

Federal Grant Procedures For New Business Managers

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Grants Management – Setting



Goals

- Grant management basics
 - Grants overview
 - Organizational structure
 - Timeline of grant awards
- Business office role requirements
 - Accounting and reporting processes
 - Internal controls
 - Consideration of the requirements related to use of funds
 - Implications from Pandemic related funding
 - Documentation
 - Schedule of Expenditures of Federal Awards (SEFA)

Grant Management Basics

- Grant – “a sum of money given by a government or other organization for a particular purpose”
- Strings attached (Compliance requirements)
- Uniform Guidance
 - 2 CFR 200
 - Office of Management and Budget (OMB) – Federal
- MDE Guidance
 - MDE website
 - Audit guide



Grant Management Basics

- Sources of grants
 - Federal
 - State
 - Local
- Passthrough
 - State (MDE)
 - Intermediate School District (ISD)
 - Local
 - Other
- Key consideration! – Identify the source of the grant
 - Common mistake: Assuming the passthrough entity is the source of grant dollars

Grants Management Structure

- Understand organizational structure and your role
- “Who does what”
 - Programming planning
 - Budgeting
 - Applying
 - Implementation
 - Procurement
 - Reporting
 - Cash Management

Grant Management Timeline

- Budgeting/Applying
- Approval
- Award period
 - Incurring costs
 - Requesting funds
- Grant close – final reporting

Grant Management – Budgeting/Application Process

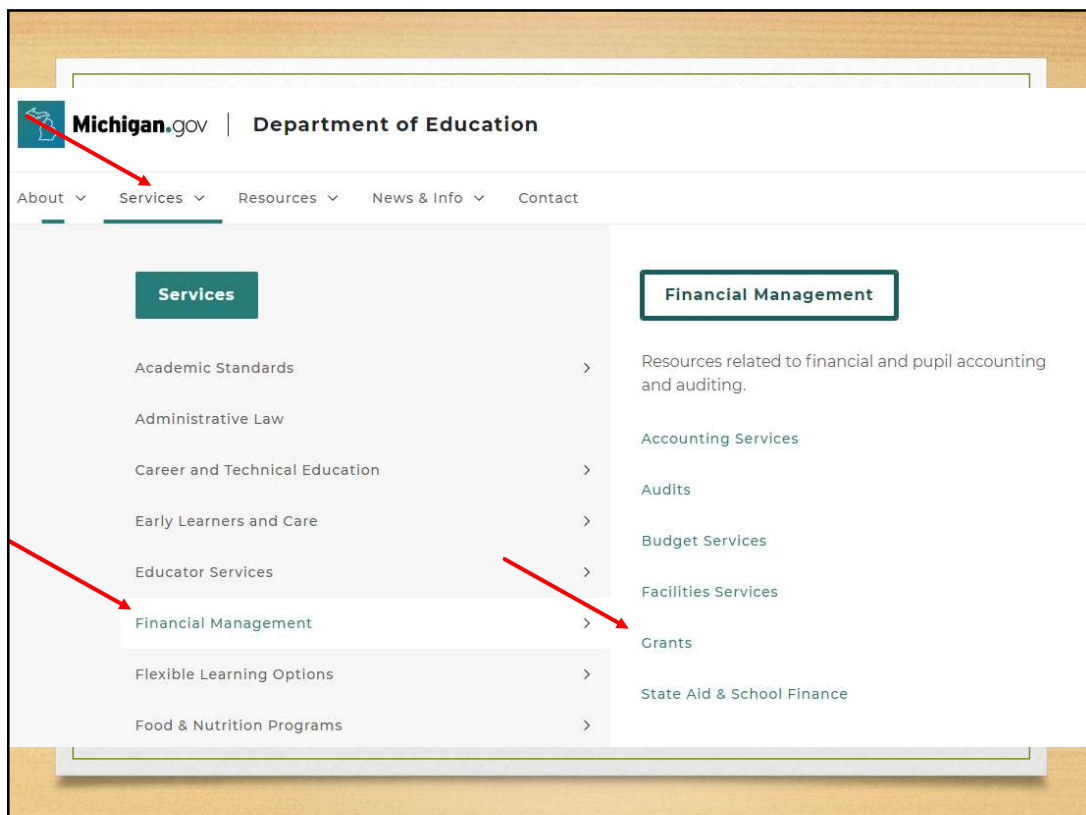
- Notification of grant availability
- Grant period generally starts July 1.
- Application for grants for the next school year generally is due “prior to beginning of the fiscal obligation period”.
 - Example: Consolidated application (Title I, II, III) for 2022/2023 fiscal year is due June 1, 2022
- Budget is an ongoing process
 - Amendments (from Michigan School Auditing Manual)

