

Plainedge Union Free School District

Internal Audit Report on

Grants Administration

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Board of Education
Plainedge Union Free School District
241 Wyngate Drive
North Massapequa, NY 11758

We have been engaged by the Board of Education (the “Board”) of the Plainedge Union Free School District (the “District”) to provide internal audit services with respect to the District’s internal controls related to grants administration for the period July 1, 2019 through February 29, 2020.

The objectives of the engagement were to evaluate and report on the District’s internal controls pertaining to grants administration and to test for compliance with laws, regulations, and the District’s Board policies and procedures.

In connection with the following procedures, we have provided findings and recommendations for the internal controls related to grants administration. Our procedures were as follows:

- Reviewed applicable District policies, procedures, and practices with regards to grants administration;
- Tested, on a sample basis, grant expenditures to verify expenditure was an allowable cost as per the Uniform Guidance, charged to the proper period, properly authorized, followed the District’s purchasing policy, and was recorded and accurately coded in the AIS;
- Tested a sample of employees whose salaries were charged to federal grants to verify the District had payroll certifications on file, in accordance with the Uniform Guidance, to substantiate the amount of time spent on the federal grant and that the salary was charged to the grant in the proper period and coded correctly;
- Tested, on a sample basis, grant revenues to verify grant payments made by the Office of the State Comptroller to the District from the *OSC Payment Information Inquiry Report* for 2019-2020 to verify payments received were properly recorded in the AIS;
- Obtained the District’s *Proposed Budget for a Federal or State Project* (“FS-10”), and the *Proposed Amendment for a Federal or State Project* (“FS-10-A”) and *Request for Funds for a Federal or State Project* (“FS-25”) for the District’s Title (I, II, and IV) and IDEA (611, 619) grants filed during the 2019-2020 school year with the Grants Finance Unit to verify the following:

- The FS-10 and FS-10-A forms (as applicable) agreed to the budget recorded in the District's AIS;
- The FS-25 forms (as applicable) agreed to the expenditures recorded in the District's AIS;
- Reviewed the maintenance of effort calculations (MOE) provided to NYSED by the District during the 2019-2020 school year to verify the following:
 - Budgeted and actual expenditures, allocation of state and local expenditures, fringe benefits, and child counts reported on the amounts tab of the calculation agreed to related supporting documentation
 - The District was in compliance with level of effort/maintenance of effort requirements per the MOE tab of the calculation;
- Reviewed the District's Title I Consolidated Application for the 2019-2020 school year to verify that the District properly determined what school attendance areas were eligible for Title I funding and properly allocated funding to those school attendance areas;
- Tested a sample of students who left the District during the period from July 1, 2019 through February 29, 2020, either by transfer to another outside District or departure from the country, to verify that the District is obtaining and maintaining formal written documentation for all transferred students who are allowed to be removed from the District's cohort for the purpose of the high school graduation rate calculation; and
- Reviewed letters sent to private schools located within the District for the 2019-2020 school year to verify the District has consulted with private school officials regarding participation in the Title I, II, III, and IV grants and, for schools that did not decline participation, reviewed program expenditures and other records to determine that the services that were planned for private school children were provided and that the funds for private school children were available and set aside prior to allocating funds to the District level areas.

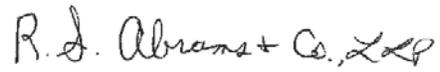
The results of our procedures are presented on the following pages.

Our procedures were not designed to express an opinion on the internal controls related to grants administration, and we do not express such an opinion. As you know, because of inherent limitations of any internal control, errors or fraud may occur and not be prevented or detected by internal controls. Also, projections of any evaluation of the accounting system and controls to future periods are subject to the risk that procedures may become inadequate because of changed conditions.

We would like to acknowledge the courtesy and assistance extended to us by personnel of the District. We are available to discuss this report with the Board or others within the District at your convenience.

This report is intended solely for the information and use of the Board, the Audit Committee, and the management of the District and is not intended to be and should not be used by anyone other than those specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "R.S. Abrams + Co., LLP". The signature is written in dark ink and is positioned above the typed name of the firm.

