



New Hampshire

Department of Education

Federal Fiscal Monitoring Final Report

Nashua School District

School Year 2019-2020

Provided by the NHDOE, Bureau of Federal Compliance

September 22, 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 22, 2021

Garth McKinney, Superintendent SAU 42
Heather Raymond, School Board President
141 Ledge Street
Nashua, NH 03060

Superintendent McKinney and School Board President Raymond,

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 Nashua School District, conducted on May 4, 2021 by Lindsey Labonville.

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 applicable.

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,

Lindsey Labonville

Lindsey Labonville

cc:

Caitlin Davis, Director, NHDOE Division of Education Analytics and Resources (via email only)
Daniel Donovan, Chief Operating Officer, SAU 42 (via email only)
Jennifer Bishop, School Board Clark, SAU 42 (via email only)
Jessica Brown, School Board Member, SAU 42 (via email only)
Sharon Giglio, School Board Member, SAU 42 (via email only)
Raymond Guarino, School Board Member, SAU 42 (via email only)
Paula Johnson, School Board Member, SAU 42 (via email only)
Dorothy Oden, School Board Member, SAU 42 (via email only)
Gloria Timmons, School Board Member, SAU 42 (via email only)
Sandra Ziehm, School Board Member, SAU 42 (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	No	Policy is outdated and does not have the required Federal language per 34 CFR 84.200. As a member of the NHSBA refer to NHSBA sample policy.
Procurement Policy	2 CFR 200.318-327	No	As a member of the NHSBA, refer to the NHSBA sample DAF policy.
Conflict of Interest/Standard of Conduct Policy	2 CFR 318(c)(1)	No	As a member of the NHSBA, refer to the NHSBA sample DAF policy.
Inventory Management Policy	2 CFR 200.313(d)	No	As a member of the NHSBA, refer to the NHSBA sample DAF policy.
District Travel Policy	2 CFR 200.474(b)	No	No policy was provided. As a member of the NHSBA, refer to the NHSBA sample DAF policy.
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	As a member of the NHSBA, review the DAF policy to ensure Nashua's Time and Effort Policy is current and reflects all requirements.
Records Retention Policy/Procedure	2 CFR 200.333	Yes	None
Prohibiting the Aiding and Abetting of Sexual Abuse Policy	ESEA 8546	No	As a member of the NHSBA refer to the NHSBA sample policy. This policy is typically listed as GADA.
Allowable Cost Determination Policy/Procedure	2 CFR 200.302(b)(7)	No	No policy was provided. As a member of the NHSBA, refer to the NHSBA sample DAF policy.
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.

The New Hampshire Department of Education does not discriminate on the basis of race, color, religion, marital status, national/ethnic origin, age, sex, sexual orientation, or disability in its programs, activities and employment practices.

District GMS Reimbursement Requests

In addition to reviewing District/SAU policies required by Federal law and rule, seventeen (17) reimbursement requests for grant activities from the NHDOE Grants Management System (GMS) were selected for review. The selected activities were from the 2019-2020 and 2021 school year and included the following Federal programs;