A budget amendment is required when:

1. The LEA is not currently approved for its full allocation and wishes to increase the approved amount (request final allocations and add carryover).
2. The LEA wishes to add or delete staff or increase/decrease staff FTEs in its approved budget.
3. The LEA wishes to add a new function to its approved budget or new capital outlay items.
4. The sum of the expenditures that are over the approved amount by line item will exceed 10% of the approved item.
5. De-obligating funds.

Grant Management – Budgeting/Application Process

- Applications for grants through the State
 - Former method and some legacy grants: Michigan Electronic Grants System (MEGS+) and MDE Cash Management System (CMS)
- NexSys - Next Generation Grant, Application and Cash Management
 - The Michigan Department of Education (MDE) replaced Michigan Electronic Grants System PLUS (MEGS+) grant management system and Cash Management System (CMS) payment system with NexSys. NexSys allows users to maintain grant applications and submit for award reimbursement in a single system.
 - Applications currently in MEGS+ will remain for the life of the application; they will not be converted to NexSys.
- Levels of authorization



MICHIGAN DEPARTMENT OF EDUCATION 608 W. Allegan PO Box 30008 LANSING, MICHIGAN 48909 GRANT AWARD NOTIFICATION												
1	Recipient Entity Name and Address: Clawson Public Schools 626 Phillips Ave Clawson, MI 48017-1589 District/Recipient Code: 63270	5	Recipient Business Contact: Name: Mrs. Amy Carpenter Position: Director of Grants Telephone: (248) 655-4441 Email: amy.carpenter@clawsonschools.org									
2	Award Information Grant Title: ESSER Formula Funds Fiscal Year: 2020 Funding Source: Federal Subaward Type: Formula Grant Number - Project Number: 203710 - 1920 Grant Code: 796	6	Authorized Funds: <table border="1"> <thead> <tr> <th></th> <th>Date:</th> <th>Amount:</th> </tr> </thead> <tbody> <tr> <td>Original Approval Amount:</td> <td>09/29/2020</td> <td>\$57,539.00</td> </tr> <tr> <td>Amendments:</td> <td>12/13/2021</td> <td>\$57,539.00</td> </tr> </tbody> </table> Current Authorized Amount: \$57,539.00		Date:	Amount:	Original Approval Amount:	09/29/2020	\$57,539.00	Amendments:	12/13/2021	\$57,539.00
	Date:	Amount:										
Original Approval Amount:	09/29/2020	\$57,539.00										
Amendments:	12/13/2021	\$57,539.00										
3	Report Due Dates: Final Expenditure Report: 08/29/2022 Final Performance Report:	7	Expenditure Period: Beginning date: 03/13/2020 Ending date: 06/30/2022									
4	MDE Program Staff Contact: Name: MDE Office: Office of Financial Management Telephone: (517) 335-0543 Email: MDE-CARES@Michigan.gov	8	Method of Obtaining Payment: Request online at: https://mdoe.state.mi.us/cms Payment Contact: CMS Help 517-335-0534									

