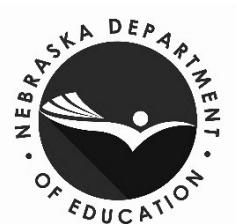


# FISCAL MONITORING PLAN

2023-2024

FOR LOCAL EDUCATION AGENCIES (LEAs)  
AND SUBRECIPIENTS

In effect for July 2025 through June 2026



**NEBRASKA DEPARTMENT OF EDUCATION**  
OFFICE OF BUDGET & GRANTS COMPLIANCE

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UPDATED 09/01/2025



# Nebraska Department of Education

## FISCAL MONITORING PLAN

### Table of Contents

#### GRANTS COMPLIANCE SECTION (GCS)

GCS Duties .....	5
Purpose and Authority .....	5

#### INTERNAL CONTROLS BY GCS

Control Environment.....	6
Organizational Structure & Responsibilities.....	6
Risk Assessment .....	7
Control Activities.....	7
Information & Communication .....	7
Monitoring .....	7

#### FISCAL MONITORING POLICY

Overview .....	8
Notice of Agency Policy .....	9

#### PROCEDURES & METHODOLOGY

Technical Assistance .....	11
Field Review (On-site) & Desk Review (Office-Based) .....	11
<b>Before the Review.....</b>	12
Project Identification .....	12
Preliminary Assessment.....	12
<b>The Field/Desk Review .....</b>	13
Entrance Conference .....	13
The Review .....	14
Exit Conference .....	14
<b>After the Review.....</b>	14
Monitoring Report (Exit Letter) .....	14
Corrective Action Related to Federal Grants .....	15



# Nebraska Department of Education

## FISCAL MONITORING PLAN

### Table of Contents continued

Resolution .....	16
Technical Assistance .....	16

#### **FISCAL MONITORING & RISK ASSESSMENT**

Sequential Sampling Monitoring .....	17
Risk-Based Monitoring & Risk Assessment.....	17
Risk Categories .....	17
Risk Assessment Procedure .....	18
Risk Category Calculation & Determination .....	19
Field/Desk Review Determination .....	19

#### **CORRECTIVE ACTIONS RELATED TO FEDERAL GRANTS**

Types of Noncompliance.....	20
Enforcement Actions.....	20
How to Complete a Corrective Action .....	21
Corrective Action Tracking.....	21
Where to Send Refunds .....	22
Potential Consequences of Failing to Comply .....	22
Appeal Process.....	22

#### **SINGLE AUDIT PROCEDURES**

Monitoring Single-Audit Findings .....	22
Subrecipient Single-Audit Requirements .....	23
Submitting the Single-Audit to NDE .....	23
Other Requirements for NDE.....	23
Single-Audit Requirements for NDE .....	22
NDE Single-Audit Monitoring Process .....	23
Sustaining or Not Sustaining Each Finding .....	23

## Table of Contents continued

Findings with Questioned Costs.....	24
The Management Decision .....	24
Corrective Action.....	24
Enforcement Action .....	24

### **Unexpected or Extraordinary Circumstances**

Unexpected of Extraordinary Circumstances Policy .....	24
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### **ADENDUM A: Corrective Action Tracker**

### **APPENDIX I: ENGAGEMENT LETTER**

### **APPENDIX II: MONITORING REPORT (EXIT LETTER)**

### **APPENDIX III: SUBRECIPIENT RISK ASSESSMENT**

## Legend

### **Purpose: To update procedures**

Changes: Changes to some procedures, and update CFR/UGG, also made changes-based audit recommendations, and risk assessment classifications

Updated by: Office of Budget & Grants Management Lead Team

Year	Year Reviewed	Risk Assessment
<b>2021</b>	<b>2019-2020</b>	<b>2021</b>
<b>2022</b>	<b>2020-2021</b>	<b>2022</b>
<b>2023</b>	<b>2021-2022</b>	<b>2023</b>
<b>2024</b>	<b>2022-2023</b>	<b>2024</b>
<b>2025</b>	<b>2023-2024</b>	<b>2025</b>

## GRANTS COMPLIANCE SECTION

The GCS is responsible for fiscal monitoring of the expenditures of federal and state grants awarded to subrecipients including school districts, educational service units (ESUs), and nonprofit institutions. The GCS is a division of the Office of Budget & Grants Management.

### GCS DUTIES

As a pass-through entity, the Nebraska Department of Education (NDE) is statutorily required to monitor the activities of subrecipients as necessary to ensure that subawards are used for authorized purposes, in compliance with federal statutes, regulations, and the terms and conditions of the subaward.

GCS's subrecipient monitoring activities include performing an annual risk assessment of subrecipients, reviewing single audit reports, conducting desk/onsite reviews of selected subrecipients, and providing technical assistance and training to subrecipients.

GCS staff performs an annual subrecipient risk assessment evaluation to assess individual risk for each subrecipient. The risk assessment includes high, medium, and low risk levels assigned to each subrecipient.

GCS staff conducts reviews of Title 2 of the Code of Federal Regulations (2 CFR) 200, Subpart F, single-audit findings for federal grants directly administered by GCS staff for potential management decision letters. Based on their review, staff issues a management decision letter for any single audit finding related to the federal grant that is directly administered by NDE. The Budget & Grants Compliance Director authorizes management decision letters. GCS staff follows up with any corrective actions resulting from the findings identified in single audits.

### PURPOSE AND AUTHORITY

The GCS have established policies and procedures to comply with federal and state grant guidance. These procedures are developed to standardize guidelines concerning the NDE fiscal monitoring plan for oversight, evaluation, and monitoring of each LEA and subrecipients.

It is the intent that these policies and procedures will provide the desired information for why the policy exists and the process for how to execute the process.

Federal regulatory provisions under which the GCS monitors for fiscal accountability and compliance are:

- 34 CFR Part 74 Administration of Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations
- 34 CFR Part 80 Uniform Administrative Requirements for Grants and Cooperative Agreements
- 2 CFR Part 200 EDGAR -Uniform Administrative Requirements, Cost Principles, and Audit

### Requirements for Federal Awards

- 2 CFR Part 200 3474 Uniform Administrative Requirements, Cost Principles, and Audit Requirements
- 2 CFR Part 180 – OMB Guidelines to agencies on Government-wide Debarment and Suspension (non-procurement)
- 2 CFR Part 3485 Non-Procurement Debarment and Suspension

## INTERNAL CONTROLS BY GCS

The GCS is responsible for ensuring the NDE is following state and Federal regulations in aspects of grants fiscal management to ensure compliance.

## CONTROL ENVIRONMENT

NDE demonstrates a commitment to integrity and ethical values.

## ORGANIZATIONAL STRUCTURE & RESPONSIBILITIES

The Office of Budget and Grants Management consists of the following divisions:

- Administrator
- Central Accounting
- Grants Management
  - Section Director
  - Budget Management Specialists
- Grants Compliance
  - Section Director
  - Grant Management Specialists

Responsibilities include:

Administrator:

- Commitment to recruit, develop, and retain competent individuals.
- Evaluate performance and hold individuals accountable.

Grants Management Division:

- Processing reimbursement requests submitted by the LEAs and ESUs promptly.
- Submission of reimbursement requests to the ERP system.
- Implement, develop, and maintain the electronic Grants Management System (GMS).

This includes grant applications, and a payment process based on approved program budgets.

- Implement, develop, and maintain the Special Education Financial Reporting System (SPEDFRS).