R.S. Abrams & Co., LLP
April 30, 2020

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FEDERAL AND STATE GRANTS OVERVIEW

The Grants Finance Unit works with New York State Education Department (“NYSED”) offices to administer state and federal grant programs. The Grants Finance Unit is responsible for the financial management of grants awarded to local agencies, and other NYSED offices are responsible for ensuring that the activities funded by the grants are planned and implemented properly.

Federal and state grant programs follow annual funding cycles, although there are significant differences between the state and federal funding calendars. In order to manage local grants projects effectively and identify expenditure and carryover funds on a local and statewide basis, most federal grants are awarded annually. Grants are funded on a school year basis of September 1 through August 31, although certain programs may operate on a July 1 through June 30 basis.

The District receives funding in the form of federal and state grants, which require that the District prepare and file budgets for these grants with the Grants Finance Unit. These budget documents are subject to approval by the Grants Finance Unit, and are often amended. Amendments may consist of increases, decreases, or reallocations of the original budget submitted.

We reviewed the following federal grants received by the District:

- Title I Grants to Local Educational Agencies – Provided under the Elementary and Secondary Education Act (“ESEA”), as amended by the Every Student Succeeds Act of 2015 (“ESSA”), to help underperforming children in meeting challenging state academic standards;
- Supporting Effective Instruction State Grants (Title II Part A) – Provided under ESEA, as amended by the ESSA, to improve and promote teacher and principal quality through training;
- Student Support and Academic Enrichment Grants (Title IV) – Provided under ESEA, as amended by the ESSA, to improve students’ academic achievement by increasing the capacity of educational agencies to provide students with access to a well rounded education, improve conditions for learning, and improve the use of technology to impact academic achievement and digital literacy;
- IDEA Section 611 – Provided under the Individuals with Disabilities in Education Act (“IDEA”) for school-age children with disabilities; and
- IDEA Section 619 – Provided under the IDEA for preschool children with disabilities.

Each grant has NYSED approved project operation dates, which are the dates in which project encumbrances can be made. The 2019-2020 project operation dates are as follows:

- July 1, 2019 to June 30, 2020
 - IDEA Section 611
 - IDEA Section 619

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- September 1, 2019 to August 31, 2020
 - ESSA Title I
 - ESSA Title II Part A
 - ESSA Title IV

Many of the expenditures for the District’s grants, especially those administered under IDEA, are based on services that the students receive as recommended from meetings of the District’s Committee on Special Education (“CSE”) and Committee on Preschool Special Education (“CPSE”).

The District utilizes *Frontline (IEP Direct)* as its special education student management software. *IEP Direct* allows the District to track students’ Individualized Education Plans (“IEPs”), evaluations, meetings, and assists with the preparation of New York State required reports. Further, *IEP Direct* facilitates District compliance with applicable privacy laws and regulations. The program is administered by the Director of Special Education.

GOVERNANCE

During our review of the Board of Education policy manual, we noted that the District has adopted a comprehensive set of policies relating to federal and state grants including, but not limited to, the following:

Title I Parental Involvement

District policy No. 1900, *Parent and Family Engagement*, establishes the procedures for involving parents of students receiving Title I services or participating in Title I programs. Such procedures include the development of a District-wide Title I plan, building a capacity for parental involvement, and coordinating parental involvement strategies.

Equivalence in Instructional Staff and Materials

The District has adopted policy No. 4010, *Equivalence in Instructional Staff and Materials*. Under this policy, it is the duty of the Board to ensure equity among District schools in teachers, administrators, and auxiliary personnel; and in the provision of curricular materials and instructional supplies. When determining such equivalence, the policy states that the Superintendent of Schools shall follow the State Education Department guidelines.

Programs for Students with Disabilities

District policy No. 4321, *Programs for Students with Disabilities Under the Federal IDEA and Article 89*, establishes that students with disabilities will be provided with a free appropriate education in the least restrictive environment to meet their individual needs. The policy addresses topics including but not limited to appointing a Committee on Special Education (CSE), subcommittees where appropriate, evaluations of students, academic intervention services in order to remediate a student's performance prior to referral for special education, and placing students in the least restrictive environment.