11	RECIPIENT INFORMATION: DUNS Number: 021097878 DUNS Name: Indirect Cost Rate: 3.25%
12	FEDERAL AWARD INFORMATION Federal Awarding Agency: U.S. Department of Education Pass-through entity: Michigan Department of Education (MDE) Identification Number (FAIN): S425D200010 Total Amount of Federal Award to MDE: \$389,796,984.00 Federal Award Signature Date: 04/29/2020 Description: Elementary and Secondary School Emergency Relief Fund is to provide Local Education Agencies with emergency relief to address the impact COVID-19 has had, and continues to have, on elementary and secondary schools. This includes both continuing to pr
13	CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) CFDA Number: 84.425D CFDA Title: Elementary and Secondary School Emergency Relief Fund CFDA Website: Go to www.cfda.gov , enter the above number in "Keyword or Program Number" and press "Search." Open the file with the correct CFDA number.
14	ADDITIONAL REGULATIONS PERTAINING TO AWARD: EDGAR 76.125-76.137, AND AS APPLICABLE 2CFR AS APPLICABLE https://oese.ed.gov/offices/office-of-formula-grants/rural-insular-native-achievement-programs/consolidated-grants-to-the-insular-areas/legislation-regulations-guidance/
15	ADDITIONAL REQUIREMENTS: A fiscal agency that expands \$750,000 or more of federal funds during its fiscal year is required to have a Single Audit performed for that year [2 CFR 200.501]. The single audit will be submitted by November 1 of the following fiscal year per MCL 388.1618(4)(e)). The grant recipient must permit MDE and auditors to have access to its records and financial statements as necessary to meet audit requirements. SPECIFIC AWARD CONDITIONS: CLOSEOUT TERMS AND CONDITIONS:

Business Office Role Requirements

- Grant awarded – so now what?
- Internal Controls
 - Compliance – “Strings attached”
 - Cost monitoring/cash management
 - Reporting
 - Audits

Compliance requirements

Requirement	A	B	C	E	F	G	H	I	J	L	M	N
Program Number	Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment Real Property Management	Matching, Level of Effort, Earmarking	Period of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions

2 CFR PART 200, APPENDIX XI

COMPLIANCE SUPPLEMENT

Business Office Role Requirements: Compliance requirements

- Two questions to consider:

- Did we follow the process?
- Did we follow the rules?



Business Office Role Requirements: Compliance requirements

- **Title I, Part A – Improving Basic Programs**
- Objective – “To help local educational agencies (LEAs) improve teaching and learning in high-poverty schools in particular for children failing, or most at-risk of failing, to meet challenging State academic standards.”

Business Office Role Requirements: Compliance requirements

- **Key compliance categories**
 - Eligibility – Are the right students targeted and provided service?
 - Allowable costs:
 - Supplement, not supplant - Grant costs should be used to supplement a District's normal costs. (Example: An existing teacher normally funded cannot have their salary replaced by Title I dollars.)
 - Timekeeping – Time and effort documentation is accurately captured and approved for reporting
 - Cash management – Is the recording of grant costs accurate and reported correctly for reimbursement?
 - Matching, Level-of-Effort, Earmarking – Parental involvement: Districts with over \$500,000 in Title I awards much set aside 1% for parental involvement activities
 - Carryover – No more than 15% of the prior year award can be carry forward into the subsequent period, unless a waiver is obtained
 - Procurement – Must follow UG guidance (guidance recently updated)
 - Special tests – Participation of Private School Children
 - Allocations for providing services to private schools are required. Funds cannot be directly passed through to the private school.

Business Office Role Requirements: Compliance requirements

- **Child Nutrition Cluster**
- Objective – “To assist States, through cash grants and food donations, in providing a nutritious nonprofit lunch service for school children and to encourage the domestic consumption of nutritious agricultural commodities.”