#### Budget & Grants Compliance Division:

- Budget preparation and reconciliation
- Ensuring fiscal monitoring is completed
- Single Audits
- Risk Assessment

## RISK ASSESSMENT

### Risks

- Mismanagement of grant funds by subrecipients
- Personnel not knowledgeable of grant guidance
- Size of LEA could result in noncompliance
- Corrective action steps taken to mitigate future noncompliance
  - Technical assistance
  - Workshops/Webinars
- Significant change in personnel
  - Turnover rate
  - Knowledge/expertise of personnel being utilized

## CONTROL ACTIVITIES

- Objective of NDE's Budget & Grant Administration is to successfully conduct fiscal monitoring visits, both onsite and desk, as well as process reimbursement requests in a timely manner to avoid back up of requests.
- GMS utilized to track grant programs
- Develop policies for grant monitoring, single audits, and reimbursement process

## INFORMATION & COMMUNICATION

- Up-to-date information on processes
- Guidance on the use of the GMS
- Workshops, meetings, webinars

## MONITORING

Pursuant to 2 CFR §200.332, NDE, as a federal pass-through entity, has responsibility to monitor subrecipients to ensure the sub-award is used for authorized purposes, follows Federal and State statutes, regulations, and the terms and conditions of the sub-award.

The monitoring process tests five different compliance categories:

- Time & Effort
- Payroll Expenditures
- Non-Payroll Expenditures
- Asset Management
- Grants Management

## **CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT**

Elementary Secondary School Emergency Relief (ESSER) Fund Internal Controls Plan

### **FISCAL MONITORING PROCEDURES**

#### **OVERVIEW**

Based on the risk assessment, GCS develops and conducts the annual subrecipient monitoring plan. The objective of a subrecipient monitoring review is to determine whether a subrecipient of federal and state grant funds is complying with applicable federal and state statutes and regulations and with grant requirements, including the uniform administrative requirements and cost principles for federal awards given in 2 CFR 200. The reviews focus on the financial management systems' internal controls developed and implemented by the organization to demonstrate compliance with applicable requirements, including policies and procedures, accounting, and record-keeping. The review also tests the allowability of expenditures charged to the federal grant and compliance with federal program requirements.

NDE has implemented an electronic GMS that includes grant applications and a payment process based on approved program budgets. The GCS also does a risk-based post award review process. These processes are used to fiscally monitor and verify that districts/ESUs and other subrecipients receiving funds are spending their grant awards in compliance with the rules and regulations governing the programs.

During the review process GCS staff will communicate with LEA staff through a series of letters, emails, telephone calls, or on-site review as needed, to request documentation required to complete the review. Staff will review, analyze, and evaluate financial records and the supporting documentation submitted and may contact the LEA to ask specific questions about the documents.

After staff have reviewed an LEA's internal controls, financial records, and supporting documentation, a report of findings and observations will be completed. Depending on the level of findings corrective action may be implemented to resolve and ensure compliance.

## NOTICE OF AGENCY POLICY

GCS conducts federal fiscal grant subrecipient monitoring and compliance reviews and implements related enforcement actions in accordance with its established policies and procedures. These policies and procedures incorporate best practices and standards that may be similar to common auditing standards. However, NDE does not apply a specific set of external standards, such as the US Government Accountability Office's Generally Accepted Government Auditing Standards (Yellow Book), nor is it required to do so.

1. NDE has full responsibility for the conduct of the projects or activity funded and for the results achieved. The NDE, as a pass-through entity, must monitor the performance of the projects to ensure adherence to performance goals, time schedules or other requirements as appropriate to the projects or the terms of the grant agreement. The NDE is responsible for monitoring the activities of and pass-through requirements to any grant subrecipients.
2. Purpose of Monitoring. Subrecipient grants must be fiscally monitored to track their compliance.  
**Monitoring of subrecipients ensures compliance with 2 CFR 200.332 (b through h).**
  - a. Monitoring tracks the fiscal support that NDE provides to subrecipients for grants.
  - b. Determines whether all grants are being obligated and expended in accordance with the US Department of Education guidelines, and terms and conditions.
  - c. Ensures GCS grants management files are current and reflect all changes to a subrecipient.
3. Fiscal monitoring will be completed by one (1) of two (2) methods. On-Site monitoring and Office Base/Desk Review monitoring. Monitoring will assist in identifying areas where a subrecipient requires continued support from the GCS, thus providing feedback to the GCS which can be used to improve the agency's services. Both forms of monitoring will require written documentation (Monitoring Memorandum/Exit Letter) to be completed by the GCS grant compliance specialist. The original monitoring memorandum will be e-mailed to the District Superintendent/ESU, with a copy being retained in the GCS's records. Before completing any monitoring effort, it is important to review other recent monitoring activities, including grant close-out progress, the type of grant, any grant databases, and previous Monitoring Memorandum/Exit Letter.
4. Grant programs subject to monitoring efforts include:
  - a. CARES Act ESSER Fund
  - b. IDEA
  - c. IDEA Preschool
  - d. IDEA PRT
  - e. McKinney-Vento
  - f. Perkins

- g. Title I
- h. Title I Migrant
- i. Title II
- j. Title III
- k. Title IV
- l. 21<sup>st</sup> Century Learning Center
- m. ESSER

5. The responsibilities of pass-through entities are given in 2 CFR 200.332, requiring the NDE to “evaluate each subrecipient’s risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring” in paragraphs (d) and (e) of this section. To comply with this requirement, the GCS conducts an annual risk assessment of all subrecipients, including LEAs, to determine potential risk of noncompliance:

- a. The subrecipient's prior experience with the same or similar subawards;
- b. The results of previous audits including whether the subrecipient receives a Single Audit in accordance with Subpart F - Audit Requirements of this part, and the extent to which the same or similar subaward has been audited as a major program;
- c. Whether the subrecipient has new personnel or new or substantially changed systems; and the extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).

6. Subrecipients of federal grants are required to comply with 2 CFR 200.500. This section requires that a non-federal entity that expends \$750,000 or more during the non-federal entity’s fiscal year in federal awards must have a single or program-specific audit conducted for that year and submitted within the earlier of 30-calendar days after receipt of the auditor’s report or nine months after the end of the audit period. A non-federal entity that expends less than the \$750,000 during the non-federal entity’s fiscal year in federal awards is exempt from federal audit requirements for that year. Guidance on determining federal awards expended is provided in accordance with 2 CFR 200.502.

- a. Annually, all subrecipients must submit an outside audit to the NDE.
- b. Per 2 CFR 200.332 (f) Verify that every subrecipient is audited as required.

7. Corrective actions can be imposed by the GCS when subrecipients fail to comply with the terms and conditions of federal grant programs. Corrective action ensures that the organization corrects the noncompliant activity. The GCS may identify a subrecipient as noncompliant based on findings in a single audit, a federal monitoring review, or because of concerns identified through other means.

## PROCEDURES AND METHODOLOGY

### TECHNICAL ASSISTANCE

The GCS provides technical assistance to ensure that all subrecipients of awards are compliant with applicable federal statutes and regulations including the uniform administrative requirements and cost principles for federal awards given in 2 CFR 200 and the administrative and fiscal requirements specific to a grant. Technical assistance is provided annually to all award subrecipients as an integral part of the fiscal monitoring procedure or can be provided in specific areas deemed as needed, or at the request of the subrecipient.

### FIELD REVIEW (ON-SITE) & DESK REVIEW (OFFICE-BASED)

An on-site review and desk review are not meant to be considered an audit. Both reviews follow the same procedures outlined and involves one or more payments or grants, in which GCS assesses the capability, performance, and compliance of subrecipient against applicable administrative regulations and grant requirements and entails one or more GCS monitoring staff. A sampling of supporting documentation is reviewed to ensure costs are adequately documented, and to ensure the costs are reasonable, necessary, allocable, and allowable under the program.

The GCS will conduct reviews of a selected portion of districts/ESUs each year. Conducting an on-site or desk review type of fiscal monitoring is determined in the Fiscal Monitoring and the Risk Assessment phase of the process, the discretion of the GCS Director, and the number of districts chosen is based on, but not limited to:

- size of the award amount in the last three recent fiscal years
- risk-based assessment
- the labor resources (staff time) available to initiate and conduct timely monitoring reports
- the size, complexity, or high-risk nature of the districts to be reviewed
- unexpected or extraordinary circumstances that would prevent travel

The selected districts/ESUs will be asked to submit ledger accounting reports to the GCS to verify the expenditures reflected for the grant period. The GCS will randomly select and request support documentation for entries in these accounting reports. Requested documentation may include items such as: employee time distribution records, employment contracts, copies of vouchers with invoices attached, property records, etc. The GCS will check this documentation to verify that it is an appropriate and the allowable charge to the program. If irregularities are discovered on the sample reviewed, the GCS may request additional information.