Preschool Special Education

The District’s policy No. 4321.13, *Preschool Special Education*, establishes and provides guidance for the appointment of personnel to the District’s Committee on Preschool Special Education (CPSE) and recognizes the responsibility of the District to ensure that every preschool student with a disability residing in the District has the opportunity to participate in preschool

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programs.

Confidentiality and Access to Individualized Education Programs (IEPs), Individualized Education Services Programs (IESPs), and Service Plans (SPs)

District policy No. 4321.5, *Confidentiality and Access to IEPs, IESPs, and SPs*, details the importance of ensuring the confidentiality of personally identifiable data pertaining to a student with a disability. The policy further states, that personally identifiable data will not be disclosed by any school district employee or member of a CSE/CPSE to any person (other than the parent of such student), organization, or agency unless: the parent or guardian of the child provides written consent, there is a valid court order for such information, or disclosure is permitted by law.

Availability of Alternative Format Instructional Materials for Students with Disabilities

District policy No. 4321.6, *Availability of Alternative Format Instructional Materials for Students with Disabilities*, recognizes the Board's responsibility to ensure instructional materials are made available in a usable alternative format for students with disabilities in accordance with their individual educational needs and course selection at the same time as those materials are available to non-disabled students. The policy also states that the Superintendent will develop a plan to ensure the availability of alternative format materials in accordance with the timeliness requirements of this policy.

Drug Free Workplace

District policy No. 9320, *Drug-Free Workplace*, is required for recipients of grants that are applied for and received directly from the federal government and prohibits the illegal, improper, or unauthorized manufacture, distribution, dispensing, possession, and/or illegal use of any controlled substances which are not used as a food product or in accordance with approved medical instructions.

GRANTS ADMINISTRATION

Based upon our interviews and observations, we noted the procedures for grants administration to be as follows:

Overview

Each grant has a designated Grant Administrator that is responsible for overseeing the grant. The Director of Special Education is the Grant Administrator for the IDEA (611 and 619) grants. The Assistant Superintendent for Curriculum and Instruction is the Grant Administrator for the Title I, Title II, and Title IV grants.

Since the District's Title III allocation is less than \$10,000, the District must partner with other school districts in order to receive Title III funds. Although the District belongs to a consortium and Title III grant administration is performed by the lead district of the consortium, the Assistant Superintendent for Curriculum and Instruction also oversees the Title III grant at the school district level.

Proposed Budget Reports

A *Proposed Budget for a Federal or State Project* ("FS-10") form is completed for each grant by the Grant Administrator. The Grant Administrator writes a program narrative that describes the target population, the project objectives, the activities that will be employed to facilitate the

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achievement project objectives, and how the results of the project will be measured. A budget narrative is also required to provide information on the applicant's financial plan for carrying out the project. The Superintendent reviews and approves the completed FS-10s, which are then submitted to the Grants Finance Unit along with any applicable narratives.

Once the FS-10 has been approved by the Grants Finance Unit, an approved copy of the FS-10 and the project status report are mailed to the Grant Administrator. When the approved copy of the FS-10 is received by the District, the grant budget is recorded in the District's Accounting Information System ("AIS") by the District Treasurer.

Budget Amendments

Certain types of changes to a project or a budget require the Grant Administrator to request prior approval from the Grants Finance Unit. For example, in the event the District files the *Final Expenditure Report for a Federal or State Project* ("FS-10-F") for the prior grant year after the FS-10 for the current grant year has been approved and there are rollover funds from the prior grant year, the District may need to amend the budget for the current grant year. Amendments need to be prepared and submitted to NYSED in advance for incurring obligations or expenditures if the line item has not been budgeted and the District wishes to spend funds from the particular line item or if the incurring expenditures will exceed the allowable budget amount. The *Proposed Amendment for a Federal or State Project* ("FS-10-A") is used to submit requests for budget changes that require prior approval as follows:

- Personnel positions, number and type;
- Equipment items having a unit value of \$5,000 or more, number and type;
- Minor remodeling;
- Any increase in a budget subtotal by more than 10% or \$1,000, whichever is greater; and
- Any increase in the total budget amount.

