



New Hampshire

Department of Education

Federal Fiscal Monitoring Final Report
Andover School District
School Year 2019-2020

Provided by the NHDOE, Bureau of Federal Compliance

September 28, 2021

Frank Edelblut
Commissioner



Christine M. Brennan
Deputy Commissioner

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
101 Pleasant Street
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September 28, 2021

Mark MacLean, Superintendent SAU 46
Aimee Menard, School Board Chair
105 Community Drive
Penacook, NH 03303

Superintendent MacLean and School Board Chair Menard:

Thank you for assisting the New Hampshire Department of Education, Bureau of Federal Compliance (NHDOE, BFC) in the Federal funds remote monitoring procedure for the Andover School District/SAU 46, conducted on June 3, 2021 by Lindsey Labonville.

The attached report summarizes the information gathered during our visit and identifies our concerns relative to Federal grant fiscal compliance. Required corrective actions and associated timelines to rectify compliance issues are also included in the report. Also attached is the Corrective Action Plan (CAP). The CAP is for you to respond to the findings within the monitoring report. The CAP needs to be completed and sent back to the BFC no later than 30 calendar days after receiving the initial report via email.

If you have any questions or comments about the monitoring process and/or the resulting report, you are encouraged to contact Lindsey Labonville at Lindsey.L.Labonville@doe.nh.gov or 603.271.3837, or Jessica Lescarbeau at Jessica.L.Lescarbeau@doe.nh.gov or 603.271.3808.

Sincerely,

Lindsey Labonville

cc: Caitlin Davis, Director, NHDOE Division of Education Analytics and Resources (via email only)
Hilary Denoncourt, SAU Business Administrator, SAU 46 (via email only)
Adam Jones, School Board Vice Chair, SAU 46 (via email only)
Lisa Burbach, School Board Member, SAU 46 (via email only)
Brandon Adams, School Board Member, SAU 46 (via email only)
Dan Newton, School Board Member, SAU 46 (via email only)

Federally Required Policies

Policy	In Accordance With	Compliant	Comments
Drug-Free Workplace Policy	34 CFR 84.200 and the Drug-Free Workplace Act of 1988	Yes	None
Procurement Policy	2 CFR 200.318-327	Yes	None
Conflict of Interest/Standard of Conduct Policy	2 CFR 318(c)(1)	Yes	None
Inventory Management Policy	2 CFR 200.313(d)	Yes	None
District Travel Policy	2 CFR 200.474(b)	Yes	None
Subrecipient Monitoring Policy/Procedure (if applicable)	2 CFR 200.331(d)	N/A	District does not have subrecipients therefore this policy does not apply.
Time and Effort Policy/Procedure	2 CFR 200.430	Yes	None
Records Retention Policy/Procedure	2 CFR 200.333	Yes	None
Prohibiting the Aiding and Abetting of Sexual Abuse Policy	ESEA 8546	No	District has not adopted such policy, as a member of the NHSBA please see their example policy, GADA.
Allowable Cost Determination Policy/Procedure	2 CFR 200.302(b)(7)	Yes	None
Gun Free School Act	Gun Free School Act of 1994	Yes	None

NHDOE’s review of the above policy/procedure documents is not intended to be all-inclusive. As such, there may be other federally non-compliance policies/procedures not addressed above. Ultimately, it is the District’s/SAU’s sole responsibility to meet any and all Federal compliance requirements as a recipient of Federal funds. Deficient policies indicated above are notated below in ‘Finding #01’.

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District GMS Reimbursement Requests

In addition to reviewing District/SAU policies required by Federal law and rule, five (5) reimbursement requests for grant activities from the NHDOE Grants Management System (GMS) were selected for review. The selected activities were from the 2019-2020 school year and included the following Federal programs;

<i>Request #</i>	<i>Program</i>	<i>Project #</i>	<i>Month & Year of Project</i>	<i>Activity #</i>	<i>Activity Cost</i>	<i>Activity Description</i>
1	CARES-ESSER	20204858	Feb-21	93644	\$28,669.96	Computers
2	IDEA	202520	Feb-20	78982	\$1,428.36	Salaries and Benefits
3	IDEA Preschool	202520	Feb-20	78956	\$480.00	Professional Services
4	Title I Part A	20200153	Apr-20	78770	\$4,113.23	Salaries and Benefits
5	Title I Part A	20200153	Apr-20	86445	\$666.67	Electronic Information

During our review, multiple instances of non-compliance were identified. These findings include non-compliance of time and effort and missing records. The details of our findings are listed below.

