



NDE BUDGET & GRANTS MANAGEMENT

Fiscal Monitoring
October 2020



PURPOSE

Pursuant to 2 CFR 200.331, as a Federal grant pass-through agency, NDE is responsible for monitoring the activities of subrecipients to ensure the subaward is used for authorized purposes, in compliance with federal and state statutes, regulations, and the terms and conditions of the subaward.

What is Fiscal Monitoring

- Fiscal Monitoring is a process whereby the financial and business management aspects of a grant are reviewed and evaluated by collecting and analyzing information from several different sources. The monitoring process tests five different compliance categories:
 - Time and Effort
 - Payroll Expenditures
 - Non-Payroll Expenditures
 - Asset Management
 - Grant Management

What is Fiscal Monitoring (cont'd)

- The Federal Uniform Administrative Requirements mandate NDE monitor subrecipients.
- Monitoring includes:
 - Review of detailed expenditure reports provided by the subrecipient
 - Follow-up to ensure timely and appropriate actions by subrecipients with deficiencies pertaining to the federal award, as detected through audits, on-site reviews, and other means

What is Fiscal Monitoring (cont'd)

- Issue audit findings pertaining to grant awards
- Depending on NDE's assessment of compliance and/or risk, providing subrecipients with training and technical assistance

What is Reviewed During Fiscal Monitoring?

- NDE's fiscal monitoring review focuses on four main areas of compliance:
 - **Grant Expenditures – Payroll & Non-Payroll**
 - Review of expenditures and cash management: Monitoring/audit ensures cash management/flow correlates with expenditure documentation and that all expenditures are accounted for.
 - **Time and Effort**
 - Time & Effort Reporting: Monitoring ensures there is an adequate level of Time and Effort documentation for all salaries paid whole or in-part by grant funds.

What is Reviewed During Fiscal Monitoring? (cont'd)

- **Fixed Assets**

- Fixed Assets: Monitoring includes a review of assets purchased using grant funds.

- **Grants Management & Internal Control**

- Administrative and Financial Record keeping: Monitoring ensures there is a solid internal control system in place.
- Adherence to Reporting Guidelines: Monitoring reviews timeliness of financial reporting.



WHAT IS INCLUDED IN FISCAL MONITORING

- All Districts/ESUs will be monitored on a 3-year rotation schedule
- Currently monitoring 2018-19 year
- Federal grants to be reviewed:
 - CARES ACT
 - IDEA
 - IDEA Preschool
 - IDEA PRT
 - McKinney-Vento

WHAT IS INCLUDED IN FISCAL MONITORING (cont'd)

- Perkins
- Title I
- Title I, Migrant
- Title II
- Title III
- Title IV
- 21st Century Learning Centers

How is an Entity Selected for Fiscal Monitoring?

- Pursuant to 2 CFR §200.331 (a)(3), NDE selects an entity for fiscal review based on the Risk Assessment issued by Grants Management.
- NDE is currently using the 3-year rotation followed by the programmatic staff.



WHEN WILL MONITORING TAKE PLACE

- Fiscal desk monitoring started in March 2020
- Fiscal desk monitoring will continue into the future due to COVID-19
- Larger Districts and ESUs monitoring visits will take place on-site this year, with others being added to on-site visit dependent on COVID-19



WHAT WILL BE REVIEWED

- 2018-19 grants will be the first monitored
- In 2021, 2019-20 grants will be monitored

How long does a fiscal monitoring review take?

- A Fiscal Monitoring Review takes approximately one month to complete. Both the entity and NDE share the responsibility of meeting all deadlines.
- On-site visits will take a day for most entities, larger entities may take up to a week on-site. From start to finish, the process should be completed within a month.

How can an entity prepare for the fiscal monitoring review?

To ensure the Fiscal Monitoring Review is completed within the minimum time required, the entity should provide all documentation requested by the deadline date specified by Fiscal Monitoring Compliance Specialist.

What if an entity fails to provide the requested documentation?

Lack of documentation or inadequate documentation may result in an audit finding of non-compliance, which could result in disallowed expenditures that must be paid back to NDE.

It may also lead to an entity being placed on hold for non-compliance under 2 CFR §200.207.

What happens after the on-site visit or desk review?

Following an on-site review, NDE will complete a Final Determination Letter that details any findings (which are also discussed during the Exit Conference). A Corrective Action Plan (CAP) may need to be developed to address the audit findings. Failure to fulfill any component of the CAP as approved may result in additional consequences including discontinuance of funding.



POLICIES AND PROCEDURES

- Policies and Procedures are a requirement on all federal grants. 2 CFR 200 is the guiding policy
- The following policies and procedures must be included
 - 2 CFR 200.313 and 2 CFR 200.33 – Equipment
 - 2 CFR 200.317 through 326 – Procurement
 - 2 CFR 200.333 – Record Retention



POLICIES AND PROCEDURES (Cont'd)

- 81.31 – Measure of Recovery
- 2 CFR 200.213 – Suspension & Debarment
- 2 CFR 200.302 – Financial Management
- 2 CFR 200.307 – Program Income
- 2 CFR 200.306 – Cost Sharing/Matching
- Unexpected or Extraordinary Circumstances



POLICIES AND PROCEDURES (Cont'd)

- 2 CFR 200.430 – Compensation – Personal Services
- 2 CFR 200.430(i) – Standards for Documentation of Personnel Expenses
- 2 CFR 200.431 – Compensation – Fringe Benefits

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Thank you!