



Grants Management Policy



Policy Name	LEA Responsibilities in the Fiscal Monitoring Process		
Date Approved	2018	Policy Section	Fiscal Monitoring
Date Updated	6/22/21	Approved By	<i>Sarah Hendrix</i> Deputy Associate Superintendent, Grants Management

Audience

This policy pertains to Local Education Agencies (LEAs).

Purpose

The purpose of this policy is to clarify LEAs responsibilities in the fiscal monitoring process.

Overview

The Grants Management (GM) has responsibility (per Uniform Grant Guidance) for fiscal oversight of LEAs that receive state and/or federal funds. To ensure that LEAs are monitored in a consistent and efficient manner, it is essential for documentation to be submitted within indicated timelines. If an LEA does not respond to initial communication received from GM staff or the Engagement Letter to provide documentation requested, all grant expenditures could be disallowed. Additionally, when requirements are not met the LEA will be placed on a global hold (unable to access funds) until the requirement is met.

Policy

The LEA will be notified that a fiscal monitoring audit is initiated, and GM staff will assign the fiscal monitoring update (FMU) role to the designated LEA representatives. LEA vendors (educational consultants) may be assigned the FMU roles; however, they cannot be solely assigned the FMU role. An authorized LEA employee must always have the FMU role and remain actively involved throughout the fiscal monitoring process.

The LEA will have five (5) business days from the date of the *Engagement Letter* to provide the initial fiscal documentation, which will include the Detailed Expenditure Reports for all grants monitored and selected internal LEA policies and procedures.

If documentation is not received from LEA within five (5) business days:

1. The fiscal monitoring auditor will contact the LEA on business day six (6) to follow up.



Grants Management Policy



2. If documentation is not received by business day nine (9), then on business day ten (10) the LEA will be placed on a global hold (unable to access funds) until the requirement is met.

If documents are received within five (5) business days:

1. The fiscal monitoring auditor will follow up with the LEA and select sample expenditures to test against applicable state and federal standards and internal LEA policies and procedures.
2. The LEA will have five (5) business days to respond with the supporting documentation requested to substantiate the selected expenditures.
3. If additional supporting documentation is needed, the fiscal monitor auditor may follow up with the LEA and request additional documentation.

The fiscal monitoring team will review the supporting documentation substantiating the expenditures.

1. If there are no issues identified, GM staff will close the monitoring and no further action will be required from the LEA. Even in the absence of audit findings, GM staff may choose to provide the LEA with technical assistance regarding the management of federal grants, as appropriate.
2. The GM staff may identify a single issue or multiple issues that will warrant a fiscal monitoring audit finding to be issued to the LEA. These findings may include associated questioned or disallowed costs.

If the LEA is issued an audit finding, the LEA will have ten (10) business days to submit a Corrective Action Plan (CAP).

1. If the LEA disagrees with the audit findings **and** has additional supporting documentation available for review, the LEA may request a Preliminary Findings Review during this timeframe. The LEA can make a formal request, via GME, indicating the reason for their request. The LEA has the ability to upload additional supporting documentation to substantiate their claim once the request for Preliminary Review is approved.
2. If the LEA agrees with the audit findings, the LEA will acknowledge the audit findings and submit a CAP, addressing all audit findings issued.
 - a. If the CAP is submitted on time and is accepted by grants management staff, the fiscal monitoring will be closed. Incomplete CAPs will not be accepted and may be returned to the LEA for edits.
 - b. If the CAP is not submitted on time, a hold will be placed on the LEA's GME account until an acceptable CAP is submitted.



Grants Management Policy



Audit findings issued for disallowed costs will require the LEA to revise their respective completion reports and return the disallowed costs to ADE. The LEA must work with their assigned grants management Grants Coordinator to complete the completion report revision process and return the funds to ADE in a timely manner. A hold, or other sanctions may apply, if the LEA is non-compliance with this process.