

Frequently Asked Questions

Fiscal Pre-Monitoring Supports Grant

Audits

1. Are LEAs required to have a separate single audit for the ESSER I, II, and III grants?

Yes. The Tennessee Comptroller of the Treasury is statutorily required to perform or contract for the financial, compliance, and federal Single Audit of these funds. This is a support grant to assist LEAs to confirm that policies/procedures are in place, current, and in alignment with LEA practices.

2. Will we need to conduct an internal audit in preparation for fiscal monitoring?

The funding is not provided to contract for external audit services. Audit services must take place in accordance with 2 CFR § 200.501 and align with [Tennessee's Comptroller of the Treasury guidance](#).

3. Updated March 15, 2022: Due to the Single Audit requirements that ESSER funds generate, can this grant be used for pre-monitoring prep through fiscal processes and procedures improvements?

Yes. See [Approved Uses of Funds](#) below. When the LEA writes a scope of services (or agreed-upon procedures) and enters into a contract with a vendor, it is imperative to identify all intended deliverables and include a summary in the funding application narrative.

4. Due to the Single Audit requirements that ESSER funds generate, can this grant be used for single audit requirements (due to ESSER) as part of our Annual Comprehensive Financial Statement Audit performed by the same accounting firm?

No. See above. The Single Audit process follows requirements from the Tennessee Comptroller of the Treasury.

5. If our accounting firm were to perform the required duties, the cost would not be \$34K (where the estimated amount of grant will be in the \$35K range). Would we be able to utilize the funds to perform other internal audit functions?

Internal audit is not part of this grant process. LEAs may use grant funds to support the following: financial planning, programming, and expenditure of funds in alignment with ESSER 1.0, ESSER 2.0, and ESSER 3.0 funds

- a. testing internal controls in accordance with 2 CFR § 200.303,
- b. testing development and retention of documents that align with reimbursement methods outlined in 2 CFR § 200.305(b)(3),
- c. reviewing equipment management requirements in alignment with 2 CFR § 200.313,
- d. testing for material weaknesses in general procurement standards in accordance with 2 CFR § 200.318
- e. ensuring LEAs are following competition requirements outlined in 2 CFR § 200.319 and local procurement method policies and procedures support the requirements of 2 CFR § 200.320,
- f. testing for material weakness is record retention processes aligning with 2 CFR § 200.334,
- g. testing prior written approval methods described in 2 CFR § 200.407,
- h. ensuring alignment with the expectations of ESSER funds and construction as related to the Davis-Bacon Act concerning labor costs related to capital project expenses, and
- i. providing other fiscal/cross-cutting support and capacity deemed necessary by the accounting/auditing firm.

6. Will we need to conduct an internal audit in preparation for fiscal monitoring?

All LEAs are encouraged to regularly review internal controls. Benefits include managing risk; ensuring policies, processes, and structures are in place; developing/reviewing an audit plan, completing an audit, and reviewing and responding to audit reports, etc.

Timeline

7. When will the application open?

The Fiscal Pre-Monitoring Supports Grant is tentatively scheduled to **open for LEAs to begin a draft on Feb. 1, 2022.**

8. Updated March 15, 2022: When is the application due?

The first draft of the Fiscal Pre-Monitoring Supports Grant is due to the department for review by **March 24, 2022**, as announced in the February Federal Programs Update.

9. What is the timeframe for this grant when funds are expected to be expended?

Once awarded, LEAs will have until **June 30, 2024** (the last day to obligate ESSER 3.0 funds) to use this grant. This will allow the department to recoup unused funds and reallocate to LEAs with remaining needs.

10. If we complete the intent and we don't apply, then what happens next?

The LEA would be contacted to confirm that intent has changed, then available funds would be redistributed to participating LEAs.

Funding and Approved Use(s) of Funds

11. Updated March 15, 2022: If we receive an award for these grant funds, are we likely to receive enough funding to cover the entire cost of hiring a firm?

It depends. The minimum that LEAs would receive is in the \$35K range if 100% of LEAs chose to participate. If LEAs decline, the minimum would likely increase for LEAs that participate. LEAs have the discretion to choose what services a firm provides, and the cost of these services could exceed the LEA's grant award.

LEAs received an initial allocation ranging between \$46,200 and \$67,233 at the beginning of February 2022. As LEAs release funds, participating LEAs may receive additional funding.

