



Special Guest for Block 7:

Teri Manning

ESSA Compliance Manager

Division of Federal Programs and Oversight

FY23 Fiscal Monitoring Trends and Mitigating Risk

Geneva Taylor

Senior Director of Compliance

Division of Federal Programs and Oversight

Rob Mynhier

Regional Finance Consultant

Office of Local Finance





Agenda

- Overview
- Fiscal Trends
- Resources and Summary





BEST FOR ALL

We will set all students on a path to success.

ACADEMICS

ALL TENNESSEE STUDENTS WILL HAVE
ACCESS TO A HIGH-QUALITY EDUCATION,
NO MATTER WHERE THEY LIVE

STUDENT READINESS

TENNESSEE PUBLIC SCHOOLS WILL BE
EQUIPPED TO SERVE THE ACADEMIC
AND NON-ACADEMIC NEEDS OF ALL
STUDENTS IN THEIR CAREER PATHWAYS

EDUCATORS

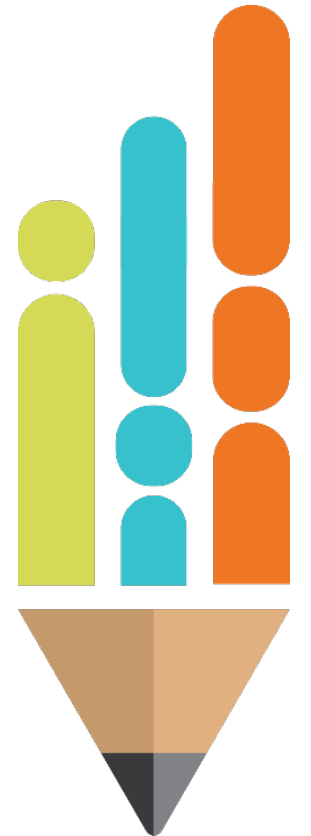
TENNESSEE WILL SET A NEW PATH FOR
THE EDUCATION PROFESSION AND BE
THE TOP STATE IN WHICH TO BECOME AND
REMAIN A TEACHER AND LEADER FOR ALL

Overview



FY23 Monitoring Processes

- Results-Based Monitoring
 - *Level 3A*
 - *Level 3B*
 - *Level 2*
 - *Level 1*
- Individualized Educational Program (IEP) Monitoring
- Coordinated Early Intervening Services (CEIS) Monitoring
- Comprehensive Coordinated Early Intervening Services (CCEIS) Monitoring
- Focus Monitoring
- Supplement not Supplant (SNS) Monitoring



Recognition

- Trends can help your local education agency (LEA) mitigate risk, even if your LEA has not received findings or corrections in this area.
- We all have different areas of expertise.
- We all have a different number of years in our positions.
- Identify an area that you do well.
- Identify an area that you would like to improve.



Fiscal Trends





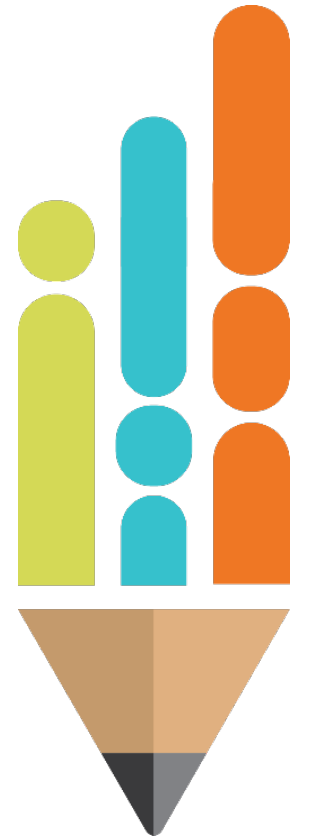
Fiscal Monitoring Components

- General Fiscal Requirements
- Budgets and Budget Revisions
- Cash Management
- Travel
- Equipment
- Procurement and Contracts
- Personnel
- Compensation and Leave
- Every Student Succeeds (ESSA) Use of Funds
- IDEA Use of Funds
- Perkins V Use of Funds
- Elementary and Secondary School Emergency Relief (ESSER 1.0, 2.0, & 3.0) Use of Funds
- Supplement Not Supplant Testing

Budgets and Budget Revisions

Board policy and procedures did not indicate the frequency upon which the budget is amended.