## **BEFORE THE REVIEW**

**Project Identification** – Grants are identified to be monitored.

1. Using the NDE's Fiscal Review Checklist as a guide, the GCS fiscal monitor should go through the selected program grant files to familiarize themselves with each grant's projects/activities.
2. In addition to reviewing GMS electronic database should also be reviewed.
3. If the subrecipient received more than one grant, each one should be reviewed via this process, and all grants should be monitored during the same on-site visit.
4. The financial reports in the file reflect the amount of money the subrecipient has expended, indicating activity with grant funds. The lack of any reimbursement requests indicates possible inactivity, which should be discussed during the monitoring visit.

### **Preliminary assessment**

1. The GCS uses certain tools routinely to perform preliminary assessment of the risk posed by an LEA or sub grantee. These activities consist of, but are not limited, to:
  - a. Review of financial and compliance audits:
    - i. State audit of federal programs
    - ii. LEA audits
    - iii. CFR 200 single audits
    - iv. Limited scope audits
  - b. The district/ESU compliance with specific grant requirements and guidelines.
  - c. Site visit reports conducted by grant program staff.
  - d. Previous monitoring reports and other correspondence.
  - e. Performance input from program and/or grants management staff.
2. Notification – Approximately 10 to 15 days (about 2 weeks) prior to the review, the GCS fiscal monitoring staff will contact the District Superintendent or ESU director, to choose a date and time from options given for the on-site visit, attaching the items needed for their review. Once a date has been established, with the date and time of the on-site visit is sent to the District Superintendent or ESU director.
3. Supporting documentation to be made available - at least two weeks prior to the visit, an engagement letter/e-mail to the Superintendent, or ESU Director, requesting items to be made available for review:
  - a. Time and Effort Certification
  - b. Policies and Procedures
  - c. Written internal controls

- d. Account summary report/general ledger
- e. Explanation for Journal Entries
- f. Invoices as applicable
- g. Teacher Contracts & Salary schedule for year being reviewed
- h. Staff verification
- i. Rate Verification
- j. Direct/indirect costs approvals
- k. Travel/mileage documentation and employee reimbursements
- l. Credit card transactions
- m. Training/meetings/conference expenses
- n. Documentation to support ESSER activity

Note: The email will conclude with “Should you have any questions or concerns, please call or email” giving the District/ESU the opportunity to address any aspects of the upcoming on-site monitoring visit.

## **THE FIELD/DESK REVIEW**

### **Entrance Conference**

1. The Monitor conducts an entrance conference with the subrecipient (Superintendent, Executive Director, Project Director, Authorized Agent, Fiscal Officer, etc.) to discuss the review scope and purpose, explain the review process, and answer any questions.
  - a. Inquire on any assessment deficiencies (if applicable)
  - b. Lack of reimbursement requests indicating possible inactivity
  - c. Whether or not there were any problems, issues, or additional guidance that needed to be addressed from that previous visit monitoring review.
  - d. Independent outside audits and potential concerns:
    1. Significant deficiencies and material weaknesses
    2. Management Decision Letter
    3. Corrective Action
  - e. Arrange for an exit conference

## **The Review**

2. The Monitor will review the documentation provided and interview staff as another source for their information gathering or to request clarification or additional information.
  - a. The GCS will utilize a spreadsheet to document all the testing procedures during the field review as documentation and to serve as an audit trail that can be used during state/federal audits.
  - b. The GCS will check this documentation to verify that it is appropriate and an allowable charge to the program. If irregularities are discovered on the sample audited, the GCS may request additional information.
  - c. Findings and observations will be based on this information. For time and effort only, it was determined that a variance of 5% would be reasonable and not require corrective action.
  - d. Review the documentation you have received for completeness, to ensure that all required items have been covered prior to ending the on-site visit/desk review.

## **Exit Conference**

3. When the review is complete, the Monitor will conduct an exit conference to discuss any compliance issues, findings and observations, and suggestions for appropriate corrective action.
4. Subrecipients will have an opportunity to ask questions and will have a limited amount of time following the field/desk review to provide additional documentation that corrects identified issues, findings, or observations.

## **AFTER THE REVIEW**

### **Monitoring Report (Exit Letter)**

An **Exit Letter (Appendix III)** will be prepared because of the desk review, field review, and other related activities. The report will state the objectives, scope, and methodology of the monitoring; and will clearly state findings, recommendations, and whether corrective action (including any enforcement action) is required.

The monitoring report with findings – if applicable - will be prepared at the completion of the monitoring activity and a copy of the report will be filed in the master fiscal monitoring folder.

Districts, ESUs, or sub recipients with monitoring review findings might have special conditions or restrictions imposed by the GCS.

1. Within a reasonable time, the monitoring on-site/desk visit, the GCS fiscal monitor should send an email thanking the District/ESU for the time spent for the visit and remind them of any subsequent documentation that had been agreed upon to be emailed within a given timeframe.
2. Within a reasonable time, the monitoring on-site /desk visit, the GCS fiscal monitor must prepare and send the original Exit Letter to the District/ESU.
3. If the subrecipient has received more than one grant, only one Exit Letter should be prepared, including all grant results from the on-site visit/desk review.
  - a. The letter documents all compliance issues, findings, observations and advisory recommendations, technical assistance, and the specific citations associated with each.
  - b. This information should be defined within the sections of the exit letter, and clearly delineated which grant is being discussed and the outcome/result.
  - c. The Exit Letter should reflect any notice given to the District/ESU on any discussion of recommended procedures or improvements. A brief synopsis of technical assistance should also be included.
  - d. All written reports will be on file with NDE. However, if the subrecipient noted any problems or issues in implementing any part of the grant, the Grants Compliance Specialist should annotate what steps the District/ESU is taking to resolve the situation in the Exit Letter.

### **Corrective Action**

4. Follow-up Correspondence
  - a. The District/ESU has fifteen days from receipt of the Exit Letter to submit any missing, incomplete, or needed documentation.
  - b. If the subrecipient fails to provide any missing, incomplete, or needed documentation is not provided, then the Exit Letter will serve as the notice of noncompliance for the findings identified within the letter.
5. Corrective Action
  - a. The GCS may identify a district/ESU as noncompliant because of a federal monitoring finding. Findings will contain a statement of criteria (regulation, directive, or contract clause etc.), the condition found, the cause of the problem, and the effect or consequence that will result if corrective action is not taken.
  - b. Once identified, the district/ESU will be notified through the Exit Letter that they must complete a corrective action.
  - c. The Exit Letter describes the areas of noncompliance; the required corrective action, including any enforcement actions; and the required completion date.

- d. If the report contains findings, the subrecipient has (30) days from the date of the monitoring report to either:
  1. Dispute the findings with written comments and any supporting documentation that demonstrates the inaccuracy of the finding, or
  2. Submit a Corrective Action Plan (CAP) specifying the plan to remedy, including any enforcement action by the completion date prescribed in the Exit Letter.
  3. If the subrecipient fails to correct the findings of noncompliance the NDE will impose one of the remedies for noncompliance described in the Corrective Actions Related to Federal Grants Section of this document.
  4. The CAP must be fully implemented within six months from the date of the monitoring report.
  5. Follow-up reviews may be conducted by the Monitor to ensure timely implementation, as necessary.

### **Resolution**

6. The GCS will consider all findings resolved only after the subrecipient has provided sufficient evidence that the corrective action has been fully implemented.
7. At such point, a closeout letter will be issued to the subrecipient indicating that all findings have been resolved and to document that conditions and/or restrictions have been lifted.