Please note that our review of the District's/SAU's management of its Federally funded grant activities was limited to our analysis of the five GMS selections and was not designed to identify all potential deficiencies in Federal compliance that might exist. As such, other instances of non-compliance may exist that was not identified during the review process.

Findings

Finding #01

Criteria or specific requirements: The non-Federal entity must (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition: During our monitoring visit conducted on June 3, 2021, we noted policies and procedures have not been updated to include the requirements of Federal rules and laws for those transactions or activities that include Federal grant funds.

Questioned Costs: None.

Context: Of the eleven policies and procedures reviewed, two are not in accordance with Federal guidelines.

Effect: The District did not adequately establish and maintain effective internal controls. The lack of internal controls is non-compliant with 2 CFR 200.303, which could lead to additional compliance concerns and questioned costs.

Cause: The District and the School Board will need to approve these policy changes in a timely manner, disregard to this finding could lead to additional enforcement action under 2 CFR 200.

Recommendation: The NHDOE is requiring the Andover School District to update their policies and procedures to include the requirements of Federal rules and laws for those transactions or activities that include Federal grant funds. At the District’s discretion, separate policies may be developed for activities that use Federal funds versus those activities that are strictly funded using local or State sources. At a minimum, the following policies need to be created, updated, and/or implemented by the District:

1. Drug Free Workplace policy in accordance with 34 CFR 84.200 and the Drug-Free Workplace Act of 1988.
2. Prohibiting the Aiding and Abetting of Sexual Abuse Policy in accordance with ESEA 8546.

The NHDOE has prepared several Federal Fund Fact Sheets that you may find to be a useful resource when developing your policies and procedures. In addition, the NHDOE has been made aware that the New Hampshire School Board Association (NHSBA) has issued several model policies that are compliant with the requirements of 2 CFR 200 to its membership, which you have noted you are.

Finding #02

Criteria or specific requirements: As a recipient of Federal funds certification of effort to document salary expenses charged directly or indirectly against Federally-sponsored projects is required. Time and effort reports shall; be supported by a system of internal controls which provide reasonable assurance that the charges are accurate, allowable, and properly allocated, be incorporated into the official records of the District, reasonable reflect the total activity for which the employee is compensated by the District, not exceeding 100% of the compensated activities, encompass both Federally assisted and other activities compensated by the District on an integrated basis, comply with the District's established accounting policies and practices, and support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award, a Federal award and non-Federal award, an indirect cost activity and a direct cost activity, two or more indirect activities which are allocated using different allocation bases, or an unallowable activity and a direct or indirect cost activity.

Condition: During our monitoring visit conducted on June 3, 2021, a review of the multiple programs (as indicated in the table above) was conducted. During this review multiple instances of noncompliance surrounding time and effort documentation was found. The detail by grant are listed here:

IDEA/IDEA Preschool

Activity #78982 Reimbursement for February 2020- timecard supplied is not compliant

Title I Part A

Activity #78770 Reimbursement April 2020- timecard supplied is not compliant

Questioned Costs: Total questioned cost across all activities is \$5,541.59.

Context: Time and effort documentation is being kept in the form of a time card, which is missing significant information to be federally compliant.

Effect: Any request(s) for reimbursement of personnel expenses must meet the requirements of 2 CFR 200.430.

Cause: A lack of controls surrounding the time and effort policy has led to this compliance concern and questioned cost.