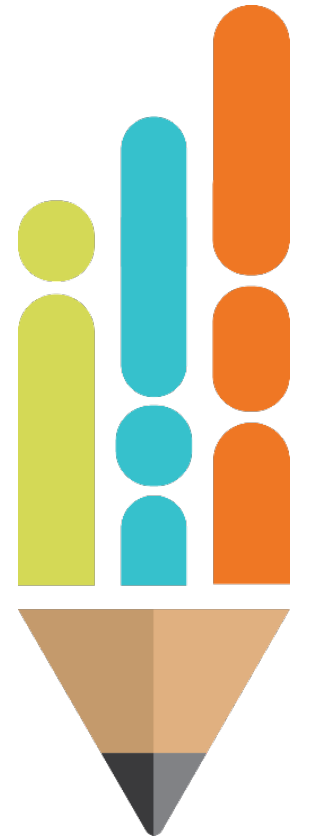
- Revisions to budgets must be completed regularly as needed to ensure funds are being spent on current-year students and needs [2 C.F.R. §§ 200.302(b), 200.303].



Travel

Documentation provided during the monitoring process did not clearly outline policies and procedures for travel. Board policy and procedures do not include mileage or expense rates.

- According to 2 C.F.R. § 200.475, policies and procedures for travel must be clearly documented.



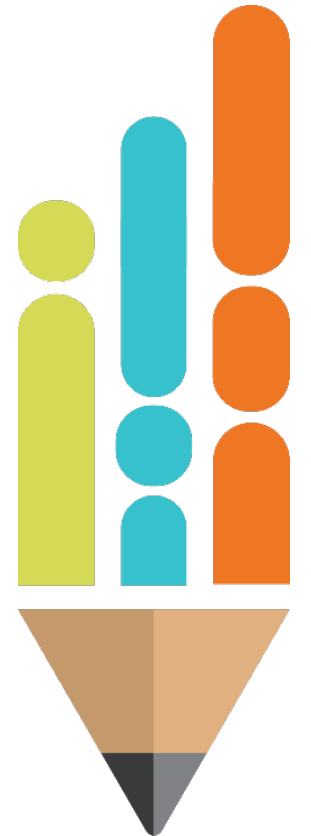
Equipment

Some components required to be collected and documented as part of the equipment management process were missing in the provided inventory.

- Clear policies and procedures for equipment inventory management must be provided.
- All information must be provided on the inventory listing as required in 2 C.F.R. § 200.313.

Not all equipment was located, or equipment was incorrectly tagged.

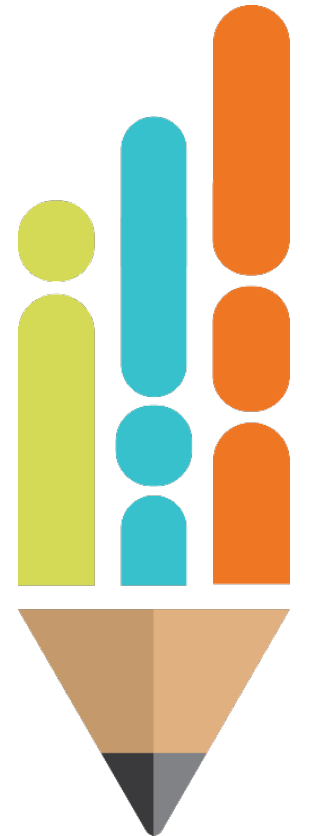
- The LEA must review asset reports to ensure all required data is included as outlined in 2 C.F.R. §§ 200.302(b)(4), 200.313(d)(1).



Procurement and Contracts

The approval from the federal program supervisor was not included on many documents including travel.

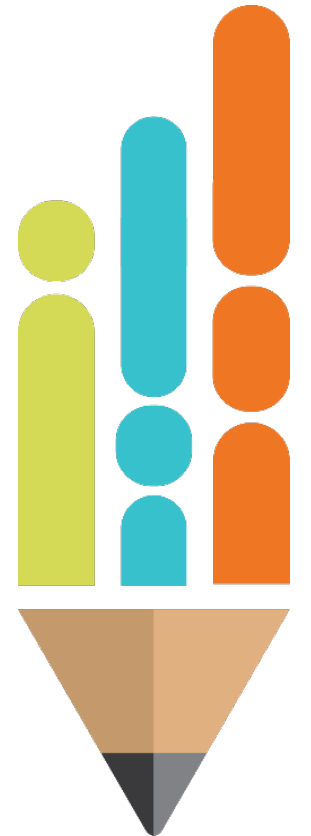
- According to 2 C.F.R. §§ 200.318, 200.208, the LEA must have federal program supervisor approval as evidence that the use of federal funds is necessary, reasonable, and allocable prior to purchase.
- This language must be included in the LEA's written procurement and contract policy and procedures.
- Federal program supervisor includes ESSA, IDEA, ESSER and CTE directors.