### **Technical Assistance**

8. The Monitor may follow up with the subrecipient to provide ongoing technical assistance to facilitate grant compliance, as needed.
9. The subrecipient may also request technical assistance from GCS monitoring staff for nonprogrammatic grant management activities.
10. Programmatic technical assistance is provided by Grant Program staff.

## **FISCAL MONITORING & RISK ASSESSMENT PROCEDURES**

The Office of Budget & Grants Management through the Grants Compliance Division supports subrecipients of Federal grant awards through fiscal monitoring practices which targets accountability based on quality over quantity through sequential sampling monitoring, risk assessment categories, and field/desk review identified by the districts/ESU's identified risk-based needs. Annual Technical assistance is provided to all districts and independently as needed.

The fiscal monitoring schedule is determined annually in the following sequential order:

1. Risk Assessment
2. Field or Desk Determination

## RISK-BASED MONITORING AND RISK ASSESSMENT

The risk-based monitoring method will be used on an on-going basis. The GCS will perform an annual risk assessment of all subrecipients receiving funds from federal grant programs identified by internal controls and have data available. A **Subrecipient RISK Assessment form (Appendix IV)** will be completed annually. This score sheet consists of indicators and graded rubrics using several metrics in line with federal compliance requirements of 2 CFR 200.332, generally accepted accounting principle, and internal control best practices.

The data used to score subrecipients are based on programmatic and fiscal data and collected throughout the year. The maximum score a subrecipient can achieve for each metric is **5 points**.

Based on the Subrecipient RISK Assessment cumulative score derived from all metrics, each entity will be classified in three different risk categories, as described below:

- Low Risk Grantee
- Medium Risk Grantee
- High Risk Grantee

## RISK CATEGORIES

### LOW RISK

Districts/ESUs falling into this category may be subject to a desk or field review as described above. Depending on the risk level posed by the non-compliance issue, the district/ESU might be on schedule for annual GCS training and technical assistance in the months following the annual risk assessment, or independently, if deemed necessary.

### MEDIUM RISK

Districts/ESUs falling into this category may be subject to a desk or field review for the monitoring dependent on the risk level posed by the noncompliance issue or until the GCS has determined that they meet all the criteria to be removed from this category. Or the determination, depending on the risk level posed by the noncompliance issue, to provide the district/ESU training and technical assistance in noncompliance in the months after the annual risk assessment.

### HIGH RISK

Districts/ESUs falling into this category will be subject to a desk or field review **every year** until the GCS has determined that the entity meets all the criteria to be removed from this category.

**US Department of Education Programs** – Under 2 CFR 3474.10 the State Education Agency (SEA) may designate the subrecipient as a “high risk grantee” and impose the specific conditions established under 2 CFR 200.208(b) and (c) as “high-risk conditions”.

Other factors that could affect Risk Assessment

- a. Allegations of misuse, misconduct, or violation of grant funds (from program reviews or other outside reviews)
- b. Failed to comply with grant application, certifications, or revisions
- c. Allegations or suggestions from program staff and/or grants management that an LEA is struggling
- d. Failure to answer Management Decision letter
- e. Failure to answer monitoring request

## RISK ASSESSMENT PROCEDURE

1. GCS develops risk assessment every year based on:
  - f. Entity's level of experience with grant program
  - g. Previous audits, required to have Single Audit performed, and prior monitoring conducted by NDE
  - h. Entity's required filling of ADM/ADA, Budget, AFR, and audit
  - i. Required policies and procedures in place
  - j. New personnel and/or changes in accounting systems
  - k. Receive awards directly from a Federal awarding agency
  - l. Previous allegations of misuse, misconduct, or violation of grant funds (from program reviews or other outside reviews)
  - m. Other outside factors like Aquestt, SAM (System for Award Management) compliance, and MOE
  - n. Failed to comply with grant application, certifications, or revisions
  - o. Subrecipient files maintained electronic or hard copies and easily accessed
  - p. There is also a weighted score for areas NDE determined higher risk
2. Risk assessments will have questions answered by staff responsible for the entity being evaluated.
3. A risk response is required for each question.
  - a. One (1) – No significant finding
  - b. Two (2) – Some minor finding
  - c. Three (3) – Moderate findings
  - d. Four (4) – Some significant high-risk factors
  - e. Five (5) – Many significant high-risk factors
4. The Subrecipient RISK Assessment was developed to support each grant and subgrantee.
5. Once the Subrecipient RISK Assessment form is complete, all scoring is added together for a total and divided into 3 sections of scoring, low, medium, and high risk to determine the program risk assessment score for the subrecipient.

## RISK CATEGORY CALCULATION & DETERMINATION

1. A Subrecipient RISK Assessment is completed for each Federal grant award a subrecipient receives.
2. Once all Subrecipient RISK Assessments are complete and returned to the GCS within specified timeframes, all scoring is compiled into a single document.
3. For each subrecipient, the final Subrecipient RISK Assessment score for each federal grant award assessed will be added together and then divided by the number of metrics and assessed for an overall risk category determination.
4. Other factors that may be considered in the risk assessment process at the discretion of the GCS Fiscal Monitor, Section Director, or Office Administrator:
  - Failure to submit timely reimbursement requests
  - District identified for Improvement (Aquestt)
  - Late application submission
  - Lack of alignment between actual expenditures and approved budgets
  - Failure to adhere to the terms and conditions of the awards
  - Excess carryover
  - Other risk factors that may become apparent
  - Inexperienced staff, other staff suggest LEA needs help, potential fraud, or other outside reviews

## FIELD/DESK REVIEW DETERMINATION

The GCS Director will make final determination whether the districts/ESUs selected will be subject to a desk review or a field review. The factor used in making that determination shall be based on the size of the

- award amount awarded annually.

Other factors which could impact the determination whether the districts/ESU selected will be subject to a desk review or field review include, but are not limited to:

- Labor resources (staff time) available to initiate and conduct timely monitoring reports, and/or unexpected or extraordinary circumstances that would prevent travel.

Other categories which will automatically trigger a field review in the fiscal monitoring schedule, but is not limited to:

- If a grantee is classified as high risk in the annual risk assessment
- If the grantee was under a Corrective action, the prior fiscal monitoring
- If the grantee was under any of the Enforcement Actions listed below

The NDE awards federal funds to approximately 244 school districts and 17 ESUs. Therefore, this The sampling method will allow GCS to monitor approximately sixty (60) to eighty (80) subrecipients per year.

## CORRECTIVE ACTIONS RELATED TO FEDERAL GRANTS

Corrective actions can be imposed by the NDE when subrecipients of federal grants fail to comply with the terms and conditions of federal grant programs. The purpose of the corrective action is to ensure that the subrecipient corrects the noncompliant activity.

The GCS may identify a subrecipient as noncompliant because of findings in a:

- single audit
- a federal monitoring review, or
- because of concerns identified through other means

Once identified, the subrecipient will receive notification of the requirement to complete a corrective action. The notification describes:

- the areas of noncompliance
- the required corrective action
- any enforcement actions
- and the required completion date

### TYPES OF NONCOMPLIANCE

Types of noncompliance may include, but are not limited to, the following:

- Expenditure of funds or conducting activities that are not in accordance with the grant's authorizing statute, regulations, guidelines, or approved application.
- Failure to account for funds in accordance with financial management standards or with the [NDE Administrative Rules:](#)
  - Title 92, Chapter 1: School Audit Procedures
  - Title 92, Chapter 2: Uniform System of Accounting
- Findings in a single audit conducted by an independent auditor.
- Failure to comply with:
  - Programmatic or fiscal reporting requirements
  - Previous required corrective actions, refund requests, or special conditions

### ENFORCEMENT ACTION

The GCS may impose an enforcement action as part of a corrective action or for noncompliance with a previous corrective action. 2 CFR 200.339 authorizes the NDE to impose enforcement actions. Enforcement actions may include the following:

- Temporarily withhold cash payments pending correction of the deficiency or more severe enforcement action.

