



New Hampshire

Department of Education

Federal Fiscal Monitoring Final Report

Littleton School District

School Year 2019-2020

Provided by the NHDOE, Bureau of Federal Compliance

September 17, 2021

Frank Edelblut
Commissioner



Christine M. Brennan
Deputy Commissioner

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
101 Pleasant Street
Concord, NH 03301-3860
TEL. (603) 271-3494
FAX (603) 271-1953**

September 17, 2021

William Hart, Superintendent SAU 84
Greg Cook, School Board Chair
65 Maple Street
Littleton, NH 03561

Superintendent Hart and School Board Chair Cook:

Thank you for assisting the New Hampshire Department of Education, Bureau of Federal Compliance (NHDOE, BFC) in the Federal funds remote monitoring procedure for Littleton School District/SAU 84, conducted on May 6, 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)
Patricia Brown, Business Administrator, SAU 84 (via email only)
Ann Wiggett, School Board Vice-Chair, SAU 84 (via email only)
Erica Antonucci, School Board Member, SAU 84 (via email only)
Larry Blaisdell, School Board Member, SAU 84 (via email only)
Matthew St. John, School Board Member, SAU 84 (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	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.

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District GMS Reimbursement Requests

In addition to reviewing District/SAU policies required by Federal law and rule, fifteen (15) 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	Adult Diploma Program	20204316	Mar-20	80810	\$1,800.00	Salaries
2	CARES-ESSER	20200780	Sep-20	89894	\$2,400.00	Equipment
3	CARES-ESSER	20200780	Sep-20	92646	\$64,166.98	Supplies
4	CARES-ESSER	20200780	Sep-20	89893	\$3,374.83	Salaries and Benefits
5	CARES-ESSER	20200780	Jan-21	93401	\$707.84	Food Service Management
6	IDEA	202502	Jun-20	84722	\$167.90	Travel
7	IDEA	202502	Jun-20	79401	\$6,587.71	Salaries and Benefits
8	IDEA Preschool	202502	Aug-20	91027	\$1,144.06	Salaries and Benefits
9	Title I Part A	20200084	Aug-19	81049	\$13,568.84	Salaries and Benefits
10	Title I Part A	20200084	Jul-20	81047	\$11,658.48	Dues and Fees
11	Title II Part A	20200258	Jan-20	84462	\$2,780.00	Professional Development
12	Title II Part A	20200258	Mar-20	84462	\$174.42	Travel
13	Title IV A	20200383	Dec-20	84567	\$2,831.62	Salaries
14	Perkins V	20203126	Sep-20	80311	\$969.05	Professional Development
15	Perkins V	20203126	Sep-20	80336	\$20,312.66	Software and Equipment

During our review, multiple 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 fifteen 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: As a recipient of Federal funds certification of effort to document salary expenses charged directly or indirectly again 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 6, 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 was found.

Questioned Costs: Questioned costs are listed by Program, Activity, and Month/Year below:

Adult Diploma Program

Activity #80810 March 2020- \$1,800.00

CARES-ESSER

Activity #89893 September 2020- \$3,374.83

IDEA/IDEA Preschool

Activity #79401 June 2020- \$6,587.71

Activity #91027 August 2020- \$1,144.06

Title IV A

Activity #84567 December 2020- \$2,831.62

Total: \$15,738.22

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 information, time spent on the Grant, period of performance, name of employee, signature of employee and/or supervisor, signature must be dated after the period of performance, and a certifying statement that the information stated is true.

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 policy has led to this compliance concern and questioned cost.

Requirement(s): The NHDOE is requiring that the Littleton School District update their time and effort documentation to ensure compliance. Additionally, we require not only that they have the appropriate

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documentation in place, but also that they use the documentation in accordance with their policy and procedure. A specific time and effort procedure must be in place per 2 CFR. Additionally, we require the District to retroactively come into compliance.

Finding #02

Criteria or specific requirements: Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements: (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds the title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years. (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated. (4) Adequate maintenance procedures must be developed to keep the property in good condition. (5) If the non-Federal entity is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

Condition: During our monitoring visit conducted on May 6, 2021, a review of the Perkins V program, Activity #80336 for September 2020 was made. Upon review of the program, we found no documentation to show procedures for managing equipment or the records to show the equipment is being maintained to Federal standards.

Questioned Costs: The questioned cost surround Activity #80336 September 2020 is \$20,312.66.

Context: PO's and invoices were provided to show proof of the allowable purchase under the Perkins V program. However, no other documentation was provided to ensure the maintenance of the property is in compliance with 2 CFR 200.313.

Effect: Any purchases of equipment is subject to the requirements and conditions set forth in 2 CFR 200.313.

Cause: A lack of controls surrounding the inventory management policy has led to this compliance concern and questioned cost, even though the district has adopted DAF the policy is not being followed.

Requirement(s): The NHDOE is requiring that the Littleton School District establish a procedure surrounding equipment and that they use said 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 a copy of the newly implemented time and effort document and procedure. Additionally, we require the District retroactively come into compliance, by having all employees in 'Finding #01' retroactively sign the compliant time and effort document. A copy of the signed documents must be sent to the NHDOE. Finally, the District is subject to random testing of activities to ensure compliance and may be asked to upload time and effort documents before being reimbursed for future 'salary' or 'salary and benefits' type activities.

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 an equipment procedure meeting the requirements of 2 CFR.

-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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