



New Hampshire

Department of Education

FY21 Compliance Findings by Program

Review of FY20 Activities

Part 1. Summary

This summary was created by the Bureau of Federal Compliance (BFC) in order to show which Districts were monitored in FY21 (July 1, 2020- June 30, 2021) for FY20 (July 1, 2019- June 30, 2020) and the various types of findings that were found as a result of the monitoring visit. Monitoring visits were conducted both onsite and remotely.

During the FY21 monitoring season there were twelve (12) high-risk Districts monitored and thirty-three (33) moderate-risk Districts. As a result of those visits conducted there were twenty-six (26) policy findings, nineteen (19) procurement findings, thirty-one (31) time and effort findings, six (6) record retention findings, two (2) equipment findings, and one (1) use of funds finding.

	Number of Districts/Schools Monitored in FY20	Policy Finding	Procurement Finding	Time and Effort Finding	Record Retention Finding	Equipment Finding	Use of Funds Finding	Cash Management Finding
High Risk District	12	5	7	8	2	0	0	0
Moderate Risk District	33	21	12	23	4	2	1	0

High and moderate-risk Districts are determined by the Risk Assessment conducted annually. As a result of the risk assessment, every District is categorized as either high, moderate, or low risk. Risk assessment variables vary annually. A summary and the results of the risk assessment can be found on the NHDOE website here; [Annual Federal Fiscal Risk Assessment | Department of Education \(nh.gov\)](#).

Districts are notified they are going to be monitored based on the results of the risk assessment and scheduling begins immediately. Districts are typically monitored between January and June on a date(s) of their choosing. Monitoring documents including a list of activities to be monitored are supplied in advance of the monitoring date so Districts have ample time to prepare.

Depending on the type of activity will depend on the supporting documentation we look for. Typically we look at; POs, invoices, general ledgers, packing lists, receipt of product, quotes, bids, RFP's, time and effort, flyers, and contracts. For certain activities there are more detailed documentation that we look for, such as mileage for

travel. We not only look to ensure the documentation supports the activity, but that the District is following their set policy/internal controls (two-step approval process, etc.).

Final reports were issued later than normal this year due to workload and an overhaul of the report itself. Final reports were finalized and sent out in September 2021 (for the most part). Final reports include requirements set by the BFC in order for the District to come into compliance. Districts have until April 1, 2022 to come into compliance.

Requirements typically included retroactively coming into compliance and/or a written procedure to document internal control. Requirements vary depending on the type of finding and if it is the first time the finding has been brought to the Districts attention or not.

Part 2. Type of Finding Summary

Policy

Policy findings are a result of either having a non-compliant policy required per Federal regulation or not having the policy in place at all. Policies that are reviewed are:

1. Drug-Free Workplace Policy
2. Procurement Policy
3. Conflict of Interest/Standard of Conduct Policy
4. Inventory Management Policy
5. District Travel Policy
6. Subrecipient Monitoring Policy (if applicable)
7. Time and Effort Policy
8. Records Retention Policy
9. Prohibiting the Aiding and Abetting of Sexual Abuse Policy
10. Allowable Cost Determination Policy
11. Gun Free School Act

Procurement

During FY20 monitoring, we reviewed procurement type activities to see if the items were procured in accordance with the Districts policy and Federal regulations. A typical procurement finding was either a result of not having any quotes or a sufficient amount and/or a lack of sole-source/noncompetitive procurement documentation. Reminder: sole source approval/denial must be in writing per 2 CFR.

Time and Effort

As indicated this is the most common monitoring finding in FY20. Often, Districts do have some sort of time card or time and effort document in place, however it does not meet all Federal requirements. Additionally, it was a common occurrence for Districts to indicate they did not know they had to keep time and effort across all Programs or if employees were remote. Districts have been reminded that time and effort is kept across all Programs regardless if the employee is funded in whole or part with Federal funds and regardless if the employee is remote, onsite, full-time, part-time, salary, or stipend. If they are paid with Federal funds they must keep a certified Time and Effort document.

Time and Effort documentation at a minimum must contain the following:

- Grant information

- Time spent on the Grant
- Period of performance
- Employee information
- Signature of employee and/or supervisor with first-hand knowledge of the work completed
- Dated signatures- date must be on the last day of the performance period or after
- Certifying statement that the information provided and stated is true

Record Retention

Sufficient records must be kept to support the use of Federal funds. It was found through our FY20 monitoring visits that many are not keeping sufficient records to show communications between the District and NHDOE and or a vendor. Additionally, records are not being kept to show price analysis, quotes, or receipt of product. Records shall be maintained per policy.

Equipment

Equipment is a product/item \$5,000 or more (individual item). These items have a greater scrutiny of tracking than other items procured with Federal funds. If a District had an equipment finding it is because they were not tracking equipment to the level required by Federal requirements.

Property records for equipment must include:

- Description of property
- Serial or identification number
- Source of funding (including the FAIN)
- Who holds the title
- Acquisition date
- Cost of property
- Percentage of Federal participation
- Location
- Use and condition of property
- Disposition data (disposal date and sale price of property)

Use of Funds

A use of funds finding is the result of an unallowable purchase as deemed by the Program or improper payments/internal control process of how funds flow through the SAU to a District or Private entity.