- Disallow all or part of the cost of the activity or action not in compliance.
- Wholly or partly suspend or terminate the federal award.
- Initiate suspension or debarment proceedings.
- Withhold further federal awards for the grant.
- Take other remedies that may be legally available
  - The NDE may deny a grant application for federal funding as an enforcement action.

The NDE Office of Legal Service, depending on issues detected, review noncompliance prior to enforcement action being imposed.

## HOW TO COMPLETE A CORRECTIVE ACTION

To complete a corrective action, the subrecipient must demonstrate that it has corrected the activity that caused the noncompliance. The subrecipient must do this by providing specific documentation that supports the completion of the corrective action by the date specified.

Submit the required documentation to the GCS Fiscal Monitor email indicated on the corrective action notification. If there are questions about the corrective action, you may call the GCS Fiscal Monitor phone number indicated on the corrective action notification.

LEAs, ESUs, and non-profits will receive a Non-Compliance Resolution email, letter, report, and superintendent call as appropriate that will provide the required Non-Compliance actions that must be completed within six (6) months from the date of the monitoring report (Exit Letter). Examples of required Non-Compliance Resolution actions may include:

1. Submitting a refund for the identified disallowed cost to NDE.
2. Submitting documentation of Non-Compliance Resolution Actions to NDE.
3. Submitting documentation that would demonstrate program or fiscal compliance.

Notice of refund and submission of required Non-Compliance Resolution documentation must be submitted to NDE see below Where To Send Refunds.

## CORRECTIVE ACTION TRACKING

Corrective action items are tracked in teams in our Corrective Action Tacker. It identifies School/ESU, date of finding, grant, regulation for noncompliance, finding description, dated corrected, and reviewer. Updated as reviews are completed weekly. See Addendum A for example.

## WHERE TO SEND REFUNDS

If a corrective action requires repayment of federal funds, submit refund to:

Nebraska Department of Education  
Office of Budget & Grants Management – GCS  
C/O Steve Bauers  
500 S. 84<sup>th</sup> Street, 2<sup>nd</sup> floor  
Lincoln, NE 68510

## POTENTIAL CONSEQUENCES OF FAILING TO COMPLY

Failure to complete the corrective actions in a timely and adequate manner (by the deadline given in the notification) can result in NDE taking further enforcement actions against a subrecipient of a federal grant. See 2 CFR 200.339 for more information.

## APPEAL PROCESS

Please be advised that your organization may request a hearing concerning this non-compliance resolution action. The hearing must be requested within 90 calendar days of the date of this letter. If you must request a hearing, your request must specify:

1. The action or proposed action that is the subject of the requested hearing.
2. The statutory or regulatory identifying and supporting a finding that a violation occurred by NDE in enforcing this decision, and
3. Specific facts supporting a finding that the action taken by NDE is in error.

## SINGLE AUDIT PROCEDURES

### MONITORING OF SINGLE-AUDIT FINDINGS

As part of its subrecipient monitoring functions, the GCS reviews the single-audit reports for federal grant subrecipients that receive federal grants from NDE. This monitoring is done to ensure that federal grants are used for authorized purposes, in compliance with federal statutes, regulations, and the terms and conditions of federal awards, a requirement given to NDE in 2 CFR 200.332. This describes single-audit requirements for both subrecipients and NDE, the monitoring process, and what you can expect if your organization's single-audit contains findings.

### SUBRECIPIENT SINGLE-AUDIT REQUIREMENTS

An organization must have a single audit conducted by an independent auditor if it expends **\$750,000** or more in federal grant funds in that fiscal year. This requirement is given in 2 CFR 200.501(a).

## **SUBMITTING THE SINGLE-AUDIT REPORT TO THE NDE**

Subrecipients that are LEAs, such as school districts and ESUs, must submit the single-audit report to NDE with their annual financial and compliance reports (AFRs) and must also submit their AFRs to the Federal Audit Clearinghouse. More information about submitting the AFR to NDE is available online from the NDE School Financial Division. Subrecipients that are not LEAs, such as nonprofit organizations, must also submit their single-audit reports to NDE. If your organization receives federal grants funds, NDE may send you a letter each fiscal year asking you to submit your single-audit report or to certify that the requirement does not apply to your organization because you did not expend more than \$750,000 in federal grant funds.

## **OTHER REQUIREMENTS FOR SUBRECIPIENTS**

Subrecipients of federal grant funds must comply with all the single audit requirements for auditees given in 2 CFR 200.508.

## **SINGLE AUDIT REQUIREMENTS FOR THE NDE**

NDE is required by 2 CFR 200.332(d)(3) and 200.521(a) and (c) to issue a management decision for all findings in a subrecipient's single-audit report that involve federal grants awarded by NDE. The management decision states whether the agency sustains or does not sustain each single audit finding and the reason for doing so. NDE must issue the management decision within six months of either the date it receives the single-audit report or the date the report is accepted by the Federal Audit Clearinghouse, whichever is earliest. NDE is also required to follow up with subrecipients to ensure they complete corrective actions that address the findings. The management decision includes any corrective actions that need to be completed and a deadline for completion. Some corrective actions may include an enforcement action that requires the subrecipient to return federal funds to NDE. NDE's requirements to follow up on single-audit findings are given in 2 CFR 200.332(d)(2) and 200.521(a).

## **NDE SINGLE-AUDIT MONITORING PROCESS**

GCS staff review each single-audit report, and each finding related to federal grants administered by NDE identified by an independent auditor.

## **SUSTAINING OR NOT SUSTAINING EACH FINDING**

GCS staff carefully review the single-audit report and the subrecipient's management response for each finding in making the determination to sustain or not sustain the finding. In general, GCS staff sustain a finding, unless they determine that at least one of the following is true:

1. The independent auditor misinterpreted federal statute.
2. There is new federal guidance not available to the auditor when the audit was conducted.

As part of their review, GCS staff verify that the independent auditor applied the correct federal regulations when conducting the single audit. If the independent auditor did not apply the correct regulations, division staff may not sustain the finding.

## **FINDINGS WITH QUESTIONED COSTS**

If your single-audit findings include questioned costs, GCS may correspond with you about specific questions related to the questioned costs. NDE may also ask you about questioned costs not identified in the single-audit report, but which staff believe the independent auditor should have associated with a certain finding. In this situation, staff will instruct you to contact your independent auditor, who must calculate a questioned cost amount.

## **THE MANAGEMENT DECISION**

Once GCS staff decide to sustain or not sustain each of the organization's findings, they issue the management decision, which will give the reason for each decision. The management decision will include corrective actions required to address the findings and a timeline to complete them.

## **CORRECTIVE ACTIONS**

If you have not already completed corrective actions to address each single audit finding, your organization's management decision will include a specific required action and a deadline for completion. For example, if a finding was related to missing time and effort documentation, NDE may require you to submit a copy of your internal policies and procedures to demonstrate that you have addressed the documentation issue.

## **ENFORCEMENT ACTIONS**

If NDE sustains findings with questioned costs, it will usually disallow the costs and impose a corrective action that requires your organization to return funds to NDE. Your organization's management decision will include the refund amount, the deadline for submitting the refund, and other information. Your organization may also have to complete corrective actions for findings with questioned costs.

## **UNEXPECTED OR EXTRAORDINARY CIRCUMSTANCES**

### **UNEXPECTED OR EXTRAORDINARY CIRCUMSTANCES POLICY**

In a Pandemic or other factors out of GCS control that deems GCS is not able to travel to subrecipients for on-site monitoring. Many of the above policies and/or procedures may be altered to accommodate a no-travel issuance.

