



New Hampshire

Department of Education

FY23 Federal Compliance Findings by Program

Review of FY22 Activities

May 18, 2023

Part 1. Summary

This summary was created by the Bureau of Federal Compliance (BFC) to document the Districts and Charter Schools that were monitored in the State FY23 federal fiscal monitoring for FY22 (July 1, 2021- June 30, 2022) and the various types of findings as a result of the monitoring. Monitoring reviews were conducted both onsite and remotely.

During the FY23 monitoring season there were twenty-six (26) high risk Districts and six (6) high risk Charter Schools monitored as determined by the [FY23 Subrecipient Fiscal Risk Assessment Report](#). The FY23 monitoring season also allowed the BFC to focus on Districts that have not been monitored in the past by the Bureau. As a result of the monitoring visits, the BFC identified twenty-eight (28) policy and procedure findings, twenty-nine (29) procurement findings, twenty-three (23) time and effort findings, ten (10) record retention findings, five (5) equipment/supplies findings, ten (10) use of funds/allowability findings, seven (7) cash management findings, and one (1) food and nutrition finding. Below findings are outlined by Districts and Charter Schools:

	Number of Districts/ Schools Monitored in FY23	Policy and Procedure Finding	Procurement Finding	Time and Effort Finding	Record Retention Finding	Equipment/ Supplies Finding	Use of Funds Finding	Cash Management Finding	Food and Nutrition
High Risk Districts	26	23	24	18	8	3	8	4	0
High Risk Charters	6	5	5	5	2	2	2	3	1

High risk Districts and Charters are determined by the Risk Assessment conducted annually by the BFC. As a result of the risk assessment, every District and Charter School 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 NHED , BFC website here: [Annual Federal Fiscal Risk Assessment](#).

After the risk assessment is published, Schools are notified if they are considered high risk and are going to be monitored based on the results; scheduling begins immediately. Schools are typically monitored between

October and May on a date of their choice. Monitoring documents including a list of selected GMS activities to be reviewed are provided thirty (30) days in advance of the monitoring date, leaving ample time to prepare.

The supporting documentation reviewed varied on the type of activity but typically included POs, invoices, general ledgers, packing lists, receipt of product, quotes, bids, RFP's, time and effort, flyers, inventory tracking and contracts. For certain activities, there may be more detailed documentation required, such as mileage for travel. We not only look to ensure the documentation supports the activity, but that the school is following their set policies and procedures.

Final reports were sent to subrecipients within two weeks of the monitoring. Final reports include requirements designated by the BFC so that a schools' practice aligns with federal compliance requirements. At times, repayments of funds expended were required by schools to the NHED federal program for findings surrounding use of funds or allowability.

With the technical assistance offered by the BFC staff, schools are given six months from the date of the final report to complete their corrective action plans (CAPs) and meet federal compliance standards.

Corrective action requirements included retroactively completing time and effort or inventory management or creating or updating written policies and/or procedures to document internal control. CAP requirements vary depending on the type of finding and if it is the first time the finding has been brought to the Schools attention or not.

Part 2. Type of Finding Summary

Policies and Procedures

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

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

Procurement

As indicated, this is the most common monitoring finding in FY23. During FY23 monitoring, we reviewed procurement type activities to see if the items were procured in accordance with the Schools policy and federal regulations. A typical procurement finding was either a result of not having any quotes or enough, a lack of sole source/noncompetitive procurement documentation, missing or noncompliant PO's, and missing contracts and/or agreements with vendors.

Reminder: Noncompetitive procurement (sole source) approval/denial must be in writing per 2 CFR.

Time and Effort

Often, Schools do have some sort of timecard or semi-annual certification in place, however it does not meet all Federal requirements. Additionally, it was a common occurrence for Schools to indicate they did not know what type of time and effort was appropriate for employees, i.e. timecards, semi-annual certification, PAR. Schools have been reminded that time and effort is required across all programs regardless of if the employee is funded in whole or in 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 certified time and effort documentation. Time and effort shall be maintained and collected according to the Schools policy and procedure.

Time and effort documentation at a minimum must include the following:

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

Record Retention

Sufficient records must be kept supporting the use of federal funds. It was found through our FY23 monitoring visits that many Schools are not keeping sufficient records to show communications between the District and NHED and/or vendors. Additionally, records are not being kept showing price analysis, quotes, or receipt of product. Records shall be maintained per the Schools policy.

