reporting and Cash Application for Education Centers (ERaCA) system.
 - Documentation should include check stub, requisition (if required), invoice
 - General ledger coding associated with the transaction should be readily available and match the budget
 - Appropriate approving signatures should be on the documents
 - Grantees are allowed to submit one expenditure a week



Documents

- Certified payroll records
- Submit within 10 business days copies of documents aligned to ERaCA submissions
- Includes electronic copies
- Retain for at least 5 years (according to federal guidelines)



Certification of Payroll & Time and Effort Reporting

- Have all employees involved in the project completed required payroll certification?
- An employee of a non-profit must certify at least monthly coinciding with one or more pay periods the percentage of time he/she works on an activity.
- Time and effort certifications are to be completed and documented for each employee to include “salaried employees”



Proof of Purchase/Payment (POP)

- Canceled checks (front and back), bank and bankcard statements
- Contracts – duration, frequency, amount
- Bills and invoices (with contracts to support)
- Time and attendance records
 - Employees (in/out, Account code)
 - Students attending contracted services
 - Meeting sign-in forms (staff training, parent)



Examples of POP

Payroll



Payment



Credit Card



Receipts/Invoices should contain Director or Manager approval and date, with corresponding account code

Example: Purchase a case of paper

- Fair market price
 - Document telephone calls or web inquiries to local or web-based vendors with dates, prices quoted, who spoke with
 - Best to get in writing



Example: Purchase a case of paper

- Used a credit card
 - Ticket or Invoice -- POP?



Example: Purchase a case of paper

- Used a credit card
 - Ticket or Invoice -- POP? NO
 - Credit Card statement-pay with check -- POP?

Example: Purchase a case of paper

- Used a credit card
 - Ticket or Invoice -- POP? NO
 - Credit Card statement-pay with check--
POP? NO
 - Canceled check or bank statement--YES



Example: Purchase a case of paper

- Used a debit card
 - Ticket or Invoice-- POP? NO
 - Bank statement--YES

Common Sense Bookkeeping

When you buy services or an item:

- ✓ Make sure it is for the program,
- ✓ Purchased at a fair market price,
- ✓ Purchased in a fair manner, and
- ✓ Know where it is located

And you can prove it!!



Common Sense Bookkeeping

- ✓ Document clearly to specify the
 - what
 - when
 - why
 - where
 - how much

Common Sense Bookkeeping

- ✓ Document the who's
 - Needed it
 - Approved it
 - Received it
 - Paid for it



Opportunities to Improve Future Fiscal Reviews

- **21st CCLC Education**
 - Provide enhanced training to locations with multiple areas of non-compliance with required attendance
 - Provide examples of best practices from locations that are consistently compliant with all areas of the MI
- **21st Compliance Reviews**
 - Start review cycle earlier
 - More time for locations to prepare
 - More flexibility with scheduling site reviews
 - Consider establishing a secure portal for documentation
 - Allow locations to upload instead of copy
 - Allow review team to examine documents prior to onsite visit



Reminders

- 21DC – Used to collect attendance and determine next installment of funding
- ERaCA – Used by non-LEAs only
- Documentation – Submit expenditure documentation within 10 business days; include reconciliation worksheets (Effective as of February 1st)
- CCIP – Budget amendments (FPD209) uploaded to Related Documents
- CCIP – Any program changes should be updated on Basic Program Information
- Templates available on www.ncpublicschools.org/21cclc/reporting and www.ncpublicschools.org/21cclc/resources/state-guidance/
- Coming soon – FAQ on Fiscal Matters



Questions????????