Encumbrances

All encumbrances must be made within the approved funding period of the grant. Costs encumbered outside the project dates will not be reimbursed on the FS-10-F. The effective date of the encumbrance varies based on the type of purchase. For example, an encumbrance for the cost involving the performance of work other than personal service is made on the date on which the grantee makes a binding written commitment to obtain the work.

Expenditures

Purchase orders and related invoices that utilize grant budget codes need to be reviewed and approved by the Grant Administrator, to ensure expenses charged to the grant are allowable costs that are appropriate and consistent with the objectives and regulations of the grant. Additionally, the Grant Administrator periodically scans the expense codes to ensure that only appropriate expenditures have been charged to the grant budget codes. The Grant Administrator remains current on grant regulations through guidance provided by NYSED and the Federal government.

Expenditure categories include:

- Professional Salaries – Includes staff that are employees of the District and cannot include consultants or per diem staff;

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- Support Staff Salaries - Includes salaries for teacher aides, secretarial and clerical assistance, and personnel in pupil transportation, building operation, and maintenance;
- Purchased Services – Includes consultants, rentals, tuition, and other contractual services;
- Supplies and Materials – Includes computer software, library books, and equipment items under \$5,000 per unit;
- Travel Expenses – Includes pupil transportation, conference costs, and travel of staff between instructional sites;
- Employee Benefits – Includes Social Security, New York State Teachers Retirement, New York State Employees Retirement, health insurance, worker's compensation, and unemployment insurance;
- Indirect Cost – Includes general costs for maintenance, operational, administrative, and overhead expenses that benefit more than one program or objective and, therefore, cannot be readily assigned to only one specific program or objective;
- Purchased Services with BOCES – Includes contractual services provided by BOCES;
- Minor Remodeling – Includes salaries, associated employee benefits, purchased services, and supplies and materials related to alterations to existing sites; and
- Equipment – Includes equipment with a unit cost of \$5,000 or more.

Debarment and Suspension

Executive Order 12549 states that grantees cannot award another party who is debarred or suspended from any involvement in federal/state assistance programs. Additionally, grantees need to submit a *Certification of Non-Debarment, Non-Suspension* with the federal grant application which should be signed by the applicable subcontractors.

Property Management

Personal property with a useful life of more than one year and a cost of \$5,000 or more is defined as equipment under NYSED grants. Capital outlay purchased by the grantee will remain with grantee for the grant period. However, NYSED has the right to transfer capital outlay items for non-compliance during the project period or as needed at the end of the grant period.

Direct Costs

Direct costs are costs that are identified with an expense item. Direct costs generally include costs for personnel who perform fiscal and reporting work related to the grant, costs for contracted services, costs for supplies, and materials for administrative usage. Other costs include other operating costs and equipment requests for administrative purposes.

Indirect Costs

Indirect costs are costs of activities that benefit more than one program or objective and cannot be readily assigned to only one specific program or objective. Indirect costs are generally classified as costs of operating and maintaining facilities, general administration, and general expenses such as budgeting and accounting. Other indirect costs include centralized services and

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personnel and accounting administration. A notification letter is sent annually to each school district when the rates are calculated. NYSED calculates the indirect cost rate for school districts using the data reported on the State Aid Annual Financial Report (“ST-3”) using a methodology approved by NYSED.

Payroll Certifications

Employees who work on federal awards are required to complete payroll certifications to substantiate time and effort. According to the Uniform Guidance, costs of compensation are allowable to the extent that they are reasonable for the services rendered and conform to the established written policy of the non-federal entity. Documentation of personnel expenses must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated. Such documentation must support the distribution of the employee’s salary or wages 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 allocated utilizing different allocation bases, or an unallowable activity and a direct or indirect activity. In addition, the support of charges for the salaries and wages of nonexempt employees must also indicate the total number of hours worked each day.