<i>Program</i>	<i>Project #</i>	<i>Month & Year of Project</i>	<i>Activity #</i>	<i>Activity Cost</i>	<i>Activity Description</i>
<i>Adult Diploma Program</i>	<i>20204320</i>	<i>Dec-19</i>	<i>80707</i>	<i>\$1,752.85</i>	<i>Food and Travel</i>
<i>Adult Diploma Program</i>	<i>20204320</i>	<i>Jun-20</i>	<i>83112</i>	<i>\$1,500.00</i>	<i>Professional Services</i>
<i>CARES-ESSER</i>	<i>20204898</i>	<i>Sep-20</i>	<i>96303</i>	<i>\$31,900.00</i>	<i>Software</i>
<i>CARES-ESSER</i>	<i>20204898</i>	<i>Sep-20</i>	<i>93925</i>	<i>\$39,235.02</i>	<i>General Supplies</i>
<i>CARES-ESSER</i>	<i>20204898</i>	<i>Nov-20</i>	<i>93931</i>	<i>\$10,808.00</i>	<i>Computers and Communication Equipment</i>
<i>IDEA</i>	<i>202517</i>	<i>Sep-19</i>	<i>79062</i>	<i>\$14,500.00</i>	<i>Software</i>
<i>IDEA</i>	<i>202517</i>	<i>Feb-20</i>	<i>79040</i>	<i>\$29,907.36</i>	<i>Professional Educational Services</i>
<i>IDEA Preschool</i>	<i>202517</i>	<i>Mar-20</i>	<i>78987</i>	<i>\$6,984.70</i>	<i>Salaries and Benefits</i>
<i>Title I Part A</i>	<i>20200203</i>	<i>Sep-19</i>	<i>78727</i>	<i>\$24,456.13</i>	<i>Salaries and Benefits</i>
<i>Title I Part A</i>	<i>20200203</i>	<i>Sep-19</i>	<i>78719</i>	<i>\$29.23</i>	<i>Student Transportation Services</i>
<i>Title II Part A</i>	<i>20200167</i>	<i>Aug-20</i>	<i>90021</i>	<i>\$7,400.00</i>	<i>Professional Services</i>
<i>Title III</i>	<i>20200291</i>	<i>Dec-19</i>	<i>82647</i>	<i>\$42,375.82</i>	<i>Software</i>
<i>Title IV A</i>	<i>20200597</i>	<i>Oct-20</i>	<i>96198</i>	<i>\$12,328.00</i>	<i>Software</i>
<i>Title IV A</i>	<i>20200597</i>	<i>Oct-20</i>	<i>91710</i>	<i>\$50,000.00</i>	<i>New Computers and Communications Equipment</i>
<i>Perkins V</i>	<i>20203129</i>	<i>Jun-20</i>	<i>78055</i>	<i>\$4,111.76</i>	<i>Dues and Fees</i>
<i>Perkins V</i>	<i>20203129</i>	<i>Jun-20</i>	<i>78061</i>	<i>\$82,497.30</i>	<i>Supplies and Equipment</i>
<i>Perkins V</i>	<i>20203129</i>	<i>Jun-20</i>	<i>78064</i>	<i>\$5,086.75</i>	<i>Salaries</i>

During our review, no instance of non-compliance were noted in the seventeen GMS reimbursement requests. At the time of monitoring, the District was in the process of having policies updated.

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 seventeen 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 May 4, 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. While Nashua School District updated the policies in 2019, it is important to ensure all of the federal requirements are within the policy. As a member of the NHSBA, the NHDOE recommends reviewing the sample DAF policy.

Questioned Costs: None.

Context: Of the eleven policies and procedures reviewed, seven are not in accordance with Federal guidelines.

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 will need to approve these policy changes in a timely manner, disregard to this finding could lead to additional enforcement action under 2 CFR 200.

Requirement(s): The NHDOE is requiring the Nashua School District to 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. Drug Free Workplace policy in accordance with 34 CFR 84.200 and the Drug-Free Workplace Act of 1988.
2. Procurement policy in accordance with 2 CFR 200.318-327.
3. Conflict of Interest policy in accordance with 2 CFR 200.318(c)(1).
4. Inventory Management policy in accordance with 2 CFR 200.313(d).
5. District Travel policy in accordance with 2 CFR 200.474(b).
6. Prohibiting the Aiding and Abetting of Sexual Abuse policy in accordance with ESEA 8546.
7. Allowable Cost Determination policy in accordance with 2 CFR 200.302(b)(7).

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.

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).

-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.

The New Hampshire Department of Education does not discriminate on the basis of race, color, religion, marital status, national/ethnic origin, age, sex, sexual orientation, or disability in its programs, activities and employment practices.