Part 3. Finding by Program

Title I

Claremont- Record Retention

Concord- Record Retention

GRS Coop- Time and Effort

Stoddard- Time and Effort

Merrimack- Time and Effort

Keene- Time and Effort

Nelson- Time and Effort

Westmoreland- Time and Effort

Bethlehem- Time and Effort

Lisbon- Time and Effort

Manchester- Procurement, Time and Effort
Amherst- Time and Effort
Newport- Procurement, Time and Effort
Andover- Time and Effort
Merrimack Valley- Time and Effort
Greenland- Time and Effort, Record Retention
Chichester- Time and Effort
Salem- Time and Effort
Winnisquam- Time and Effort
Wilton-Lyndeborough- Time and Effort
Alton- Time and Effort
Fremont- Time and Effort
Cornish- Record Retention

Title II

Berlin- Procurement
Claremont- Procurement, Time and Effort
Concord- Record Retention
Jackson- Time and Effort
Stoddard- Time and Effort
Keene- Procurement, Time and Effort
Laconia- Time and Effort
Manchester- Time and Effort
Amherst- Time and Effort
Brookline- Time and Effort
Hollis- Time and Effort
Greenland- Record Retention
Portsmouth- Use of Funds
Chichester- Time and Effort
Rochester- Time and Effort
Salem- Procurement, Time and Effort
Wilton-Lyndeborough- Procurement
Alton- Time and Effort
Fremont- Time and Effort

Title III

Manchester- Time and Effort
Salem- Time and Effort

Title IV

Dover- Procurement
GRS Coop- Time and Effort
Bedford- Procurement
Keene- Time and Effort
Raymond- Procurement
Newport- Time and Effort
Greenland- Record Retention
New Castle- Record Retention
Winnisquam- Time and Effort
Wilton-Lyndeborough- Procurement
Littleton- Time and Effort

IDEA/IDEA Preschool

Contoocook (ConVal)- Procurement
Berlin- Time and Effort
Concord- Record Retention
Jackson- Time and Effort
GRS Coop- Procurement, Time and Effort
Merrimack- Time and Effort
Chesterfield- Procurement
Westmoreland- Time and Effort
Bethlehem- Time and Effort
Lisbon- Time and Effort
Manchester- Time and Effort
Amherst- Time and Effort
Brookline- Time and Effort
Hollis- Time and Effort
Newport- Procurement
Andover- Time and Effort, Record Retention
Greenland- Time and Effort
Rochester- Time and Effort
Salem- Procurement
Winnisquam- Time and Effort
Wilton-Lyndeborough- Time and Effort
Alton- Procurement
Fremont- Time and Effort
Littleton- Time and Effort
Barnstead- Procurement

System of Care

Berlin- Procurement
Claremont- Procurement, Time and Effort

CARES-ESSER

Berlin- Time and Effort
Concord- Time and Effort
Jackson- Time and Effort
Dover- Procurement
Nelson- Time and Effort
Newport- Time and Effort
Merrimack Valley- Procurement, Time and Effort
Portsmouth- Time and Effort
Rochester- Procurement
Littleton- Time and Effort
Cornish- Procurement

Perkins

Berlin- Equipment
Claremont- Time and Effort
Concord- Record Retention
Laconia- Time and Effort
Winnisquam- Time and Effort
Littleton- Equipment

Adult Basic Education

Claremont- Time and Effort

Adult Diploma

Concord- Procurement

Lisbon- Time and Effort

Littleton- Time and Effort

Project Aware 2.0

Raymond- Time and Effort

Part 4. Finding Requirements

Each District with a finding has been required to perform some sort of action as a result of non-compliance. If this was the District's first finding of its kind, then their requirement may be less than that of a District whom has had the same finding twice. Requirement include;

- Policy- Board to adopt compliant policy
- Procurement- District to create a procurement procedure in accordance with the requirements of 2 CFR 200.
- Time and Effort- District to create a time and effort procedure in accordance with the requirements of 2 CFR 200, create a compliant time and effort document, and in some cases retroactively come into compliance for those activities with issues in FY20.
- Record Retention- District to create a record retention procedure in accordance with the requirements of 2 CFR 200.
- Equipment- District to create an equipment procedure in accordance with the requirements of 2 CFR 200.
- Use of Funds- District to correct how the funds were processed

Districts have until April 1, 2022 to come into compliance. Multiple supporting documents have been provided to the District's to aid in the creation of procedures and time and effort documentation. If a District is reaching out to gain clarity or seeking further assistance, please let the BFC know and we would be happy to work with the District and/or Program.

Part 5. Conclusion

For FY21 monitoring, we have created additional checklists and guidance to assist the Districts in being compliant with Federal guidelines. Additionally, there will be a higher level of scrutiny for procurement related activities. The BFC will be monitoring for compliance in all aspect of procurement including, but not limited to; contract, bids, RFP's, procedures, quotes, price analysis, etc.

Lastly, we will be creating a shared document for Programs to note any concerns had about a District that is being monitored for FY21 (starting in January 2022). The following are considered high-risk and will be monitored in FY22:

- Allenstown
- Pembroke
- Winnacunnet Coop
- Seabrook
- Nashua
- Salem

- Manchester
- Somersworth
- Monadnock Regional
- Winchester
- Timberlane
- Northumberland
- Newmarket
- Pittsfield
- Wakefield
- Claremont
- Dover
- Hudson
- Concord

Due to the higher level of scrutiny this monitoring season, we are currently limiting our visits to high-risk Districts only. However, if time permits we will be adding some moderate-risk Districts in FY22.

Part 6. Technical Assistance

The BFC continues to provide technical assistance both internally and externally via remote training, one-on-one onsite training, fact and information sheets, and example documents. Fact and information sheets can be found on our website here:

[Bureau of Federal Compliance | Department of Education \(nh.gov\)](#)

Additionally, we are resuming internal quarterly training this quarter, currently scheduled for December 9, 2021. However, if you would like additional training or to have a conversation about the context of this document please reach out. Likewise, if you have a District that needs additional guidance or support please send them our way.

Questions? Please feel free to reach out to either Lindsey Labonville; lindsey.l.labonville@doe.nh.gov or Jessica Lescarbeau; jessica.l.lescarbeau@doe.nh.gov.