

ESSER

Fiscal Monitoring Reviews

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Agenda

- What's reviewed?
- How do you comply?
- What have we seen?
- ARP ESSER Reminders



Fiscal Monitoring Reviews

What's reviewed?



Our Obligation

2 CFR 200.332(d) states:

“All pass-through entities must: Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward...”



What's the Purpose?

To determine the following:

- Funds were used for program-related purposes
- Requests for reimbursements were for the correct amount
- Funds spent are properly accounted for
- Only authorized personnel requested the funds
- Funds were deposited in the proper account



What's Reviewed?

- Allowability, reasonableness, and allocability of costs
- Accounting and financial management policies and procedures, including internal controls
- Procurement policies and procedures
- Oversight of federally funded equipment



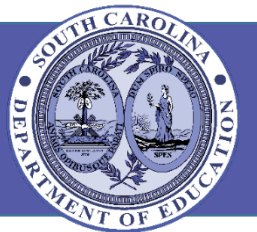
Fiscal Monitoring Reviews

How do you comply?





**Familiarize, Comply,
and DOCUMENT!**



Familiarize

- Federal program laws and regulations
 - Authorizing statute
 - 2 CFR 200 (Uniform Grant Guidance)
- Applicable state laws and regulations
- SCDE Assurances and Terms and Conditions for Federal Subawards
- Programmatic guidance

Read and re-read and then read again...



Comply

- Ensure costs are allowable, reasonable, and allocable
 - Per federal laws and regulations, programmatic guidance
 - SCDE Funding Manual
- Adhere to your approved spending plan
- Submit budget amendments timely
- Follow your written accounting, financial management, and procurement policies and procedures
- Obtain prior approval when needed
- Adhere to the SCDE Assurances and Terms and Conditions for Federal Awards

When in doubt, ASK!



DOCUMENT!

- Record all expenditures and reimbursements in your general ledger
- Account for all expenditures properly and accurately in your general ledger
 - Follow the SCDE Financial Accounting Handbook
- Maintain written accounting, financial management, and procurement policies and procedures
- Maintain a documented history of procurement and adequate support for contractor and vendor selection
- Ensure you have a written contract
- Ensure adequate support is maintained for all expenditures
 - Follow the SCDE Guidelines for Retaining Documentation to Support Expenditures

If it's not documented, it didn't happen...



Fiscal Monitoring Reviews

What have we seen?



Missing Written Policies and Procedures

- Grants accounting
- Allowability
- Cash management procedures including the timing and frequency of requests for grant reimbursements
- Payroll (including timekeeping and time and effort)
- Record retention
- Procurement (including contract administration)
- Conflict of interest for those engaged in procuring goods and services
- Equipment management (including acquisition and disposals)
- Emergency Pay Policy



Expenditure Misclassification

- Costs accounted for using the incorrect account codes
 - Make sure expenditures are charged to the correct function code and object code
 - If you determine that expenditures will be incurred for a different purpose than what was approved in your original spending plan, an amendment must be requested and **approved prior to charging the expenditure**
 - Ensure the correct account codes are used to charge the expenditure and it is correctly noted in the budget amendment and revised spending plan



Missing or Insufficient Time and Effort Documentation

- Employees who work in whole or in part on a federal cost objective must complete time and effort documents
 - PAR (personnel activity report) or Semi-annual Certification
- ESSER funds are federal funds; therefore, employees paid with ESSER funds must maintain time and effort documentation



Issues Noted with Salaries

- Employees were paid at the incorrect rate of pay resulting in underpayment of staff
- Timesheets not completed for hourly employees
- Inadequate justification for bonuses paid with ESSER funds



Issues Noted with Procurement

- Documented procurement procedures not followed
- Missing or no records to support history of procurement, contractor/vendor selection, justifications for procurement type
- No written contract for procurements
- Emergency procurement does not meet definition of an emergency per district policy



Additional Procurement Issues

- No written contract administration procedures
- No written standards for conflicts of interests and/or disciplinary actions for violations
- Missing required contract provisions
- No documented process for determining if vendors have been suspended or debarred
- No written purchasing card policy
- Existing, unrelated purchase order used to make purchases



