



New Hampshire

Department of Education

Federal Fiscal Monitoring Final Report

Chichester School District

School Year 2019-2020

Provided by the NHDOE, Bureau of Federal Compliance

September 22, 2021

Frank Edelblut
Commissioner



Christine M. Brennan
Deputy Commissioner

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
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TEL. (603) 271-3494
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September 22, 2021

Patty Sherman, Superintendent SAU 53
Benjamin Brown, School Board Chair
267 Pembroke Street
Pembroke, NH 03275

Superintendent Sherman and School Board Chair Brown:

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 Chichester School District/SAU 53, conducted on May 27, 2021 by 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)
Amber Wheeler, Business Administrator, SAU 53 (via email only)
Heather Chiavaras, School Board Vice-Chair, Chichester, SAU 53 (via email only)
Brianne Stone, School Board Member, Chichester, SAU 53 (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 is not applicable
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	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	No	Current policy is outdated from 2018 and does not reference the Gun Free School Act of 1994. As a member of the NHSBA you can review their sample policy.

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, 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;

Request #	Program	Project #	Month & Year of Project	Activity #	Activity Cost	Activity Description
1	CARES-ESSER	20204963	Feb-21	96343	\$2,680.00	New Computers
2	CARES-ESSER	20204963	Feb-21	95932	\$1,554.50	New Equipment
3	CARES-ESSER	20204963	Feb-21	95905	\$296.20	New Equipment
4	IDEA	202635	Oct-19	82734	\$9,138.66	Salaries
5	Title I Part A	20200221	May-20	81740	\$2,237.34	Salaries and Benefits
6	Title II Part A	20200255	Feb-20	83248	\$1,019.90	Professional Development and Travel
7	Title II Part A	20200255	Nov-20	92136	\$3,300.00	Professional Development and Salary
8	Title IV A	20204918	Oct-20	96740	\$7,650.00	Information Access Fees

During our review, a couple of instances of non-compliance were identified. 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 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 May 27, 2021, we noted one policy 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 and procedures reviewed, one was found to not be compliant with Federal requirements, while the rest were.

Effect: The District did not adequately establish a policy in accordance with the Gun Free School Act of 1994.

Cause: The District has not implemented a Gun Free School Act policy to be approved by the School Board, which could lead to additional enforcement action under 2 CFR 200.

Requirement(s): The NHDOE is requiring the Chichester School District 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. Gun Free School Act in accordance with the Gun Free School Act of 1994.

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 May 27, 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 or lack thereof was found. Details of these findings are outlined below.

Questioned Costs: Total questioned costs for all activities in this finding are: \$5,537.34.

Context: The timesheets provided to show the time spent relative to the Programs and Grants in question does not meet all of the Federal requirements for such documentation. The documentation should include the following information; Grant, employee name, period of performance, signatures of the employee and/or supervisor, signatures dated after the period of performance, and a certifying statement. Currently, the District's time and effort documentation is not meeting Federal requirements and is inconsistent across all programs. This is a repeat finding within SAU 53 from previous monitoring visits conducted by Timothy Carney and Lindsey Labonville. After further discussion with the District, it was thought that possibly this was only required of the IDEA program, even though policy, procedure, and technical assistance to the District stated all Federally funded employees in part or in full need to keep time and effort documentation. The following programs were reviewed (as indicated in the table above) and were found to not be in compliance:

Title I Part A

Activity #81740 May 2020- The document kept is only to track Kim Green's hours and states the payroll was approved by a supervisor. However, the document does not meet Federal requirements. The following information is missing; grant information, signatures, period of performance, dated after the period of performance, a certifying statement.

Title II Part A

Activity #92136 November 2020- No time and effort documentation was kept for any of the six stipend employees in this activity. Regardless of the employees work performed (part-time, salary, stipend, etc.) time and effort for any federally funded employee (partial or in full) must be kept.

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

Cause: Even though the School Board has adopted DAF and created a Handbook including procedures surrounding Federal compliance for time and effort; neither are being followed by the Business Office.

Requirement(s): The NHDOE is requiring that the Chichester 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. The District must retroactively come into compliance for the activities listed in this finding. Furthermore, the District may be subject to random testing, which would require uploading of time and effort documentation to support salary/salary and benefits activities before reimbursement will occur.

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 completed policy 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 federally compliant time and effort document to be used across all programs. Additionally, the District must ensure they have a compliant procedure for time and effort that the Business Office will use per 2 CFR. Furthermore, the NHDOE requires that the District retroactively ensure the employees paid in the activities mentioned in 'Finding #02' have a signed the newly implemented and compliant time and effort document. Copies of these documents must be sent to the NHDOE once the District has come into compliance, but no later than the required completion date.

-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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