



New Hampshire

Department of Education

Federal Fiscal Monitoring Final Report

Barnstead School District

School Year 2019-2020

Provided by the NHDOE, Bureau of Federal Compliance

October 5, 2021

Frank Edelblut
Commissioner



Christine M. Brennan
Deputy Commissioner

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
101 Pleasant Street
Concord, NH 03301-3860
TEL. (603) 271-3494
FAX (603) 271-1953**

October 5, 2021

Timothy Broadrick, Superintendent SAU 86
Lyla Adkins, School Board Chairperson
252 Suncook Valley Road
Alton, NH 03809

Superintendent Broadrick and School Board Chairperson Adkins,

Thank you for assisting the New Hampshire Department of Education, Bureau of Federal Compliance (NHDOE, BFC) in the Federal funds onsite monitoring procedure for the Barnstead School District, conducted on May 25, 2021 by Timothy Carney.

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,

A handwritten signature in cursive script that reads "Jessica Lescarbeau".

Jessica Lescarbeau

cc:

Caitlin Davis, Director, NHDOE Division of Education Analytics and Resources (via email only)
Heidi Duford, Business Administrator, SAU 86 (via email only)
Jason Henry, School Board Vice-Chair, SAU 86 (via email only)
Eliza Drolet, School Board Secretary, SAU 86 (via email only)
Eunice Landry, School Board Member, SAU 86 (via email only)
Brandy Pelletier, School Board Member, SAU 86 (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	No	This policy needs to be updated to the most recent NHSBA version that includes reference to Federal reporting requirements per 34 CFR 84.200.
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)	Yes	None
Time and Effort Policy/Procedure	2 CFR 200.430	Yes	None
Records Retention Policy/Procedure	2 CFR 200.333	Yes	None
Allowable Cost Determination Policy/Procedure	2 CFR 200.302(b)(7)	Yes	None
Prohibiting the Aiding and Abetting of Sexual Abuse	ESEA 8546	No	The District has not implemented such a policy. As a member of the NHSBA please reference their sample policy; GADA.
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’.

District GMS Reimbursement Requests

In addition to reviewing District/SAU policies required by Federal law and rule, six (6) 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 - FY20	20204954	March 2020	98378	\$88,373.35	Staffing
2	IDEA/Preschool - FY20	202527	May 2020	80257	\$16,526.99	Instructional Salaries and Benefits
3	Title I, Part A - FY20	20200246	January 2020	81525	\$16,918.34	Instructional Salaries and Benefits
4	Title II, Part A - FY20	20200281	January 2020	82033	\$7,500.00	Professional/Technical Services
5	Title IV, Part B (21st Century) - FY20	20200010	October 2019	79301	\$11,213.06	Instructional Salaries and Benefits
6	Title IV, Part B (21st Century) - FY20	20200010	July 2019	79297	\$7,660.00	Instructional Salaries and Benefits

During our review of the six GMS reimbursement requests one instance of non-compliance was identified. These instances of non-compliance related to procurement are addressed in 'Finding #02' section 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 six 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 were 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, it was noted one policy was not in place and one has 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 reviewed, one was found to be outdated and one has not been adopted. The remaining nine policies were found to be generally compliant with Federal requirements.

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 have not updated their Drug-Free Workplace policy since 2015, nor implemented a policy around prohibiting the aiding and abetting of sexual abuse as required by ESEA Section 8546 , which could lead to additional enforcement action under 2 CFR 200.

Requirement(s): The NHDOE is requiring the Barnstead School District to update their policies 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 in accordance with ESEA Section 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: The acquisition of property or services which is higher than the micro-purchase threshold (\$10,000 at the time of the grant in question), but does not exceed the simplified acquisition threshold (\$250,000 established in the FAR) must follow small purchase procedures. Small purchase procedures include price or rate quotations obtained from an adequate number of qualified sources as determined appropriate by the non-Federal entity.

Condition: During our monitoring visit conducted on May 25, 2021, a review of the Title II program, Activity #82033 for a January 2020 reimbursement request was completed. This activity included contractual services with Mike Anderson Consulting, LLC for \$7,500.00. The total contract value was for \$15,000.00. However no supporting documentation such as requests for proposals, cost comparisons, negotiations, or noncompetitive procurement authorization were provided.

Questioned Costs: \$15,000.00

Context: While the contract offer services that are allowable under the Title II program, no justification for noncompetitive procurement was provided. Per federal guidelines, contracts of these amounts must have price or rate quotations obtained from an adequate number of qualified sources, unless meeting one of the exceptions for non-competitive procurement. Reference 2 CFR 200.320 (c) *Noncompetitive procurement* for circumstances surrounding allowability in reference to sole-sourcing.

Effect: A contract of this size must follow small purchase procedures compliant with 2 CFR 200.320. Non-compliance could lead to additional compliance concerns.

Cause: A lack of controls surrounding the procurement policy and the apparent absence of a comprehensive procurement procedure has led to this compliance concern and questioned cost. Additionally, it appears that even though the Barnstead School Board had adopted DAF the policy is not being strictly followed by the District Business Office.

Requirement(s): The NHDOE is requiring that the Barnstead School District create and implement a written procurement procedure (as required by 2 CFR 200.318) to reflect proper internal controls which meet all of the appropriate requirements of 2 CFR 200. In addition, the District should adhere to the terms and requirements of the DAF policy adopted by the Barnstead School Board.

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 by the required completion date.

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 newly created procurement procedure and evidence that the District Business Office has adopted, distributed and implemented the procurement procedure and any corresponding changes made to the DAF policy to ensure compliance.

-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.