Business Office Role Requirements: Compliance requirements

- **Key compliance categories**
 - Eligibility – Are the right students targeted and provided service?
 - Cash management – Is the recording of free and reduced meals accurate and reported correctly for reimbursement?
 - Procurement – Must follow UG guidance
 - Other special considerations if a Food Service Management Company is used
 - Special tests:
 - Verification of free and reduced meal applications, including income verification
 - Food service fund balance – Must be less than 3 months average operating expenditures (Common issue! – Requires a spend down plan to be submitted to the state)
 - Paid lunch equity (PLE) – Required if Food Service Fund has a negative fund balance

Pandemic funding significantly changed rules guiding how Child Nutrition Cluster was run, moving forward returning to traditional requirements.

Business Office Role Requirements: Compliance requirements

- **Special Education Cluster**
- Objective – “To provide grants to States to assist them in providing special education and related services to all children with disabilities.”

Business Office Role Requirements: Compliance requirements

- Key compliance categories
 - Allowable costs – An LEA may use federal funds under IDEA, Part B for the excess costs of providing special education and related services to children with disabilities
 - Timekeeping – Time and effort documentation is accurately captured and approved for reporting
 - Cash management – Is the recording of grant costs accurate and reported correctly for reimbursement?
 - Procurement – Must follow UG guidance
 - Equipment - Must follow UG guidance
 - Must be properly tagged and tracked, preapproval requirements
 - MOE – Tested at ISD level, however data is provided by the District for reporting this requirement. Should also consider self-tracking in event ISD fails test.

Business Office Role Requirements: Internal Controls

- Program costs
 - Payroll
 - Non-payroll
- Cash management and Reporting
 - Reimbursement requests
 - Period of performance
 - Final expenditure reports
- Other
 - Monitoring
 - Special Tests

Business Office Role Requirements: Internal Controls – Program Costs

- Payroll – Costs of personnel reflect accurate time and effort reporting
- Are right individuals are charged to the grant?
- Is the time spent on grant activities accurately accounted?
 - Timesheets, semi-annual certifications, other record keeping
- Is the time allocated correctly in the general ledger?
- Non-payroll – What types of non-payroll items costs of are allowable?
- Approval process – Who signs off?
- General ledger posting – How are costs recorded in the GL?
- Procurement – Were purchases properly procured?
- Indirect costs – Are indirect costs allowable? What type of Rate (Restricted - typical, Unrestricted – used for CNC, 10% De Minimis – rare for K12)

Business Office Role Requirements: Program costs– Indirect Costs

- Evaluating Indirect Cost Options
 - Most grants allow application of restricted rate, typically around 5% of modified direct costs
 - A few grants allow for use of unrestricted rate, typically around 15% of modified direct costs. Food Service Fund uses unrestricted rate
 - Modified direct costs typically excludes capital outlay, procurement contract costs in excess of \$25,000
 - Note – Food Service Management Companies operate under procurement contracts and can significantly reduce the cost base to apply the rate
 - Benefit – offsets portion of costs to manage grant
 - “Cost” – not all grant funds directly providing program services
- Calculation
 - Restricted/Unrestricted - Done by MDE using FID. District uses calculated rate.
 - 10% De Minimis – If District does not have negotiated rate, then can use De Minimis. Since restricted/unrestricted are available typically not an option.

Business Office Role Requirements: Processes and Internal Controls – Procurement

- Rules established by Uniform Guidance (2 CFR 200.320)
- Procurement policy must be “blended” with Federal requirements, School Code, and District procurement requirements. Basic rule of application – use the lower allowable threshold (District policy, state law, or federal regulation) when applying it to item purchased
- Require the District to use its own documented procurement processes reflecting state/local laws and regulations, and conforming to applicable federal laws and standards.
- In general: Determine which purchase method will be used, execute based on that choice, document steps taken and conclusion/selection
- Must have
 - written procurement procedures
 - conflict of interest policy,
 - written procedure for conducting technical evaluations of proposals and selecting participants.