Equipment and Supplies

Equipment is a product/item with a value of \$5,000 or more per unit (individual item). In addition, items considered pilferable items and purchased with federal funds must be included on any inventory tracking regardless of the cost. Pilferable items are defined as those items that may be easily lost or stolen, including but not limited to cell phones, iPads, tablets, iPods, graphing calculators, projectors, cameras, laptops (Chromebooks), etc. These items have a greater scrutiny of tracking than other items procured with federal funds. If a School had an equipment/supply finding it is because they were not tracking equipment to the level required by federal requirements or not tracking at all.

Reminder: A physical inventory of the property must be taken, and the results reconciled with the inventory management at least once every two years per 2 CFR 200.313(d)(2).

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/Allowability

A use of funds/allowability 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 School.

Cash Management

A cash management finding is the result of the School not having an automated accounting system for general ledgers, being reimbursed multiple times for the same activity/purchase, or over reimbursed for payroll. A lack of internal controls surrounding cost reimbursement has led to these instances of non-compliance.

Food and Nutrition

New to the FY23 monitoring was the review of the Districts'/Schools' food service license and retail food inspection report. A food and nutrition finding is the result of a facility not attaining appropriate licensure and inspection from the NH DHHS or local city/town to serve food to students.

Part 3. Finding by Program

Food and Nutrition

Ledyard- Food Service License and Retail Food Inspection Report

Title I

Madison- Time and Effort

Madison- Use of Funds/Allowability

Tamworth- Time and Effort

Tamworth- Procurement

Tamworth- Use of Funds/Allowability

Auburn- Time and Effort

Candia- Time and Effort

Hooksett- Time and Effort

Hooksett- Use of Funds/Allowability

Piermont- Time and Effort

John Stark- Time and Effort

John Stark- Use of Funds/Allowability

Pelham- Time and Effort

Hollis-Brookline Cooperative- Use of Funds/Allowability

Jaffrey-Rindge Cooperative- Time and Effort

Lincoln-Woodstock Cooperative- Time and Effort

Gilmanton- Time and Effort

Gilmanton- Equipment/Supplies

Goshen- Use of Funds/Allowability

Goshen- Cash Management

Gate City Charter School- Time and Effort

Gate City Charter School- Record Retention

Ledyard Charter School- Use of Funds/Allowability

Ledyard Charter School- Cash Management

Ledyard Charter School- Time and Effort

Strong Foundations Charter School- Time and Effort

The Founders Charter School- Time and Effort

The Founders Charter School- Procurement
Windham- Time and Effort
Strafford- Time and Effort

CSI Grant/Title I

Ledyard Charter School- Time and Effort

Title II

Madison- Record Retention
Tamworth- Time and Effort
Tamworth- Procurement
South Hampton- Time and Effort
John Stark- Procurement
Pelham- Time and Effort
Harrisville- Time and Effort
Washington- Procurement
Hollis-Brookline Cooperative- Time and Effort
Hollis-Brookline Cooperative- Use of Funds/Allowability
Gate City Charter School- Time and Effort
Gate City Charter School- Record Retention
Great Bay Charter School- Time and Effort
Strong Foundations Charter School- Time and Effort
Strafford- Cash Management
Strafford- Time and Effort

Title III

Hooksett- Record Retention
Hooksett- Use of Funds/Allowability

Title IV A

Madison- Record Retention
North Hampton- Time and Effort
South Hampton- Procurement
Piermont- Time and Effort
Marlow- Time and Effort
Gate City Charter School- Time and Effort
Gate City Charter School- Record Retention
Ledyard Charter School- Use of Funds/Allowability

IDEA/IDEA Preschool

Bartlett- Record Retention
Madison- Record Retention
Auburn- Time and Effort
Auburn- Record Retention
Auburn- Equipment/Supplies
Candia- Time and Effort

Candia- Record Retention
Hooksett- Time and Effort
Hooksett- Record Retention
Hooksett- Equipment/Supplies
Hooksett- Use of Funds/Allowability
North Hampton- Procurement
South Hampton- Time and Effort
South Hampton- Procurement
South Hampton- Record Retention
John Stark- Procurement
John Stark- Time and Effort
Pelham- Time and Effort
Hollis-Brookline Cooperative- Time and Effort
Jaffrey-Rindge Cooperative- Time and Effort
Dunbarton- Time and Effort
Lincoln-Woodstock Cooperative- Time and Effort
Gilmanton- Time and Effort
Gilmanton- Equipment/Supplies
Sullivan- Record Retention
Windham- Time and Effort
Strafford- Time and Effort
Strafford- Procurement