Cash Management

Cash management policies and procedures were not included.

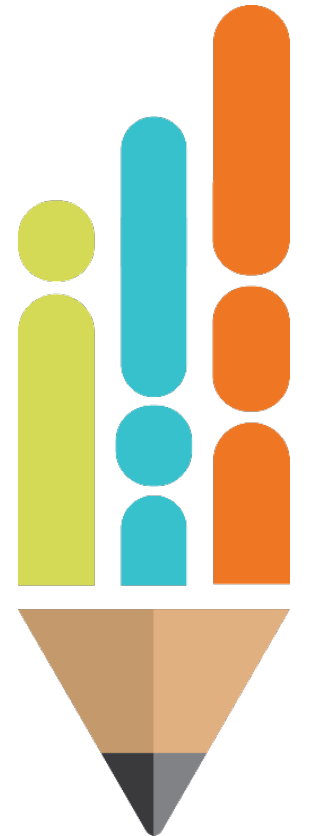
- Cash management in 2 C.F.R. § 200.305 refers to reimbursement of federal funds to the LEA.
- The LEA must have a written policy and procedure to ensure consistent cash management processes across all grants.



Personnel

The LEA must have written procedures regarding time and effort that demonstrate a system of internal control which provides reasonable assurance that personnel charges are accurate, allowable, and properly allocated (2 C.F.R. §§ 200.302-.303).

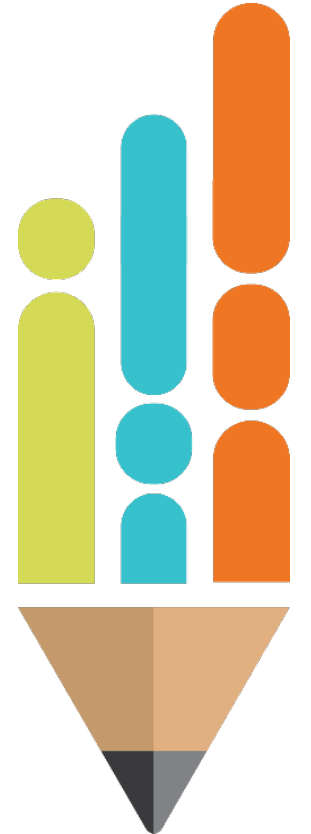
- LEAs must provide time and effort documentation:
 - Semi-Annual Certification signed and dated by the employee or supervisor for staff that is funded 100% by one grant or activity including stipends
 - Personnel Activity Report (PAR)/Monthly Activity for staff that is funded with more than one funding source



Compensation and Leave

According to 2 CFR §200.430, LEAs must have compensation and payroll policies.

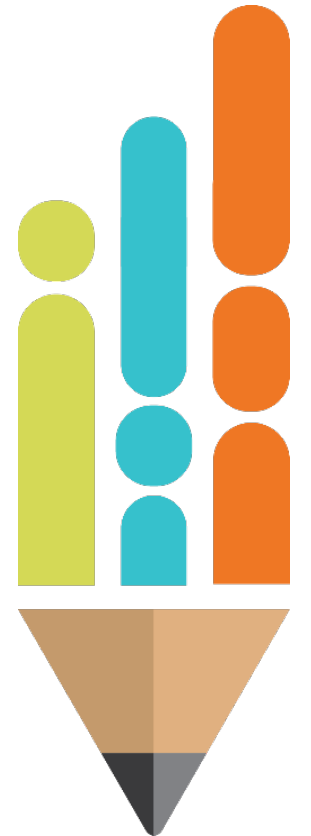
- LEAs must provide policies:
 - Applying to all employees
 - annual leave,
 - family-related leave,
 - sick leave,
 - holidays,
 - court leave,
 - military leave,
 - administrative leave, and
 - other similar benefits (such as physical assault while on duty leave)



General Fiscal Requirements

Due to the excessive carryover amounts, current-year allocations are not benefiting current-year students (34 C.F.R. §§ 76.707-.710; 2 C.F.R. §§ 200.77, 200.309).

- If excess carryover is determined during monitoring, an LEA must provide a spend-down plan to expend the funds.



ESSA and IDEA Use of Funds

Monitoring teams were unable to match expenditures in ePlan with the LEA's submitted reimbursement request documentation.

- According to 2 C.F.R. §§ 200.300-.309, costs must be adequately documented.
- 2 C.F.R. § 200.403 states costs must meet specific criteria to be allowable under federal awards.

Take advantage of templates in the monitoring instrument.