Requesting Funds

The *Request for Funds for a Federal or State Project* (“FS-25”) is used to request funds for an approved grant. The FS-25 forms for all grants are prepared by the District treasurer, and are based on expenditures recorded in the AIS. The FS-25 forms are reviewed by the Assistant Superintendent for Business. The District may only request as much cash as is necessary to meet the immediate needs of a grant project; and must minimize the time between receipt of the funds and disbursing them for grant activities. Only requests for funds including actual expenditures to date plus anticipated expenditures for the next month will be accepted. Payments totaling up to 90% of a grant’s budget may be requested through this process. The District treasurer submits FS-25 forms for the grants based on cash flow needs.

Grant Payments

The Office of the State Comptroller submits payments to the grantees via electronic deposit directly to the grantee’s bank account with the respective party notified by email of the electronic deposit. Interest earned on cash advances from federal grants can be kept up to \$100 of administrative expenses annually. Interest that exceeds \$100 is required to be returned to the federal government through New York State. The applicable interest over \$100 cannot be utilized to offset any direct or indirect program costs. Payments are wired from the Office of the State Comptroller (“OSC”) directly to the District’s federal fund bank account.

Final Expenditure Reports

FS-10-F forms for state projects are due to the Grants Finance Unit within 30 days following the end of the grant, and FS-10-F forms for federal projects are due within 90 days following the end of the grant. For the District’s Title and IDEA grants the FS-10-F forms are prepared by the District treasurer. All completed FS-10-F forms are approved by the Superintendent prior to submission to the Grants Finance Unit.

A review of each final expenditure report is conducted by the Grants Finance Unit to determine the reimbursable expenditures of the project. After review by the Grants Finance Unit, a copy of the FS-10-F is sent to the Grant Administrator and any funds owed to the District will be reimbursed. If the review results in an overpayment to the District, the amount overpaid will be

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transferred to another of the District's eligible grants, if possible, and a *Notice of Overpayment* ("FS-80") will be sent to the District. The notice will identify the grant that was overpaid, the amount overpaid, and the grant charged for overpayment, or it will instruct the District to submit a refund check if there are no eligible open grants or grant contracts. Additionally, funds should be expended according to the approved budget and obligations should occur before the project end date. Non-compliance may result in detailed expenditure reporting requirements and return of funds to NYSED or termination of the grant.

OMB UNIFORM GUIDANCE FOR FEDERAL AWARDS - KEY CHANGES

Recent changes applicable to the OMB Uniform Guidance for federal awards were established to promote the streamlining of OMB Circulars, to change the administrative guidelines and cost principles to allow for a greater level of judgment and more reliance on the District's internal control systems, and to help to lower the audit burden.

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, ("Uniform Guidance"), effective for new federal awards, and changes to funding increments with changed term and conditions issued after December 26, 2014, contains significant changes to the procurement rules for federal awards.

The procurement standards are contained in sections 200.317 through 200.326 of the Uniform Guidance and emphasize a heavy reliance on written documentation that must be maintained, including specific policies and procedures.

General Requirements

In general, the Uniform Guidance key requirements include (but are not limited to) the following for non-federal entities receiving federal awards:

- Written procurement policies must be developed and follow the Uniform Guidance as well as all state and local regulations (provided they do not conflict with federal laws or the Uniform Guidance)
- Written standards of conduct regarding conflicts of interest must state that no employee, officer or agent may participate in the selection, award or administration of a contract supported by a federal award if he or she has a conflict of interest, either real or apparent. The standards must include the disciplinary actions that will be applied for any violations of the standards.
- Purchases must avoid unnecessary or duplicative items and the use of shared services agreements and state and local intergovernmental agreements, where appropriate, are encouraged in order to foster greater efficiency and cost-effectiveness.
- Contracts must be awarded only to responsible contractors and take into consideration the integrity of the contractor, past performance, and financial and technical resources. In addition, the non-federal entity must maintain proper oversight to ensure the contractor is performing in accordance with the terms and conditions in their contracts and/or purchase orders.
- Documents must be maintained which detail the procurement history including the rationale for the method of procurement (discussed below), contract type, contractor selections or rejection, and the basis for the contract price.
- Full and open competition must be conducted. This precludes any contractor who participated in drafting specifications, requirements, invitations for bids or request for

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proposals from competing for the procurement. It also limits certain unreasonable requirements in the bids or request for proposals that are meant to limit competition, prohibits the use of geographic preferences in evaluating bids or proposals but provides certain exceptions, and requires that any prequalified lists be kept current.