Five Methods of Procurement

1. Micro-Purchases

- **When should this method be used?**
 - Purchases less than micro purchase threshold of \$10,000, indexed annually (CFR 200.67)
 - District policy can use lower threshold, not higher for federal purchases
- **How are purchases solicited/awarded?**
 - Purchases are awarded based on District’s discretion
 - No quotes or bids needed if price deemed reasonable
 - Attempt to rotate purchases between vendors, if practical

Five Methods of Procurement

2. Small Purchases

- **When should this method be used?**
 - **Purchases that do not exceed**
 - **Goods** – The State of Michigan Bid Threshold (MCL 380.1274), indexed annually (\$26,046 for fiscal year 21-22)
 - **Services** – The Federal Simplified Acquisition Threshold, currently \$250,000 (2 CFR 200.88)
 - **School Policy** – If the District has lower bidding thresholds, these apply instead. The District CANNOT increase the mandated thresholds
- **How are purchases solicited/awarded?**
 - Price or rate quotations are obtained
 - No cost or price analysis required
 - Decision is documented

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Five Methods of Procurement

3. Sealed Bids

- **When should this method be used?**
 - Purchases that exceed
 - **Goods** – The State of Michigan Bid Threshold (MCL 380.1274), indexed annually
 - **Services** – The Federal Simplified Acquisition Threshold, currently \$250,000 (2 CFR 200.88)
 - **School Policy** – If lower than the mandated thresholds
 - Fixed-price contract (lump sum or unit price)
- **How are purchases solicited/awarded?**
 - Sealed bids solicited via formal advertising
 - Awarded to lowest responsive and responsible bidder (meeting all material terms and conditions of invitation for bids)
 - Any or all bids may be rejected with sound documented reason

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Five Methods of Procurement

4. Competitive Proposals

➤ When should this method be used?

- Purchases that exceed
 - **Goods** – The State of Michigan Bid Threshold (MCL 380.1274), indexed annually
 - **Services** – The Federal Simplified Acquisition Threshold, currently \$250,000 (2 CFR 200.88)
 - **School Policy** – If lower than the mandated thresholds
- Fixed-price or cost-reimbursement based contracts
- Conditions not appropriate for use of sealed bids

➤ How are purchases solicited/awarded?

- Bids will be solicited
- Must have written method for conducting technical evaluations of proposals received
- Awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered

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Five Methods of Procurement

5. Non-Competitive Proposals (Sole Source)

➤ When should this method be used?

- Only when one or more of the following circumstances apply:
 - Available only from a single source
 - Public emergency will not allow a delay
 - Authorized (in writing) by the awarding agency or pass through entity
 - No (or inadequate) competition (after soliciting sources)

➤ How are purchases solicited/awarded?

- Awarded to sole source if one or more of the above conditions exist
- Occasionally used early in the pandemic, less applicable now
- Documentation is KEY!

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Procurement Written Policies and Procedures

Policy versus Procedure

- Policy: Should address why you administer things a certain way and contain a goal or objective
 - Procedure: Should detail how you perform the functions necessary to conform to the policy
 - Controls: While not specifically discussed, controls must exist to ensure procedures are completed correctly
- Procurement policy required to reflect UG
 - Application of policy for UG can be reflected in the policy itself, OR in the procurement procedures

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Procurement Written Policies and Procedures

Conflict of Interest Policy (§200.318)

- Written standards of conduct covering conflict of interest
 - Employee conflict of interest (did not change)
 - Organizational conflict of interest (new!)
- Key Items to Include
 - Define conflict of interest
 - Soliciting or accepting gifts
 - Disciplinary actions applied to violations
 - Identify organizational conflicts
 - Process to resolve the conflict
 - Disclosure
 - Exclude organization
 - Abstain
 - Resignation
 - Nepotism

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Procurement Written Policies and Procedures

Written Procurement Procedures (§200.319)

