



New Hampshire

**Department of Education**

# Federal Fiscal Monitoring Final Report

## Lisbon School District

## School Year 2019-2020

Provided by the NHDOE, Bureau of Federal Compliance

October 6, 2021

**Frank Edelblut**  
Commissioner



**Christine M. Brennan**  
Deputy Commissioner

**STATE OF NEW HAMPSHIRE  
DEPARTMENT OF EDUCATION  
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Concord, NH 03301-3860  
TEL. (603) 271-3494  
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October 6, 2021

Tari Thomas, Interim Superintendent SAU 35  
Owen Clark, School Board Chairperson  
262 Cottage Street – Suite 301  
Littleton, NH 03561

Interim Superintendent Thomas and School Board Chairperson Clark,

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 Lisbon School District, conducted on October 19, 2020 by Timothy Carney.

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](mailto:Lindsey.L.Labonville@doe.nh.gov) or 603.271.3837, or Jessica Lescarbeau at [Jessica.L.Lescarbeau@doe.nh.gov](mailto: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)  
Toni Butterfield, Business Manager, SAU 35 (via email only)  
Robert Adams, School Board Vice Chair, SAU 35 (via email only)  
Arthur Boutin, School Board Member, SAU 35 (via email only)  
Nina Brown, School Board Member, SAU 35 (via email only)  
Tucker Clark, School Board Member, SAU 35 (via email only)  
Scott Peterson, School Board Member, SAU 35 (via email only)  
Stephen Sherry, School Board Member, SAU 35 (via email only)  
Lori Williams, School Board Member, SAU 35 (via email only)  
Montgomery Chandler, School Board Member, SAU 35 (via email only)

## Federally Required Policies

Policy	In Accordance With	Compliant	Comments
<b>Drug-Free Workplace Policy</b>	34 CFR 84.200 and the Drug-Free Workplace Act of 1988	No	This policy needs to be updated to the most recent NHSBA version that includes reference to Federal reporting requirements per 34 CFR 84.200.
<b>Procurement Policy</b>	2 CFR 200.318-327	Yes	None
<b>Conflict of Interest/Standard of Conduct Policy</b>	2 CFR 318(c)(1)	Yes	None
<b>Inventory Management Policy</b>	2 CFR 200.313(d)	Yes	None
<b>District Travel Policy</b>	2 CFR 200.474(b)	Yes	None
<b>Subrecipient Monitoring Policy/Procedure (if applicable)</b>	2 CFR 200.331(d)	Yes	None
<b>Time and Effort Policy/Procedure</b>	2 CFR 200.430	Yes	None
<b>Records Retention Policy/Procedure</b>	2 CFR 200.333	Yes	None
<b>Allowable Cost Determination Policy/Procedure</b>	2 CFR 200.302(b)(7)	Yes	None
<b>Prohibiting the Aiding and Abetting of Sexual Abuse</b>	ESEA 8546	No	District has no such policy. As a member of NHSBA please see their example policy; GADA.
<b>Gun Free School Act</b>	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’.**

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## District GMS Reimbursement Requests

In addition to reviewing District/SAU policies required by Federal law and rule, five (5) 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 of Project</i>	<i>Activity #</i>	<i>Activity Cost</i>	<i>Description</i>
1	Title I, Part A - FY19	20190083	September 2019	70173	\$6,862.68	Instructional Salaries and Benefits
2	Adult Diploma Program - FY20	20204315	May 2020	86216	\$4,516.20	Administrative
3	Title 1, Part A - FY20	20200083	March 2020	80916	\$13,820.34	Instructional Salaries and Benefits
4	IDEA/Preschool - FY20	202632	January 2020	81909	\$5,132.95	School-Age Least Restrictive
5	IDEA/Preschool - FY20	202632	May 2020	81908	\$3,552.00	Professional Development

During our review of the five GMS reimbursement requests several instances of non-compliance around time and effort documentation were identified. These instances of non-compliance are addressed in the 'Finding' section 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 five 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 were 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 October 19, 2020, 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, two were found to be not compliant with Federal requirements.

**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 not established or approved policies that meet Federal requirements for two different policies, which could lead to additional enforcement action under 2 CFR 200.

**Requirement(s):** The NHDOE is requiring the Lisbon 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. Prohibiting the Aiding and Abetting of Sexual Abuse Policy in according with ESEA 8546.
2. Drug Free Workplace policy in accordance with 34 CFR 84.200 and the Drug-Free Workplace Act of 1988.

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 October 19, 2020, a review of multiple programs was conducted (see table above). During this review multiple instances of noncompliance surrounding time and effort documentation were found. The issues are listed below by Program:

### **Adult Diploma Program**

Activity 86216, May 2020 - Time and effort documentation was incomplete.

### **Title I Part A**

Activity 80916, March 2020 – No time and effort documentation for two employees.

### **IDEA/Preschool**

Activity 81909, January 2020 – No time and effort documentation for two employees.

**Questioned Costs:** No questioned costs.

**Context:** The timesheets provided to show the time spent relative to the Programs and Grants in question even when available, do not meet all of the Federal requirements for such documentation. The documentation should include the following information; Grant information, time spent on the Grant, period of performance, name of employee, signature of employee and supervisor, signature must be dated after the period of performance, and a certifying statement that the information stated is true. Additionally, time and effort documentation must be kept for every employee fully or partially paid with Federal funds regardless if working onsite or remotely.

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

**Cause:** A lack of controls surrounding the time and effort procedure has led to this compliance concern and questioned cost.

**Requirement(s):** The NHDOE is requiring that the Lisbon School District develop a written time and effort procedure with appropriate internal controls in place. The written time and effort procedure should include needed time and effort templates for employee use to ensure compliance. Additionally, it is required not only that the District have the appropriate documentation in place, but also that the District fully implement the written procedure in accordance with the District's policy.

## **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 policies 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 copies of the completed written time and effort procedure and evidence that the Business Office has distributed and implemented the 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:

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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:

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***Please return to the Bureau of Federal Compliance within 30 days of receipt.***

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