Required Methods of Procurement

Non-federal entities must use the following five procurement methods described in the Uniform Guidance:

- Micro-purchases – purchases of supplies or services where the aggregate value does not exceed \$3,000 (now increased to \$10,000 as discussed below). These may be awarded without obtaining competitive quotes if the entity deems the price reasonable, and should be distributed among qualified suppliers, if practical.
- Small Purchases – simple and informal method for procuring services, supplies, or other items, that do not exceed the simplified acquisition threshold of \$150,000 (now increased to \$250,000 as discussed below). Price or rate quotes must be obtained from an adequate number of qualified sources. The number of qualified sources, as well as the method of obtaining the quote (whether in writing, verbal, website pricing, or search engine, etc), is left at the discretion of the non-federal entity, to be included in their policy.
- Sealed Bids- Used for purchases over the simplified acquisition threshold now at \$250,000, where publicly solicited bids are obtained and a fixed price contract is awarded to the responsible bidder who conformed to the terms and conditions and is the lowest price. This is normally associated with construction contracts.
- Competitive Proposals- Used for purchases over the simplified acquisition threshold now at \$250,000, whereby publicly advertised requests for proposals are conducted (which identify all evaluation factors and their importance), and a fixed price or cost-reimbursement type contract is awarded. Competitive proposals are used when sealed bids are not appropriate. Contracts are awarded not just based on price, but where the firm’s proposal is most advantageous to the program.
- Noncompetitive Proposals- This is procurement through a sole source, which is limited to specific instances such as when the item is only available from one source, a public emergency where the delay caused by competitive solicitation would not be permitted, the federal awarding agency or the pass-through entity such as New York State Education Department has expressly authorized it based on a written request from the non-federal entity, or after failing to get a required number of responses from competitive solicitation.

As mentioned above, when the Uniform Guidance was originally issued, it included a micro-purchase threshold of \$3,000. It also included a simplified acquisition threshold (to be used for small purchases) of \$150,000. The simplified acquisition threshold is set by Federal Acquisition Regulations, but is periodically adjusted. In June of 2018, the Office of Management and Budget (OMB) issued a memorandum entitled “*Implementing Statutory Changes to the Micro-Purchase and the Simplified Acquisition Thresholds for Financial Assistance*”. It details how the federal government increased the micro-purchase threshold for all recipients of federal awards to \$10,000, and the simplified acquisition threshold to \$250,000. Normally these changes are not effective until they are codified in the federal regulations and Uniform Guidance. However, OMB has granted an exception for these thresholds, and recipients of federal awards may update

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their internal controls, and policies and procedures using the higher amounts, as of the date of the memo, June 20, 2018.

FINDINGS AND RECOMMENDATIONS

Based on our inquiries, observations, and detailed testing, we provide our findings and recommendations to further strengthen the District's internal controls relating to grants administration.

It should be noted that these recommendations are provided to the District to assist management in improving the District's controls relating to grants administration. It is important to note that our observations and recommendations are directed toward improvement of the system of internal controls and should not be considered a criticism of, or reflection on, any employee of the District.

Policies and Procedures

Procedure Performed: We reviewed the District's policies and procedures to determine whether the District has adopted the written policies and procedures recommended by NYSED surrounding the administration of federal funds.

Finding: We noted the District does not have a written policy or procedures regarding the completion of payroll certifications to substantiate time and effort for employees who work on federal awards as required under the Uniform Guidance.