ESSER II

Bartlett- Record Retention
Hooksett- Time and Effort
Hooksett- Record Retention
John Stark- Procurement
Marlow- Procurement
Washington- Time and Effort
Gate City Charter School- Equipment/Supplies
Gate City Charter School- Record Retention
Great Bay Charter School- Time and Effort
Great Bay Charter School- Cash Management
Great Bay Charter School- Equipment/Supplies
The Founders Charter School- Time and Effort
The Founders Charter School- Procurement
Strafford- Use of Funds/Allowability
Strafford- Time and Effort

ESSER III

Madison- Procurement
Tamworth- Procurement
Candia- Record Retention
Pelham- Time and Effort
Washington- Time and Effort
Hollis-Brookline Cooperative- Time and Effort
Lincoln-Woodstock Cooperative- Time and Effort
Great Bay Charter School- Time and Effort

Great Bay Charter School- Record Retention
Ledyard Charter School- Use of Funds/Allowability
Windham- Time and Effort

Part 4. Finding Requirements

Each School with a finding has been required to perform some sort of action as a result of non-compliance. Corrective action requirements include:

- Policy- School board to adopt/revise compliant policy.
- Procedure- Business office to create/revise compliant procedure.
- Procurement- School to create a procurement procedure in accordance with the requirements of 2 CFR 200 and/or follow their procurement policy and procedure in place.
- Time and Effort- School to create a time and effort procedure in accordance with the requirements of 2 CFR 200, follow their own time and effort policy and procedure, create compliant time and effort documentation, and in some cases retroactively come into compliance for activities named in findings.
- Record Retention- School to create a record retention procedure in accordance with the requirements of 2 CFR 200 and/or follow their own record retention policy and procedure in place.
- Equipment/Supplies- School to create an equipment procedure in accordance with the requirements of 2 CFR 200.
- Use of Funds/Allowability- School to correct how the funds were processed and, in some instances, reimburse the NHED program.
- Cash Management- School is required to implement an automated accounting system and/or reimburse the NHED program for the overpayment of activities.
- Food and Nutrition- School is required to work with the town/city or NHDHHS to come into compliance to obtain a food service license and/or retail food inspection report.

Schools are given six months from the final report to come into compliance and complete all required corrective actions. Multiple supporting documents have been provided to the Schools to aid in the creation of policies, procedures, time and effort documentation, inventory tracking, etc. If a School is reaching out to gain clarity or seeking further assistance, please let the BFC know, and we would be happy to work with the School and/or program to provide further guidance.

Part 5. Conclusion

There is additional guidance on the BFC website to assist the Schools in achieving compliance with federal guidelines: [Bureau of Federal Compliance](#)

During FY24 for the FY23 (22/23 School Year), we will be monitoring high-risk Districts and Charter Schools. We anticipate the annual risk assessments to be complete and posted on our website July 2023. At that time, we will reach out to the programs to solicit feedback and concerns regarding Schools being monitored in the FY24. [Annual Federal Fiscal Risk Assessment](#)

Part 6. Technical Assistance

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

[Uniform Training Guidance and FAQ](#)

[Federal Fund Fact Sheets](#)

[Federal Fund Information Sheets](#)

[Grants Training and Management](#)

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 School 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 Katelyn Komisarek, Katelyn.N.Komisarek@doe.nh.gov.

Part 7. Complete List of Subrecipients Monitored

Ledyard Charter School	The Founders Academy Charter School	Gate City Charter School	Virtual Learning Academy	Great Bay eLearning Charter School	Hooksett School District
Madison School District	Tamworth School District	North Hampton School District	South Hampton School District	Strafford School District	Piermont School District
Jaffrey Rindge Cooperative	Gilmanton School District	Windham School District	Auburn School District	Candia School District	Ashland School District
Bartlett School District	Dummer School District	Dunbarton School District	Goshen School District	Harrisville School District	John Stark Regional
Lincoln-Woodstock Cooperative	Marlow School District	Sullivan School District	Surry School District	Washington School District	Pelham School District
Hollis-Brookline Cooperative					