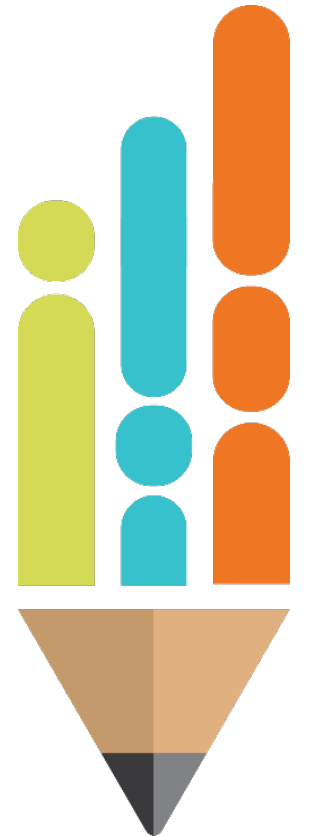


Perkins V Use of Funds

Not all equipment was located.

Equipment was incorrectly tagged.

- Clear policies and procedures for equipment inventory management must be provided.
- All information must be provided on the inventory listing as required in 2 C.F.R. § 200.313.

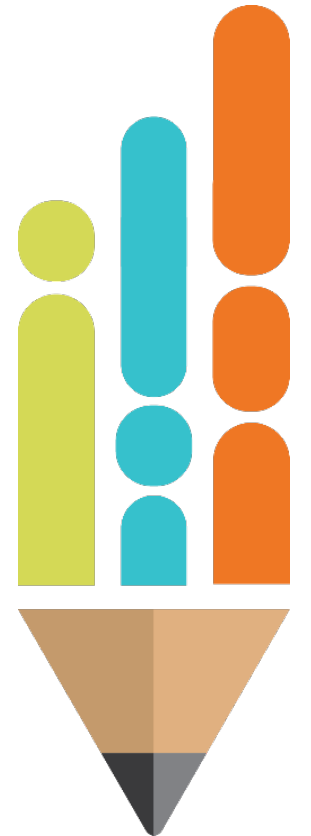


ESSER (1.0, 2.0, & 3.0) Use of Funds

The LEA did not provide evidence for contracts and bids using ESSER Funds.

The LEA did not provide evidence that compliance with the Davis-Bacon Act was met for construction projects.

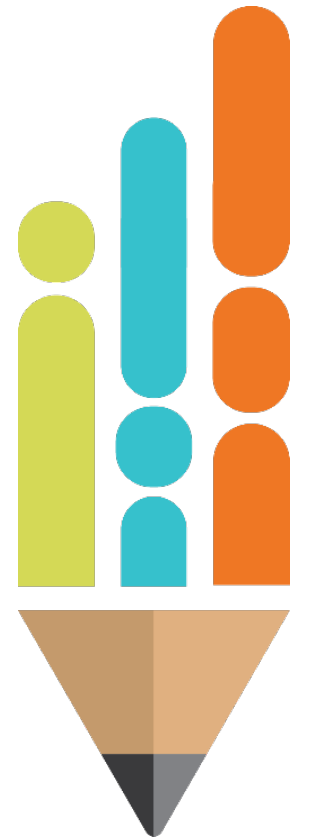
- According to 2 C.F.R. § 200.320, documentation must be provided to ensure federal procurement methods and other laws are followed.



Supplement Not Supplant Testing

LEAs could not demonstrate that state and local funds are distributed to schools equitably whether schools receive Title I, Part A funding (Supplement Not Supplant (SNS) [20 U.S.C. § 6314(a)(2)(B)]).

- LEAs must follow their written methodology.
- The purpose of SNS testing is to determine whether all schools equitably receive state and local funding regardless of whether schools receive Title I, Part A funding.





Summary of Fiscal Monitoring Components

- Sufficient and clearly stated policies and procedures must be present to guide the performance of duties.
 - Policies and procedures must be followed.
 - Update to align with current practices as appropriate.
 - Set time on your calendar to review at least annually.
- Proper approval by program/project director for expenditures
- Cash management policies
- Sufficient documentation for expenditures
- Equipment management



Resources and Summary





Resources

- Pull your LEA's most recent *Monitoring Results*.
 - *ePlan > Monitoring Instrument > FY23 > Sections Page > Monitoring Results – LEA Response*
- Review risk analysis data.
 - *ePlan > Data and Information > FY23 > Results-Based Monitoring Risk Analysis*
 - FY23 Risk Analysis Guide (***The FY24 version will be available by early August***)
- Review recorded webinars and other resources in ePlan.
 - *Required Uploads Lists* will be available in early August for FY24!

