



New Hampshire

Department of Education

Federal Fiscal Monitoring Final Report
Wilton-Lyndeborough School District
School Year 2019-2020

Provided by the NHDOE, Bureau of Federal Compliance

September 24, 2021

Frank Edelblut
Commissioner



Christine M. Brennan
Deputy Commissioner

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
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September 24, 2021

Peter Weaver, Superintendent SAU 63
Alexander LoVerme, School Board Chairman
192 Forest Road
Lyndeborough, NH 03082

Superintendent Weaver and School Board Chairman LoVerme:

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 Wilton-Lyndeborough School District/SAU 63, conducted on June 17, 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)
Kristie LaPlante, Business Administrator, SAU 63 (via email only)
Brienne Lavalley, School Board Vice Chair, At-Large Member, SAU 63 (via email only)
Dennis Golding, School Board Member, SAU 63 (via email only)
Jonathan Vanderhoof, School Board Member, SAU 63 (via email only)
Tiffany Cloutier-Cabral, School Board Member, SAU 63 (via email only)
Paul White, School Board At-Large Member, SAU 63 (via email only)
Jim Kofalt, School Board Member, SAU 63 (via email only)
Charlie Post, School Board Member, SAU 63 (via email only)
Matt Mannarino, School Board Member, SAU 63 (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	The current policy is from 2011 and requires an update as it does not include language from 34 CFR 84.200. As a member of the NHSBA, please reference their most recent example policy.
Procurement Policy	2 CFR 200.318-327	Yes	Policy was adopted by the Board on 8/24/21 after the monitoring visit.
Conflict of Interest/Standard of Conduct Policy	2 CFR 318(c)(1)	Yes	None
Inventory Management Policy	2 CFR 200.313(d)	No	Current policies are outdated and do not include Federal requirements.
District Travel Policy	2 CFR 200.474(b)	Yes	None
Subrecipient Monitoring Policy/Procedure (if applicable)	2 CFR 200.331(d)	N/A	Not Applicable. The District does not have subrecipients, therefore this policy is not necessary.
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	No	District does not have such policy. As a member of the NHSBA please see their example policy, GADA.
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. Deficient policies identified above are notated below in ‘Finding #01’.

District GMS Reimbursement Requests

In addition to reviewing District/SAU policies required by Federal law and rule, nine (9) 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	IDEA	202584	Feb-20	81193	\$8,125.00	Professional Educational Services
2	IDEA	202584	Feb-20	80982	\$840.00	Professional Educational Services
3	IDEA	202584	Feb-20	80926	\$5,384.62	Salaries
4	IDEA Preschool	202584	Feb-20	80932	\$636.59	Books and Information Resources
5	Title I Part A	20200146	Aug-20	79643	\$59.95	General Supplies
6	Title I Part A	20200146	Aug-20	86945	\$3,891.27	Salaries and Benefits
7	Title II Part A	20200332	Dec-19	82599	\$505.47	Travel
8	Title II Part A	20200332	Dec-19	82598	\$927.72	Professional Development
9	Title IV Part A	20200462	Mar-20	80357	\$3,877.28	Professional Development

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 nine 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 June 17, 2021, we noted four 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. Although the School Board previously adopted DAF partially in February 2020, it was not adopted in full and some policies remain in noncompliance.

Questioned Costs: None.

Context: Of the eleven policies and procedures reviewed, four were found to be not compliant, one was not applicable, and the other six were found to be 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 updated all policies pertaining to Federal grants, which could lead to additional enforcement action under 2 CFR 200.

Requirement(s): The NHDOE is requiring the Wilton-Lyndeborough 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. Inventory Management Policy in accordance with 2 CFR 200.313(d).
3. Prohibiting the Aiding and Abetting of Sexual Abuse Policy in accordance with ESEA 8546.

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 June 17, 2021, a review of the IDEA program was conducted for Activity #80926 for the reimbursement request for February 2020, as well as a review of the Title I program for Activity #86945 for the reimbursement request for August 2020. During this review multiple instances of noncompliance surrounding time and effort documentation was found.

Questioned Costs: The total questioned cost between both activities is \$9,275.89.

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. Currently, the documents being used do not have a certifying statement and are not consistently dated or filled out in entirety.

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 Wilton-Lyndeborough School District update their time and effort documentation to ensure compliance. Additionally, we require not only that the District have the appropriate documentation in place, but also that the resulting documentation is prepared in accordance with policy and procedure. The District must have a time and effort procedure in accordance with 2 CFR that they use. The District must retroactively come into compliance and supply the NHDOE with the necessary time and effort documentation in these activities, otherwise repayment of the entire questioned cost may be required.

Finding #03

Criteria or specific requirements: The acquisition of property or services which is higher than the micro-purchase threshold (\$10,000 at the time of the grant in question), but does not exceed the simplified acquisition threshold (\$250,000 established in the FAR) must follow small purchase procedures. Small purchase procedures include price or rate quotations obtained from an adequate number of qualified sources as determined appropriate by the non-Federal entity.

Condition: During our monitoring visit conducted on June 17, 2021, a review of the Title II Part A Activity #82598 reimbursement for December 2019 and Title IV Part A Activity #80357 reimbursement for March 2020 was conducted. As indicated in GMS, a contract for at least \$4,804.56 was entered into (reimbursed through these activities during these months). Originally, a contract wasn't available for review. However, recently a contract for The Center for School Climate & Learning was located and sent to our office. After review of the contract it was discovered that the total contract amount was \$14,415. Further discussion via email was had about the contract and it was found that the procurement requirements of that over the micro-purchase threshold of \$10,000 (currently) was not followed.

Questioned Costs: Total cost for the activities in question \$14,415.00.

Context: PO's, invoices, and a contract were provided to show payment of the allowable services rendered under the appropriate Programs. However, no other documentation was provided to show procurement requirements were followed in compliance with 2 CFR 200.317-330.

Effect: Any procurement is subject to the requirements and conditions set forth in 2 CFR 200.317-330 as applicable.

Cause: A lack of controls and implementation surrounding the procurement policy and a lack of a procurement procedure has led to this compliance concern and questioned cost.

Requirement(s): The NHDOE is requiring that the Wilton-Lyndeborough School District establish a procurement policy and procedure that is compliant and in accordance with 2 CFR. The District must not only have a procurement policy and procedure, but they must use them. The District will also be subject to random testing of procurement activities, which would require uploading of all appropriate documentation to show compliance before reimbursement will occur.

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 by the required completion date.

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 a copy of the time and effort procedure and compliant time and effort documentation to be used moving forward. Additionally, you will need to email the retroactive documentation signed by the appropriate employees from the activities mentioned in 'Finding #02' by the completion date.

Finding #03

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 procurement 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:

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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