## Corrective Action Tracker Example

Corrective Action Tracker.xlsx

https://needucation.sharepoint.com/:r/sites/CorrectiveActionTracking/\_layouts/15/Doc2.aspx?action=edit&sourcedoc=%7B17cbca3c-7cb8-49a9-a703-20

Imported from Inter... SAM.gov | Search Resources - Office o... ESF - ESF Reporting Expense Reimburse... Presentations: Preva... NebraskaCloud Hel... Mail

Corrective Action Tracker

Search for tools, help, and more (Alt + Q)

File Home Insert Share Page Layout Formulas Data Review View Automate Help Draw Table Design

Aptos Narrow... 11 Wrap Number

D34 200.43

A B C D E F G H I J

1 Tracking Corrective Actions from Fiscal Monitoring

2

3 School/ESU Date Grant Regulation Finding Description Date Corrected Reviewer

4 Ainsworth Public Schools 6/2/2025 Title I 6200 200.430 Time and Effort Compliance - percentage on Semi-Annual Certification did not match actual expenditures 5/28/2025 EHN

5 ESU 16 8/20/2025 Suspension and Debarment 200.214 Did not complete check for suspension and debarment 8/19/2025 EHN

6 ESU 17 6/24/2025 Suspension and Debarment 200.430 Compliance - percentage on Semi-Annual Certification did not match actual 5/27/2025 EHN

7 ESU 3 8/22/2025 Internal Controls 200.303 Per UGG updates that went into effect 10/2024 Equipment and Other Capital Expenditures were not current (200.313, 200.439) Pending Submission/Approval 9/4/2025 EHN

8 Litchfield Public Schools 7/22/2025 Suspension and Debarment 200.214 Did not complete check for suspension and debarment 7/10/2025 EHN

9 Litchfield Public Schools 7/22/2025 State CTE 3551 200.344 State CTE funds reported incorrectly on 2023-2024 AFR 7/14/2025 EHN

10 Lyons-Decatur Northeast Schools 7/16/2025 Suspension and Debarment 200.214 Did not complete check for suspension and debarment 7/16/2025 EHN

11 Lyons-Decatur Northeast Schools 7/16/2025 ESSER School Year 6988 200.344 funds reported incorrectly on multiyear AFR 7/9/2025 EHN



## Appendix I

[DATE]

[DISTRICT/EDUCATIONAL SERVICE UNIT]

[NAME] Superintendent

[ADDRESS]

[CITY/TOWN], NE

Dear Superintendent [NAME];

The Nebraska Department of Education (NDE) will be conducting fiscal desk reviews for the [YEAR DATE] year to review the district's compliance with Time & Effort logs, fiscal grant requirements, Internal Controls, and Policies and Procedures. Your school district has been selected for a Desk Review the week of {MONTH, DATE, YEAR}.

Please provide the following documentation via this Jitbit ticket starting the week of {MONTH, DATE YEAR}. The monitoring will cover your school district's [SCHOOL YEAR DATE] school year.

### **Documentation Required:**

1. Internal Controls and Policies and Procedures, including Equipment, Procurement, Record Retention and Measure of Recovery, Suspension and Debarment, Financial Management, Program Income, Cost Sharing or Matching, Unexpected or Extraordinary Circumstances (Compensation), Conflict of Interest, and Travel.
2. Documentation to support completion of the Equipment Inventory for all equipment purchased with grant funds.
3. Proof of Suspension and Debarment records.
4. Current and up to date Accounting Reports with detailed information, i.e., object code, dates, personnel pertaining to the payment, total amounts, etc.
5. Documentation to support Journal Entries associated with the accounting report.
6. Invoices for which reimbursement is being requested.
7. Copy of Employment Contract for personnel identified on the Accounting Report for the [SCHOOL YEAR DATE] school year, if applicable.
8. Time and Effort supporting documents, if applicable.
9. A copy of the district's pay scale for the [SCHOOL YEAR DATE] school year, if applicable.
10. Return to School Plan.

NDE's Grant Compliance Specialist, Shamar, will review the documentation submitted, contact you with any questions or clarification, and upon completion of the review will hold a Zoom meeting/conference call to discuss the findings. After this meeting, an official letter outlining the results of the review will be sent to the district.

NDE conducts these reviews to ensure compliance with Federal regulations and laws. These reviews are also conducted to comply with sub-recipient monitoring requirements. All Federal grant funds included as a part of your school district's Federal funding are subject to review. We will determine if any issues are identified using the Code of Federal Regulations (2 CFR Part 200).

If you have any questions concerning the compliance review and/or requested information, please contact us.

Sincerely,

*[Fiscal Monitor Name]*

[FISCAL MONITOR NAME]  
[FISCAL MONITOR WORKING TITLE]  
P: [PHONE NUMBER]  
Email – [EMAIL ADDRESS]



## Appendix II

[DATE]

[DISTRICT/EDUCATIONAL SERVICE UNIT]

[NAME] Superintendent

[ADDRESS]

[CITY/TOWN], NE

Dear Superintendent [NAME];

The Nebraska Department of Education (NDE) would like to express its appreciation for the cooperation received during the comprehensive fiscal monitoring desktop review conducted over the past few weeks.

Fiscal monitoring is conducted pursuant to the Departments' regulatory authority under [2 CFR § 200.332](#). A review covers the following core activities, but not limited to the following: Time and Effort reporting, payment/cash management, internal controls, policies, procedures, audit resolution, and records management.

The period of review for this monitoring event included grant activities occurring during the [YEAR DATE] grant year.

With the acceptance of federal subrecipient awards comes accountability in various financial arenas: internal controls, equipment, indirect costs, salary and benefits, conflict of interest, procurement, record retention, financial management, and suspension and debarment. Attached you will find an outline of what is required under each of these areas, as well as examples of required supporting documentation.

District records supporting expenditures related to the Federal subrecipient grants awarded were made available and monitored.

NDE followed up on prior exit findings and noted that all were corrected.

The compliance review of the [YEAR DATE] school year monitored the following programs:

### Federal Programs:

- ESEA
  - Title I Part A ESEA 6200
  - Title I CSI 6212
  - Title ID NorD 6230
  - Title II A 6310
  - Title III EL 6925

- Title III Immigrant 6926
- Title IV A 6969
- IDEA/SPED
  - IDEA Part B (619) PS 6406
  - IDEA Part B (611) Base EP 6408
  - IDEA Nonpublic 6412
  - SPED PRT 6416
  - IDEA ARP Part B (611) 6421
  - IDEA ARP Part B (619) 6422
  - IDEA ARP Part B Nonpublic 6423
- 21<sup>st</sup> Century
  - 21st Century 6968 [Project Name]
- McKinney Vento
  - McKinney Vento 6991
- State CTE
  - State CTE 3551
- Stronger Connects Safer Comm Act
  - Stronger Connects Safer Comm Act 6424
- Carl Perkins
  - Perkins 6700
- Homeless Children and Youth
  - ARP HCY I 6993
  - ARP HCY II 6994
- Early Childhood
  - Early Childhood 3540
  - Early Childhood Endowment 3541
- ESSER
  - ESSER School Year 6988
  - ESSER Summer 6989
  - ESSER II 6997
  - ESSER III 6998
- Discretionary Grants
  - [SUBAWARD NAME & NUMBER]
  - [SUBAWARD NAME & NUMBER]
  - [SUBAWARD NAME & NUMBER]

The following findings were noted as a result of the monitoring event. The findings are noted as either "Report" or "Exit." Report findings have been sent electronically to the subrecipient's contact.

Report:

**1. Program:**

**Grant Number & Year:**

**Criteria/Regulation:**

**Condition:**

**Repeat Finding:**

**Questioned Cost:**

**Context (Quantitative/Qualitative):**

**Recommendation:**

**2. Program:**

**Grant Number & Year:**

**Criteria/Regulation:**

**Condition:**

**Repeat Finding:**

**Questioned Cost:**

**Context (Quantitative/Qualitative):**

**Recommendation:**

Exit:

Findings not required by the Uniform Guidance will be discussed at the exit the first year they are noted; however, these exit findings may be included in the subsequent Reports if not corrected in the next year.