Compliance Contacts

- **Geneva Taylor** | Senior Director of Compliance
Geneva.Taylor@tn.gov
- **Teri Manning** | ESSA Compliance Manager
Teri.Manning@tn.gov
- **Laura Dunn** | IDEA Compliance Manager
Laura.Dunn@tn.gov
- **Michael Gateley** | Perkins Compliance Manager
Michael.Gateley@tn.gov



Finance Division Contacts

Chief Financial Officer

Maryanne.Durski@tn.gov

Director of Local Finance

Holly.Kellar@tn.gov

Fiscal Director/Director of Local Disbursements

Spencer.Yonce@tn.gov

LEA Data Support

Karen.Justice@tn.gov

Finance Data Analyst

Meribeth.B.Carpenter@tn.gov

Regional Finance Consultants

Robert.Mynhier@tn.gov (615) 238-1008

Jill.Lewis@tn.gov (629) 259-1645

Taffe.Bishop@tn.gov (423) 677-1405

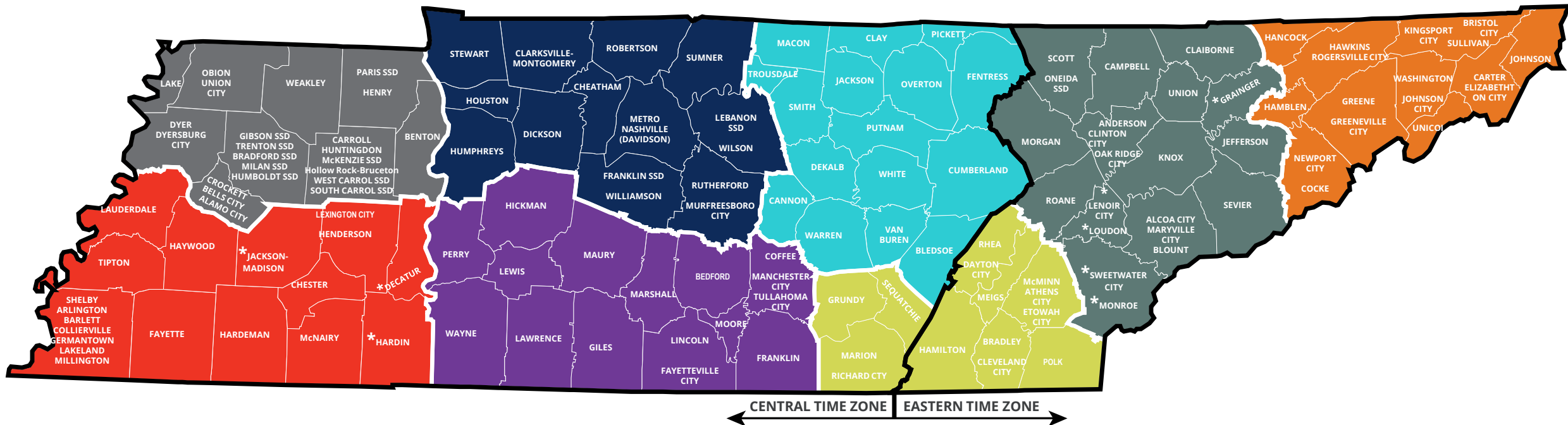
Holly.Kellar@tn.gov (731) 991-4234

Federal Reporting/Nutrition

Andrew.McCluskey@tn.gov

Regional Finance Consultant District Map

As of 5/1/2023



Northwest	Southwest	Mid Cumberland	Upper Cumberland	South Central	Southeast	East TN	First TN
Holly Kellar		Rob Mynhier		Taffe Bishop		Jill Lewis	
Holly.Kellar@tn.gov		Robert.Mynhier@tn.gov		Taffe.Bishop@tn.gov		Jill.Lewis@tn.gov	
*Districts that are assigned to a fiscal consultant in a different CORE region.							



Questions?



A Note on Upcoming Events

- Federal Programs Institute
 - Aug. 21-25
 - Must be registered to attend
- Tennessee Association of School Business Officials (TASBO)
 - Nov. 14-17
 - Must be registered to attend

Fraud, Waste or Abuse

Citizens and agencies are encouraged to report fraud, waste, or abuse in State and Local government.

NOTICE: This agency is a recipient of taxpayer funding. If you observe an agency director or employee engaging in any activity which you consider to be illegal, improper or wasteful, please call the state Comptroller's toll-free Hotline:

1-800-232-5454

Notifications can also be submitted electronically at:

<http://www.comptroller.tn.gov/hotline>