Written Procedure for Conducting Technical Evaluations of Proposals and Selecting Participants (§200.320)

- Written procedures for procurement transactions
 - Identify the five allowable methods
 - All procurement transactions must be conducted in a manner providing full and open competition
 - Must maintain oversight to ensure that contractors perform in accordance with terms, conditions, and specifications of contract or PO
- Key Items to Include
 - Rationale for method of procurement
 - Selection of the contract type
 - Contractor selection or rejection
 - Basis for the contract price
 - Appendix II provides multiple provisions that must be included in contracts

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Procurement Written Policies and Procedures

Suggestions

- Compliant policies and procedures should already be in place
- Consider MDE guidance/expectations (*see next slide*)
- Have policies and procedures been updated for UG changes, including changes in micro-purchases and small purchases?
- When updating tie in state law and local (district) policies with federal requirements
 - If District policy is more restrictive, reference federal requirements but note are above District thresholds
- Does policy reference CFR/MCL sections instead of dollar values (for indexed thresholds)

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Business Office Role Requirements: Processes and Internal Controls – Suspension and Debarment

- Essentially cannot use federal funds to purchase from vendor who has been suspended or debarred by the US government
 - Part of the “purchasing process”
 - Also includes sub recipients
 - Presumes not contracting with organizations who have been suspended or debarred from doing business with the federal government
 - Must have procedures to verify. Options:
 - Verify contracted entity is not listed in the suspended/debarred list on SAM. Verification may be accomplished thru System for Award Management. Exclusions maintained by GSA, <https://www.beta.sam.gov/> (click on Search Record, then click on Advanced Search-Exclusions)
 - State in solicitation that only entities not suspended/debarred are allowed to submit a contract
 - Including in contract wording that entity represents they are not on suspended/debarred list
- Practical question – should all contractors be vetted on the suspended and debarred list?

Business Office Role Requirements: Internal Controls – Cash Management and Reporting

- Requesting grant funds
- CMS/NexSys
- G5 system
- Others
- Control objective – Grant funding requests reflect costs paid and allowable and in the correct period
- Grants are funded on reimbursement basis. Therefore, costs must be paid prior to request
- Period of performance – Costs and services are obtained or completed within the grant window
 - Availability start period – date of GAN
 - Availability end period – stated on the GAN
 - 60 day window for “available revenue”
- Reimbursement must be received by August 30
- Financial statement consideration

Business Office Role Requirements: Internal Controls – Cash Management and Reporting

- Reporting – Final summary of costs
- Control objective – Total program activity reflects all costs and revenues of the grant program during the grant period
 - Final Expenditure Report / Other standard form
 - Reconciliation of GL data to report
 - Submission date (review grant agreement!)
 - Generally, November 29th
- Key consideration! – Manual journal entries, deferred revenue and unavailable revenue

Business Office Role Requirements: Internal Controls - Other

- Monitoring
 - Pass-through entities (e.g. Entities disbursing funds to other entities - ISD to local District, for example) are responsible for the subrecipients compliance with program requirements
- Special Tests
 - Grant specific requirements
 - School audit manual goes over key special tests

Business Office Role Requirements: Internal Controls - Oversight

- Managing grants management
 - Oversight is a key control
 - Key success factors in oversight
 - Understand and track grant life cycle for each grant under management
 - Understand key objectives/requirements so can evaluate activity
 - Segregate roles between business office and grant program office
 - Identify “simple strategies” to stay informed
 - School Audit Manual - brief summary of MDE pass through grants, including key requirements
 - Audit Alert issued Office of Audits
 - Grantor approved budget for each grant
 - Reimbursement requests, review process including tracking of drawdown progress
 - MDE website hot links for quick access to guidance
 - Michigan School Accounting Manual – guidance for recording, recognizing and reporting grants

Business Office Role Requirements: Single Audit

- What is a single audit?
 - An audit of federal grants and awards
- Do all District's have a single audit?
 - No – There is a threshold of total federal grant expenditures of \$750,000 for the fiscal year
 - For 2021 and 2022...and 23, it is likely District's that did not have a single audit in the past will have one
- What do I need to know?
 - Good question!

