



New Hampshire

Department of Education

Federal Fiscal Monitoring Final Report

Dover School District

School Year 2019-2020

Provided by the NHDOE, Bureau of Federal Compliance

September 24, 2021

Frank Edelblut
Commissioner



Christine M. Brennan
Deputy Commissioner

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
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September 24, 2021

William Harbron, Superintendent SAU 11
Amanda L. Russell, School Board Chair
61 Locust Street Suite 409
Dover, NH 03820

Superintendent Harbron and School Board Chair Russell:

Thank you for assisting the New Hampshire Department of Education, Bureau of Federal Compliance (NHDOE, BFC) in the Federal funds remote monitoring procedure for Dover School District/SAU 11, conducted on June 14, 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)
Michael Limanni, Business Administrator, SAU 11 (via email only)
Keith Holt, School Board Vice Chair, SAU 11 (via email only)
Kathleen Morrison, School Board Secretary, At Large, SAU 11 (via email only)
Rachel Burdin, School Board Member, SAU 11 (via email only)
Carolyn Mebert, School Board Member, SAU 11 (via email only)
Zachary Koehler, School Board Member, SAU 11 (via email only)
Jessica Rozzo, School Board Member, SAU 11 (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)	No	Policy only addresses food services. As a member of the NHSBA you can reference DAF 5.
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	The 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	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, twelve (12) 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	20204861	Sep-20	93695	\$18,000.00	Software
2	CARES-ESSER	20204861	Dec-20	90265	\$4,234.19	Supplies and Equipment
3	IDEA	202598	Dec-19	78586	\$40,292.26	Salaries and Benefits
4	IDEA Preschool	202598	Dec-19	78593	\$7,212.17	Salaries and Benefits
5	Title I Part A	20200078	Jan-20	78470	\$7,164.30	Salaries and Benefits
6	Title I Part A	20200078	Jan-20	79128	\$78.16	Family Engagement
7	Title II Part A	20200187	May-20	86004	\$1,172.03	Professional Educational Services
8	Title II Part A	20200187	May-20	78464	\$5,362.36	Salaries and Benefits
9	Title III	20200181	Jul-20	83242	\$4,014.00	Professional Educational Services
10	Title IV A	20200496	May-20	79335	\$22,000.00	Professional Educational Services
11	Perkins V	20203119	Nov-19	80738	\$1,587.52	Computers and Equipment
12	Perkins V	20203119	Nov-19	78459	\$1,100.72	Dues and Fees

During our review, a couple instances of non-compliance were identified. These findings include 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 twelve 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 14, 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, only one is not compliant.

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 yet to approve the policy required, which could lead to additional enforcement action under 2 CFR 200.

Requirement(s): The NHDOE is requiring the Dover 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. Conflict of Interest policy in accordance with 2 CFR 200.318(c)(1).

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 June 14, 2021, a review of multiple activities as indicated above was conducted. There were two instances of contracts above the micro-purchase threshold that did not include price or rate quotations obtained from an adequate number of qualified sources or justification for noncompetitive procurement. Activity #93695 September 2020 under CARES-ESSER for a contract in the amount of \$18,000 was entered into with Zoom. Also, Activity #79335 May 2020 under Title IV A for a contract in the amount of \$46,500 was entered into with Great Schools Partnership.

Questioned Costs: Total cost for both activities is \$64,500.

Context: While the contract offers services that are allowable under the respective programs, 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 Dover School District create a procurement procedure to reflect proper controls. The District must have and use a procurement procedure in accordance with 2 CFR.

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 policy and evidence that the School Board has adopted said policy (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 completed 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.

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