**1. Program:**

**Grant Number & Year:**

**Criteria/Regulation:**

**Condition:**

**Repeat Finding:**

**Questioned Cost:**

**Context (Quantitative/Qualitative):**

**Recommendation:**

**2. Program:**

**Grant Number & Year:**

**Criteria/Regulation:**

**Condition:**

**Repeat Finding:**

**Questioned Cost:**

**Context (Quantitative/Qualitative):**

**Recommendation:**

Also, the Uniform Guidance, 2 CFR § 200.511, provides the following:

*At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports. The corrective action plan must provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date.*

**You have fifteen (15) days from receipt of this monitoring report to submit any missing, incomplete, or needed documentation.** If missing, incomplete, or needed documentation, is not provided, this monitoring report will serve as the notice of noncompliance; the findings will be finalized as presented in this report.

**If Report Findings are identified, then you have thirty (30) days from the date of this monitoring report to either:**

1. Dispute the findings with written comments and any supporting documentation that demonstrates the inaccuracy of the finding, or
2. Submit a Non-Compliance Resolution specifying the plan to remedy, including any enforcement action.

Examples of Non-Compliance Resolution actions may include:

1. Submitting a refund for the identified disallowed cost to the NDE.

Nebraska Department of Education  
Office of Budget & Grants Management  
C/O Grant Audit & Compliance  
500 84<sup>th</sup> Street, 2<sup>nd</sup> floor  
501 Lincoln, NE 68510

2. Submitting documentation of non-compliance resolution plans with thirty (30) days and **evidence of completion within six (6) months from the date of this monitoring report.**
3. Submitting documentation that would demonstrate program or fiscal compliance.

To complete a Non-Compliance Resolution, you must demonstrate that you have corrected the activity that caused the noncompliance by providing specific documentation that supports the completion of the corrective action within the six months provided.

- Submit the required documentation to: [nde.BGMHelp@nebraska.gov](mailto:nde.BGMHelp@nebraska.gov)
- If there are questions, you may call the Grant Audit Specialist's phone number indicated towards the bottom of this report.

Follow-up monitoring may be conducted to ensure timely implementation, as necessary. subrecipients are subject to fiscal monitoring efforts based on risk assessment at any given point of time.

### Resolution

All findings are resolved only after the subrecipient has provided sufficient evidence that the corrective action has been fully implemented. At such point, a closeout letter will be issued to the subrecipient indicating that all findings have been resolved and to document that conditions and/or restrictions have been lifted.

**Technical Assistance**

The NDE may follow up with the subrecipient to provide ongoing technical assistance to facilitate grant compliance, as needed. The subrecipient may also request technical assistance from Monitor for nonprogrammatic grant management activities. Programmatic technical assistance is provided by Grant Program staff.

2 CFR 200.339 Enforcement Action and Appeal Process can be located in [NDE's Fiscal Monitoring Plan](#).

The compliance review issues disclosed are the result of only items reviewed during the review. Compliance with all Federal laws and regulations applicable to the subrecipient is the responsibility of the subrecipient's management. It is your responsibility to ensure the NDE has been provided the correct information during our monitoring event. If you feel that any of our comments are incorrect, please indicate so now.

The compliance review issues only reflect the results of the compliance review sample and should not be misconstrued as an endorsement of areas not reviewed.

If you have any comments or concerns about the results of this compliance review, please notify us by [MONTH, DATE, YEAR] at [nde.BGMHelp@nebraska.gov](mailto:nde.BGMHelp@nebraska.gov).

Sincerely,

*[Specialist First Last Name]*

[SPECIALIST NAME]

Grant Audit Specialist

[PHONE NUMBER]

Email – [EMAIL ADDRESS]

cc: [CC FIRST LAST NAMES]

# 2025 Risk Assessment

## Description

The law requires the Nebraska Department of Education (NDE) to monitor the activities of its subrecipients to ensure that the sub-award is used for: authorized purposes, in compliance with federal statutes, regulations, the terms and conditions of the sub-award and that sub-award performance goals are achieved.

Under § 200.332(b) the Uniform Grant Guidance describes the requirements of a pass-through entity (NDE) to complete a risk assessment on their sub-recipients. The guidance allows NDE the authority to develop a risk assessment to meet the state's needs. In addition, it allows NDE the flexibility to develop grant specific risk assessments and address various grant requirements.

## Process

NDE identified required criteria for the risk assessment by using appropriate public metrics such as Single Audit findings. Data sets such as AQuESTT, grant funding and Local Educational Agency (LEA) self-risk assessment questions captured in the Grants Management System, and Portal submissions (i.e. audits, annual financial reports, budgets, etc.) were utilized as indicators providing a reasonable basis for the results based on our assessment objectives and federal requirements. Scoring calculation is specific to each individual LEA. NDE believes that the evidence obtained from the data provides reasonable conclusions to determine if an LEA risk assessment level is Low, Medium, or High Risk. If you are an 'Other' entity, you are automatically identified as high risk.

## Understanding the Risk Indicators

Five categories were determined to be significant indicators of risk that may adversely affect the ability of an LEA to achieve its objectives. The categories include Audit Performance, Academic Achievement, Reporting Timeliness, Fiscal Performance and General Indicators. Each category included the analysis of several data sets. Scores for each data set were combined into a single score to provide an indicator of risk for each category.

**Risk Indicators Rubric****AUDIT PERFORMANCE**

Description of Risk Factor	Collection Methods	Score
<b>Monitoring Activity</b> <p>This factor considers the frequency and outcomes of grant funding monitoring activity conducted by NDE. If deficiencies are identified during the monitoring activities, it may increase the level of risk associated with the Local Education Agency's (LEA) performance in this area.</p>	Fiscal Monitoring – data as of 2024 monitoring cycle  <b>Per 2 CFR 200.332 (b)(1)</b>	Score 1 through 5, only those monitored – <ul style="list-style-type: none"><li>▪ 1 - if no issues or no fiscal monitoring review yet</li><li>▪ 2 - one issue noted</li><li>▪ 3 - two issues noted</li><li>▪ 4 - three issues noted</li><li>▪ 5 - if had many findings and need a lot of training and technical assistance</li></ul>

<p><b>ADM Audits (Average Daily Membership)</b>  This factor considers the outcomes of Average Daily Membership (ADM) audits. The audits are a tool to identify overreported or underreported ADM. School districts are required by Nebraska Revised Statute 79-1089 to submit their audits to NDE annually by November 5<sup>th</sup>. Discrepancies identified during the audit are potential indicators of deficiencies in internal processes and the lack of a timely and accurate submission of the audit may indicate an elevated level of risk.</p>	2023-2024 ADM Audit – Portal	Score 1 through 5; depends on outside auditor findings and timeliness of submission <ul style="list-style-type: none"> <li>▪ 1 - if early and no reportable issues;</li> <li>▪ 2 - if submitted on due date (6<sup>th</sup> since 5<sup>th</sup> on Sunday) and no reportable issues;</li> <li>▪ 3 - if submitted by November 10<sup>th</sup> and no reportable issues;</li> <li>▪ 4 - if submitted by the end of November and no reportable issues;</li> <li>▪ 5 - if submitted after November and/or had reportable findings</li> </ul>
<p><b>Outside Audit/Single Audit Results</b>  This factor considers the results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F – Audit Requirements of 2 CFR, and the extent to which the same or similar subaward has been audited as a major program. Also does subrecipient receive Federal awards directly from a Federal awarding agency (Impact Aid)</p>	2023-2024 Audits and Single Audit - Portal  Per 2 CFR 200.331 (b)(2) & (b)(4)	Score 1 through 5, depending on findings <ul style="list-style-type: none"> <li>▪ 1 - no findings;</li> <li>▪ 2 - only one finding, but no single audit</li> <li>▪ 3 - two findings [i.e. seg of duties &amp; f/s prep], but no single audit</li> <li>▪ 4 - single audit with no findings or more than two f/s findings</li> <li>▪ 5 - single audit with major findings or not completed timely or disclaimer of opinion</li> </ul>
<p><b>Policies and Procedures</b>  2 CFR 200 is the guiding policy for all Federal grants. Recipients of Federal program funds are required to comply with the following and have policies and procedures for each.</p> <p>2 CFR 200.313 Equipment and Inventory  2 CFR 200.317 through 2 CFR 200.327 Procurement  2 CFR 200.334 Record Retention  2 CFR 200.214 Suspension and Debarment  2 CFR 200.302 Financial Management  2 CFR 200.306 Cost Sharing or Matching  2 CFR 200.430 Compensation Personal Services  2 CFR 200.431 Compensation Fringe Benefits  2 CFR 200.313; 2 CFR 200.436; 2 CFR 200.439  Capitalization and Depreciation  2 CFR 200.112 Conflict of Interest  2 CFR 200.475 Travel</p>	Policies and Procedures & GMS Self-Risk Assessment Question in 2023-2024 application year  Per 2 CFR	Score 1 through 5 based on LEA response <ul style="list-style-type: none"> <li>▪ 1 - have all policies/procedures</li> <li>▪ 2 - missing one or two policies/procedures</li> <li>▪ 3 - missing three or four policies/procedures</li> <li>▪ 4 - missing five or six policies/procedures</li> <li>▪ 5 - do not have any of them</li> </ul>