Recommendation: We recommend that the District develop written policies and procedures regarding the completion of payroll certifications by employees who work on federal awards as required under the Uniform Guidance to substantiate time and effort. We noted that the District is in the process of developing a federal funds procedural manual that incorporates policies and procedures for all federal grants and the associated applicable compliance requirements.

Compliance with Allowable Costs

Procedures Performed: We obtained a sample of eight federal grant expenditures to verify the following:

- The expenditure charged was an allowable cost as per the Uniform Guidance.
- The expenditure was charged to the proper period.
- The expenditure was properly authorized and followed the District's purchasing policy.
- The expenditure was properly recorded and coded in the AIS.

Finding: No exceptions were found as a result of applying these procedures.

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Payroll Compliance

Procedures Performed: We reviewed a sample of payroll transactions for twenty employees whose salaries were charged to federal grants to verify the following:

- The District had payroll certifications on file to substantiate salaries charged to grants in compliance with the Uniform Guidance.
- The employee's salary was charged to the grant in the proper period and coded correctly.

Finding: Based on the procedures performed, we noted the following for the District's payroll compliance procedures:

- The payroll certification forms utilized by the District were outdated and referenced Circular A-87, rather than Uniform Guidance.

Recommendation: We recommend the District update their payroll certification forms in accordance with Uniform Guidance. We noted that after our field work the District has since updated their payroll certification forms.

Cash Receipts

Procedures Performed: We selected a sample of grant payments made by the OSC to the District from the *OSC Payment Information Inquiry Report* for 2019-2020 to verify payments received were properly recorded in the AIS.

Finding: No exceptions were found as a result of applying these procedures.

Grants Accounting

Procedures Performed: We obtained the District's FS-10, FS-10-A, and FS-25 forms for the 2018-2019 school year, filed with the Grants Finance Unit for Title I, Title II, Title IV, and IDEA (611 and 619) grants to verify the following:

- The FS-25 forms agreed to the expenditures recorded in the District's AIS.
- The FS-10 and FS-10-A forms (as applicable) agreed to the budget recorded in the District's AIS.

Finding: No exceptions were found as a result of applying these procedures.

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Maintenance of Effort

Procedures Performed: We reviewed the maintenance of effort calculations (MOE) provided to NYSED by the District for the 2018-2019 compliance and 2019-2020 eligibility requirements and verified the following:

- Budgeted and actual expenditures, allocation of state and local expenditures, fringe benefits, and child counts reported on the amounts tab of the calculations agreed to related supporting documentation.
- The District was in compliance with level of effort/maintenance of effort requirements per the MOE tab of the calculation.

Finding: No exceptions were found as a result of applying these procedures.

Eligibility

Procedures Performed: We reviewed the District's Title I Consolidated Application for the 2019-2020 school year to verify that the District properly determined what school attendance areas were eligible for Title I funding and properly allocated funding to those school attendance areas.

Finding: No exceptions were found as a result of applying these procedures.

High School Graduation Rate

Procedures Performed: We selected a sample of students who left the District during the period from July 1, 2019 through February 29, 2020 either by transfer to another outside District or departure from the country to verify that the District is obtaining and maintaining formal written documentation for all transferred students who are allowed to be removed from the District's cohort for the purpose of the high school graduation rate calculation.

Finding: No exceptions were found as a result of applying these procedures.

Private School Participation

Procedures Performed: We obtained supporting documentation to verify the District has consulted with private school officials regarding participation in the Title I, II, III, and IV grants for the 2019-2020 school years. For schools that did not decline participation, we reviewed program expenditures and other records to determine that the services that were planned for private school children were provided and that the funds for private school children were available and set aside prior to allocating funds to the District level areas.

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Finding: No exceptions were found as a result of applying these procedures. All private schools declined participation in the Title I, II, III, and IV grants.

Corrective Action Plan

The District is required to prepare a corrective action plan in response to any findings contained in the internal audit reports. As per Commissioner's Regulations §170.12, a corrective action plan, which has been approved by the Board, should be submitted to the State Education Department within 90 days of the receipt of a final internal audit report.

The approved corrective action plan and a copy of the respective internal audit report should be submitted using the NYSED Business Portal.