



New Hampshire

Department of Education

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

Provided by the NHDOE, Bureau of Federal Compliance

September 15, 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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September 15, 2021

Robert Malay, Superintendent SAU 29
Ege Cordell, School Board Chairperson
193 Maple Avenue
Keene, NH 03431

Superintendent Malay and School Board Chairperson Cordell,

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 Chesterfield School District, conducted on April 22, 2021 by Lindsey Labonville and Jessica Lescarbeau.

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)
Timothy Ruehr, Business Administrator, SAU 29 (via email only)
Nick Belsky, Chesterfield Board Member, SAU 29 (via email only)
Genienne Hockensmith, Chesterfield Board Member, SAU 29 (via email only)
Erin Laskowski, Chesterfield Board Member, SAU 29 (via email only)
Amy Treat, Chesterfield Board Member, SAU 29 (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	Provided policy on 9/15/21 which was adopted 1/14/19, but was never updated on the District website. The policy now reflects accurately.
Procurement Policy	2 CFR 200.318-327	Yes	District adopted DAF in July 2021, after our initial visit. This report has been updated to reflect that.
Conflict of Interest/Standard of Conduct Policy	2 CFR 318(c)(1)	Yes	District adopted DAF in July 2021, after our initial visit. This report has been updated to reflect that.
Inventory Management Policy	2 CFR 200.313(d)	Yes	District adopted DAF in July 2021, after our initial visit. This report has been updated to reflect that.
District Travel Policy	2 CFR 200.474(b)	Yes	District adopted DAF in July 2021, after our initial visit. This report has been updated to reflect that.
Subrecipient Monitoring Policy/Procedure (if applicable)	2 CFR 200.331(d)	Yes	Not Applicable
Time and Effort Policy/Procedure	2 CFR 200.430	Yes	District adopted DAF in July 2021, after our initial visit. This report has been updated to reflect that.
Records Retention Policy/Procedure	2 CFR 200.333	Yes	District adopted DAF in July 2021, after our initial visit. This report has been updated to reflect that.
Prohibiting the Aiding and Abetting of Sexual Abuse Policy	ESEA 8546	Yes	District adopted in July 2021, after our initial visit. This report has been updated to reflect that.
Allowable Cost Determination Policy/Procedure	2 CFR 200.302(b)(7)	Yes	District adopted DAF in July 2021, after our initial visit. This report has been updated to reflect that.
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.

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District GMS Reimbursement Requests

In addition to reviewing District/SAU policies required by Federal law and rule, eight (8) 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	20204868	Jan-21	94289	\$12,175.00	New Computers and Communications Equipment
2	CARES-ESSER	20204868	Jan-21	94293	\$2,201.69	General Supplies
3	IDEA	202534	Dec-20	98063	\$936.25	Professional Services- Pupils
4	IDEA Preschool	202534	Dec-20	96046	\$293.27	Other Professional Services
5	Title I Part A	20200129	Jun-20	79221	\$3,707.00	Other Professional Services
6	Title I Part A	20200129	Jun-20	86047	\$1,850.48	Student Transportation Purchased
7	Title II Part A	20200762	Oct-20	93368	\$3,000.00	Professional Services
8	Title II Part A	20200762	Jan-21	96994	\$705.00	Tuition Reimbursement

During our review, multiple instances of non-compliance were identified. These findings include non-compliance caused by the District's/SAU's lack of federally compliant policies and procedures, a lack of internal controls, and non-compliance surrounding procurement methods. 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 eight 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 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 April 22, 2021, a review of multiple programs was conducted (see graph above). Contractual services were entered into, however no supporting price quotes, negotiations, or justification for noncompetitive procurement was provided. Listed below is the contract in question by program:

IDEA

Activity #96046 December 2020: A contract for Educational & Behavioral Consulting LLC was entered into not to exceed \$19,850 or 250 hours.

Questioned Costs: Questioned cost is for the contract amount of \$19,850.

Context: While the contract offers services that are allowable under the IDEA program, no justification for noncompetitive procurement was provided. Per federal guidelines, a contract of this amount 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 and questioned costs.

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

Requirement(s): The NHDOE is requiring that the Chesterfield School District create a procurement procedure in accordance with 2 CFR. 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 March 31, 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: March 31, 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.

-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.