ACADEMIC ACHIEVEMENT		
Description of Risk Factor	Collection Methods	Score Results
<b>AQuESTT</b> Scores from Accountability for a Quality Education System, Today and Tomorrow (AQuESTT). The more improvement LEAs need may be an indicator of risk.  <i>*Only applies to school districts</i>	NDE Support and Innovation Department – most recent classifications available were from 2023-2024 data years	1 or 2 - AQuESTT score is a 4 3 - AQuESTT score is a 3 4 - AQuESTT score is a 2 5 - AQuESTT score is a 1

REPORTING TIMELINESS		
Description of Risk Factor	Collection Methods	Score
<b>School Finance - Annual Financial Report (AFR)</b> LEAs are required by Nebraska Revised Statute to submit an Annual Financial Report (AFR). Statute 79-528 states school AFR is due on or before November 1 and statute 79-1229 states ESU AFR is due on or before January 31. The lack of a timely and accurate submission of this report may be an indicator of risk.	2023-2024 Annual Financial Report - Portal	Score 1 through 5 based on changes and accuracy <b>Schools:</b> 1 - if approved early 2 - if approved on due date 3 - if approved by November 5th 4 - if approved by end of November 5 - if approved after November <b>ESUs:</b> 1 - if approved early 2 - if approved on due date 3 - if approved by February 5th 4 - if approved by end of February 5 - if approved after February
<b>School Finance - Adopted Budget</b> School districts are required by Nebraska Revised Statute 79-1024 to submit their Adopted Budget to NDE annually by September 30 (due date is referenced in statute 13-508). The lack of a timely and accurate submission of this report may be an indicator of risk.	2023-2024 Adopted Budgets - Portal	Score 1 through 5 based on changes and timeliness 1 - if submitted early 2 - if submitted on due date 3-5 - if submitted late

*\*Only applies to school districts*

GENERAL INDICATORS		
Description of Risk Factor	Collection Methods	Score
<b>LEA Grant Award Experience</b> Per Uniform Grant Guidance, this factor evaluates the LEA's experience with the same or similar awards.	GMS Self-Risk Assessment Question in 2023-2024 application year	Score 1 through 5 based on LEA answers 1 - more than 10 years 2 - 7 to 9 years

Less experience with managing grant funding can be an indicator for elevated risk.	Per 2 CFR 200.332 (b)(1)	3 - 5 to 6 years 4 - 3 to 4 years 5 - 1 to 2 years
<b>LEA Grant Personnel/Accounting System</b> Per Uniform Grant Guidance, this determines if subrecipient has new personnel or new or substantially changed systems. Less experience with managing grant funding and new or substantially changed accounting systems can be an indicator for elevated risk.	GMS Self-Risk Assessment Question in 2023-2024 application year Per 2 CFR 200.332 (b)(3)	Score 1 through 5 based on LEA response: 1 - no changes; 3 - new personnel or system; 5 - new personnel and new system
<b>LEA is current with System for Award Management (SAM)</b> This requirement is to ensure that entities are signed up as required to get into SAM.	GMS Self-Risk Assessment Question in 2023-2024 application year	Score of 1 or 5 based on LEA response

FISCAL PERFORMANCE		
Description of Risk Factor	Collection Methods	Score
<b>Federal Award Carryover Percent</b> This factor evaluates the amount of carryover funds an LEA has across applicable federal and state grants. Higher amounts of carryover indicate an elevated potential for risk.	Grants Management Enterprise System	*Scored all as 1 due to relief aid funding.  Score 1 through 5 based on percentage of carryover
<b>Dollar Amount Received</b> This factor evaluates the amount of funding received in total.	Grants Management Enterprise System - 2023-2024 combined grant funding for ESSA and IDEA	1 – less than \$100,000 2 - \$ 100,000 through \$ 400,000 3 - \$ 400,001 through \$ 1,000,000 4 - \$ 1,000,001 through \$ 20,000,000 5 – greater than \$20,000,001
<b>Maintenance of Effort (MOE)</b> This factor evaluates each district and how they do with reporting for MOE requirements.  *Only applies to school districts	Office of Budget & Grants Management 2022-2023 MOE calculations	Score 1 through 5 based on struggle to meet MOE  1 - for meeting MOE 3 - if needed assistance to make MOE 5 - if did not meet MOE and must return funding

WEIGHTED SCORE	
Description	
	There is a weighted score of 2 additional points added for each of the following categories that entities scored a 5 in: monitoring activity, outside audits/single audit results, and AQuESTT (if applicable). These risk factors are considered to carry the highest level of risk.

## Risk Assessment Example:

### Risk Assessment

For the application year, Nebraska Department of Education (NDE) has determined your organization is considered Low Risk.  
NDE identified required criteria for the risk assessment by using appropriate public metrics such as Single Audit findings. Data sets such as AQuESTT, grant funding and Local Educational Agency (LEA) self-risk assessment questions captured in the Grants Management System, and Portal submissions (i.e. audits, annual financial reports, budgets, etc.) were utilized as indicators providing a reasonable basis for the results based on our assessment objectives and federal requirements. Each criteria is given a score of 1 through 5. Based on the total results, the Risk Level is identified as low; low/medium; medium; medium/high; high. If you are an 'Other' entity, you are automatically identified as high risk. Refer to the below chart:

Risk Assessment		Total Score Results	
Level	Fiscal Review %	School District	ESU
Low	5%	14 through 23	10 through 12
Medium	15%	24 through 33	13 through 18
High	25%	34 and above	19 and above

Additional Resource: [NDE Risk Assessment Guide](#)

Risk Assessment Criteria	Score Result
Audit Performance	
Monitoring Activity	2
Average Daily Memberships (ADM) Audits	2
Outside Audit/Single Audit Results	1
Polices and Procedures	1
Academic Achievement	
AQuESTT	4
Reporting Timeliness	
School Finance Annual Financial Report (AFR)	1
School Finance Adopted Budget	1
General Indicators	
LEA Grant Award Experience	1
LEA Grant Personnel/Accounting System	1
LEA is current with System for Award Management (SAM)	1
Fiscal Performance	
Federal Award Carryover Percent	1
Dollar Amount Received	4
Maintenance of Effort	1
Weighted Score	
Weighted score based on results within monitoring activity, audits/single audit, and AQuESTT (if applicable).	0
	Total: 21
	Risk Assessment Level: <span style="background-color: #e0e0e0; padding: 2px;">Low Risk</span>