Issues Noted with Asset Listings

- Asset Listing not in compliance with 2 CFR 200.313(d)(1)
- Common components that were missing include
 - FAIN
 - Source of Funding
 - Acquisition Date
 - Disposal Date
 - Sale price of the property



Costs Outside the Period of Availability

- Costs claimed for reimbursement outside of the period of availability
- Expenditure claim for a prior fiscal year was submitted for reimbursement in the subsequent fiscal year



Unallowable Costs

- Indirect costs recouped on construction expenditures
 - Please make sure construction costs are coded properly
- Costs reimbursed that were not on the approved spending plan



Other Issues Noted

- Reimbursement requests not submitted based on calendar quarters



ARP ESSER Specifics

Reminders!



ARP Plan Changes

- Any substantial change to an LEAs ARP ESSER spending plan also triggers an update the ARP Plan (PDF)
 - Update activities to reflect current spending plan
 - Solicit and record public input on the changes
 - Submit to scesser@ed.sc.gov along with the spending plan



Asset Listings Reminders

- Inventory requirements:
 - Anything over \$100 value
 - Anything of high value that can “walk away”
 - Ex: Camera attachment for a laptop
- Not inventoried: furniture, individual items that cost less than \$100, consumables, etc.



ARP ESSER Deadlines

- All funds must be obligated by September 30, 2024
- All funds must be claimed by December 30, 2024
- Final quarterly reports for ESSER II due January 5, 2025



Obligation Deadlines

- ARP ESSER: September 30, 2024
- Note: The obligation deadlines are the same for any state reserve ESSER funds allocated to districts.
 - Funds obligated by 09/30/2024.
 - Invoices can be paid after and order items can be delivered.
 - All invoices paid by 12/30/2024.



Things to Remember

- Late Liquidation
 - Construction Projects Only will be considered
 - OEP sent out a survey early February asking about construction projects
 - Be sure to complete and return
 - We will follow up again early summer
 - [Frequently Asked Questions](#)
- **Q. 13: Why must an SEA verify that funds were obligated by the end of the obligation period as part of its liquidation extension request?**
 - A: Verification of timely obligated funds is a standard expectation of liquidation extension requests involving Federal funds. The extension of a liquidation period is for expenses that have been properly obligated by the end of the grant's obligation period. For the ARP-HCY program, the final obligation date is **September 30, 2024**. The Department does not have the authority to extend the period of obligation. Therefore, to ensure that the liquidation extension request encompasses only those expenses that have been properly obligated by the statutory obligation date, SEAs and subgrantees must have documentation on file that demonstrates adherence to the obligation requirements. An SEA is not required to submit this documentation to the Department 4 at the time of the request; however, the SEA and its subgrantees may be required at any time, including during monitoring or audit activities, to demonstrate compliance.



Things to Remember

- *Does the activity RESPOND TO, PREPARE FOR OR PREVENT THE SPREAD OF COVID*
- Davis Bacon
 - The provisions of the Davis-Bacon Act apply to all federally funded contracts in excess of \$2,000 that include: construction, alteration, minor remodeling, repair, and/or painting and decorating of public buildings. Once the Davis-Bacon act applies to the prime contract in a project, it applies to all subcontractors even if individual subcontracts are under the dollar threshold.
- Indirect Cost and Construction
 - Indirect Costs can not be claimed on construction
- Digital Subscriptions
 - Approved through June 30, 2025



Things to Remember

- ESSER Funds cannot be used for Athletics
 - Field houses, football fields, uniforms and equipment
- Field Trips
 - Field trips may be an allowable use of American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Funds if they are properly documented and demonstrate a substantiated need. Districts must address how the field trip responds to and/or prepares for COVID-19 and addresses improving learning loss.
- Charter Schools in Your Districts
 - You are responsible to ensure they are following the rules
 - You should have a spending plan for each school and it should encompassed in the LEA Approved Spending Plan.
 - If not, you need to submit and amendment to include.
 - **You should NOT be advancing funds to the charter schools.** They should be submitting to you claims for reimbursements.



Questions?

- ESSER Email: scesser@ed.sc.gov