Requirement(s): The NHDOE is requiring that the Andover School District update their time and effort documentation to ensure compliance. Additionally, we require not only that they have the appropriate documentation in place, but also that they use the documentation in accordance with their policy and procedure. A time and effort procedure must be created in accordance with 2 CFR. Lastly, the District must retroactively come into compliance by having employees that did not previously sign time and effort documents (as noted above) sign the newly implemented time and effort document in accordance with policy and procedure.

Finding #03

Criteria or specific requirements: Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirement upon non-Federal entities.

Condition: During our monitoring visit conducted on June 3, 2021, a review of the IDEA/IDEA Preschool program was conducted for Activity #78956 reimbursement request during February 2020. Upon review of the program, required documentation to show compliance within the activity was either missing or not kept. No contract was available for review to show the entire contract amount.

Questioned Costs: \$480.00.

Context: PO's and invoices were provided to show payment of the allowable services rendered under the program. However, no other documentation was provided to show procurement requirements were followed in compliance with 2 CFR 200.317-330.

Effect: Any procurement is subject to the requirements and conditions set forth in 2 CFR 200.317-330 as applicable.

Cause: A lack of controls surrounding the procurement policy and a lack of a procurement procedure has led to this compliance concern and questioned cost. Even though the Andover School Board has adopted DAF the policy is not being followed by the Andover Business Office.

Requirement(s): The NHDOE is requiring that the Andover School District establish a procedure surrounding procurement and that they use said procedure in accordance with Federal requirements. Additionally, in the future procurement reimbursement requests will be subject to random review and testing to ensure procedures are being followed and the District is compliant.

Timeline and Evidence for Findings

As the requirements of 2 CFR 200 went into effect approximately five years ago, it is imperative the District/SAU come into compliance with these regulations by April 1, 2022. As the pass-through entity for the Federal grant funds, it is the NHDOE's responsibility to assure compliance of its subrecipients. As such, the NHDOE is requiring the District/SAU to complete the above action as soon as possible.

Finding #01

Required Completion Date: April 1, 2022. The CAP is required to be returned to the NHDOE within 30 calendar days of the date of this report. Failure to meet this deadline may result in the NHDOE taking enforcement actions allowed under 2 CFR 200.

Evidence of Completion: Provide the NHDOE with copies of the completed policies and evidence that the School Board has adopted said policies (School Board minutes will be acceptable).

Finding #02

Required Completion Date: April 1, 2022. The CAP is required to be returned to the NHDOE within 30 calendar days of the date of this report. Failure to meet this deadline may result in the NHDOE taking enforcement actions allowed under 2 CFR 200.

Evidence of Completion: Provide the NHDOE with a copy of the time and effort document to be used as well as the procedure surrounding time and effort. Retroactive time and effort signed documentation from the employees in the activities noted in 'Finding #02' will need to be emailed to the NHDOE.

Finding #03

Required Completion Date: April 1, 2022. The CAP is required to be returned to the NHDOE within 30 calendar days of the date of this report. Failure to meet this deadline may result in the NHDOE taking enforcement actions allowed under 2 CFR 200.

Evidence of Completion: Provide the NHDOE with a copy of the procurement procedure created in accordance with 2 CFR.

-END OF DOCUMENT-

**NHDOE Federal Funds Monitoring
Corrective Action Plan**
(Use a separate form for each Corrective Action Item)

Subrecipient contact:

Subrecipient:

Action Item:

Description:

Date:

Please check the box that most appropriately matches the District's status in implementing the Corrective Action Plan (CAP). Please also provide any documentation that supports the District's assertion that the CAP has been fully implemented.

- (1) Partially implemented
- (2) Revised CAP being implemented
- (3) Fully implemented
- (4) No further action required (provide detailed explanation below):

Name of person completing this form

Date

If options (1) or (2) are selected, please explain the implementation status &/or how the CAP was revised as well as the anticipated completion date in the space below:

Corrective Action Plan Update or other explanation as necessary, (status date: / /)

If option (3) is selected, please explain how this was implemented in the space below:

Please return to the Bureau of Federal Compliance within 30 days of receipt.

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