



New Hampshire

Department of Education

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

Provided by the NHDOE, Bureau of Federal Compliance

October 6, 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
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October 6, 2021

Michael Fournier, Superintendent SAU 25
Bill Foote, School Board Chairperson
103 County Road
Bedford, NH 03110

Superintendent Fournier and School Board Chairperson Foote,

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 Bedford School District, conducted on March 31, 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)
Lisa Ambrosio, Business Administrator, SAU 25 (via email only)
Sue Jennato, School Board Vice Chair, SAU 25 (via email only)
John Schneller, School Board Member, SAU 25 (via email only)
Melinda Bator, School Board Member, SAU 25 (via email only)
Melissa Stevens, School Board Member, SAU 25 (via email only)
Bill Klein, School Board Moderator, SAU 25 (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)	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
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.

District GMS Reimbursement Requests

In addition to reviewing District/SAU policies required by Federal law and rule, fourteen (14) 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;

Request #	Program	Project #	Month & Year of Project	Activity #	Activity Cost	Activity Description
1	Adult Diploma Program	20204302	Oct-19	82100	\$2,540.43	Salaries
2	IDEA	202672	Feb-20	79960	\$257,735.32	Salaries
3	IDEA Preschool	202672	Feb-20	79956	\$2,808.00	Salaries
4	Title I Part A	20200125	Apr-20	78383	\$19,614.46	Salaries and Benefits
5	Title I Part A	20200125	Apr-20	79564	\$428.99	Supplies
6	Title I Part A	20200125	Jun-20	87993	\$852.00	Supplies
7	Title II Part A	20200154	Jan-20	82985	\$2,998.58	Travel
8	Title II Part A	20200154	Mar-20	82985	\$4,800.00	Professional Educational Services
9	Title II Part A	20200154	Apr-20	86286	\$4,070.58	Professional Educational Services
10	Title II Part A	20200154	Jun-20	82981	\$3,832.09	Salaries
11	Title II Part A	20200154	Jun-20	80779	\$2,500.00	Professional/Technical Services
12	Title IV A	20200460	Sep-20	94059	\$4,450.00	Video Communications
13	Title IV A	20200460	Sep-20	91649	\$11,560.00	Electronic Information
14	Title IV A	20200460	Nov-20	89757	\$4,262.00	Consultation Fee

During our review of the fourteen GMS reimbursement requests one instance of non-compliance was identified. This instance of non-compliance related to procurement is addressed in the 'Finding' 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 fourteen 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 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 March 31, 2021, a review of the Title IV program, Activities #91649 and #89757 for September 2020 and November 2020 respectively, was conducted which included contractual services with Lexia Learning Systems, LLC and Mike Anderson Consulting, LLC (\$25,200.00). The Lexia Learning Systems, LLC contract was for the amount of \$24,496.20 while the Mike Anderson Consulting, LLC contract was for \$25,200.00. However no supporting documentation for cost comparisons, negotiations, or noncompetitive procurement were provided.

Questioned Costs: \$49,696.20

Context: While the contracts offer services that are allowable under the Title IV 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: Contracts 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 procurement procedure has led to this compliance concern and questioned cost. Additionally, it appears that even though the Bedford School Board had adopted DAF the policy is not being strictly followed.

Requirement(s): The NHDOE is requiring that the Bedford 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 Bedford 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 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 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.

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