12. Can the FY22 Fiscal Pre-Monitoring Grant funds be used to pay a current employee for the additional time and effort needed to conduct the necessary activities for any additional monitoring or internal audits for the ESSER grants?

No. The **expenditure/object code approved for use with this grant is 72510, Fiscal Services**. This includes activities concerned with the fiscal or financial operations of the LEA. This program includes all aspects of budgeting and financial reporting (such as receipts and disbursements, financial and property accounting, payroll, inventory control, internal auditing, and the managing of funds). **The sub fund/project code approved for use with this grant is 399.**

13. Could our system pay me for extended contract work related to this Grant purpose?

No. This grant is intended for LEAs to use to receive support from a third-party via a contract. Contracted Services includes expenditures for support services related to data processing services, dues and memberships, and contracted services for the business department.

14. Could our system pay other grant supervisors in our system for extended contract work related to this Grant purpose?

No. The intended purpose of this contract is to provide additional support to LEAs to provide funding for contracting with individuals or companies to provide grant administrative services such as program allowability review, document review, and document preparation in compliance with the federal ESSER guidelines.

15. Does this include stipends for staff or personnel to conduct these grant administrative services?

No. This grant is intended for LEAs to use to receive support from a third-party only.

16. Can I contract or hire an individual?

LEAs may not hire an individual or an additional employee. Allowable use of funds must fall under 72510-399. Sole proprietor CPAs may be considered.

17. Would it be allowable for multiple LEAs to pool funds to find a firm to review policies/procedures?

While some LEAs choose to use cooperative agreements outside of ePlan, this would not be something that could be done through ePlan. LEAs must have a local policy supporting their use of cooperative agreements, and each LEA would still be responsible for ensuring any contract entered into by that LEA met minimum procurement/contracting policy requirements of the LEA or county government (if applicable; i.e., 81 Act counties).

18. Can you give me some examples of how LEAs will use this grant if awarded?

LEAs may benefit from a review of currently written policies, processes, and/or structures to receive feedback on how to further strengthen written documents and ensure strong alignment between what is written and what is followed on a daily basis. LEAs may choose to use this grant for:

- a. financial planning, programming, and expenditure of funds in alignment with ESSER 1.0, ESSER 2.0, and ESSER 3.0 funds
- b. testing internal controls in accordance with 2 CFR § 200.303,
- c. testing development and retention of documents that align with reimbursement methods outlined in 2 CFR § 200.305(b)(3),
- d. reviewing equipment management requirements in alignment with 2 CFR § 200.313,
- e. testing for material weaknesses in general procurement standards in accordance with 2 CFR § 200.318
- f. ensuring LEAs are following competition requirements outlined in 2 CFR § 200.319 and local procurement method policies and procedures support the requirements of 2 CFR § 200.320,
- g. testing for material weakness is record retention processes aligning with 2 CFR § 200.334,
- h. testing prior written approval methods described in 2 CFR § 200.407,
- i. ensuring alignment with the expectations of ESSER funds and construction as related to the Davis-Bacon Act concerning labor costs related to capital project expenses, and
- j. providing other fiscal/cross-cutting support and capacity deemed necessary by the accounting/auditing firm.

Contractors

19. Updated March 15, 2022: Is there a list of firms that have experience with managing federal education grant funds in Tennessee?

The intention is to allow LEAs the flexibility to contract with an accounting or grant management firm that can provide the supports you most need in your specific LEA. Please feel encouraged to apply.

LEAs may contract with an accounting or grant management firm either within the state of Tennessee or a nationally recognized accounting or grant management firm.

20. Updated March 15, 2022: Will the state be providing a list of third-party vendors of accounting and grant management firms that can be used to complete the review of fiscal records?

No. LEAs may contract with an accounting or grant management firm within the state of Tennessee or elsewhere within the United States that meets the LEA's needs and timeline.

21. Updated March 2022: Must I include the vendor in Program Details or Budget Narrative?

No, but please include the following details in the submission, if known:

- 1) The vendor's name, if applicable
- 2) Scope of work/services and agreed procedures; and
- 3) Additional pertinent details.

Additional Questions

22. If I have a question not yet answered, who should I reach out to?

- **Geneva Taylor**, Senior Director of Compliance, Division of Federal Programs and Oversight:
Geneva.Taylor@tn.gov | (615) 580-2039
- **Dustin Winstead**, Fiscal Compliance Manager, Division of Federal Programs and Oversight:
Dustin.Winstead@tn.gov | (865) 253-5821