Business Office Role Requirements: Single Audit – What to know

- What is done during a single audit?
 - Review and analysis of internal controls
 - Testing of compliance requirements
 - Financial and non-financial factors
 - Provide opinion on compliance and presentation of federal grant financial data and report any identified deficiencies for both the “basic” (the financial statement audit) and federal program compliance
 - Documentation of findings
 - Controls were not operating as described
 - Didn’t follow the rules

Business Office Role Requirements: Single Audit

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2021

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	CFDA Number	Award Amount	(Mem: Only) Prior Year Expenditures	Accrued Revenue at July 1, 2020	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2021	Current Year Cash Transferred to Subrecipients
Other federal awards:										
U.S. Department of Education - Passed through the Michigan Department of Education:										
Title I, Part A:										
Part A 19.20	201530	84.010	\$ 693,348	\$ 607,493	\$ 134,927	\$ 73,951	\$ 216,801	\$ 6,923	\$ -	-
Part A 20.21	211530	84.010	658,670	-	-	-	564,423	625,511	61,089	-
Total Title I, Part A			1,352,018	607,493	134,927	73,951	780,223	632,434	61,089	-
Title II Part A - Improving Teacher Quality:										
Part A 19.20	200520	84.367	197,278	43,522	18,875	9,705	35,426	6,846	-	-
Part A 20.21	210520	84.367	370,721	-	-	-	208,340	263,010	54,670	-
Total Title II, Part A			567,999	43,522	18,875	9,705	243,766	269,856	54,670	-
Title III - English Language Acquisition Grant:										
Title III 19.20	200580	84.365	35,896	14,153	1,587	(272)	1,315	-	-	-
Title III 20.21	210580	84.365	48,740	-	-	-	19,604	20,397	793	-
Total Title III - English Language Acquisition Grant			84,636	14,153	1,587	(272)	20,919	20,397	793	-
Title III - Immigrant Students -										
Title III 20.21	210570	84.365	2,271	-	-	-	574	952	378	-
Total Title III			86,897	14,153	1,587	(272)	21,493	21,349	1,171	-
Title IV - Student Support and Academic Enrichment Program:										
Title IV 19.20	200750	84.434	51,231	21,231	6,325	-	6,325	-	-	-
Title IV 20.21	210750	84.434	90,389	-	-	-	31,238	31,477	239	-
Total Title IV			141,620	21,231	6,325	-	37,563	31,477	239	-
Education Stabilization Fund:										
COVID-19 ESSER Formula Fund I	203710	84.4250	498,209	-	-	-	498,209	498,209	-	-
COVID-19 ESSER Formula Fund II	213712	84.4250	965,993	-	-	-	965,993	965,993	-	-
Total ESSER			1,464,202	-	-	-	1,464,202	1,464,202	-	-

Business Office Role Requirements: Single Audit - SEFA

- Best practices
 - Start with the prior year if available (ask auditor for excel version)
 - Used to input: Prior year expenditures (Sum of all prior years if grant spans multiple periods), and accrued revenue
 - Use grant award letter to identify:
 - Cluster, CFDA Number, Pass-through Entity Identifying Number (grant award, project number), Award Amount
 - Match to data in NexSys
 - Complete SEFA focusing on award receipts and expenditures recorded
 - Does beginning and ending receivable match general ledger/financial statements?

Business Office Role Requirements: Single Audit - SEFA

- Best practices (continued)
 - Complete data for each grant and project number
 - Adjustments/Transfers - generally used if grant funds shifted between programs or if adjustments made to beginning of year receivable/deferred revenue
 - Subrecipient payments are cash basis payments sub recipients (vs contractors)
 - Do not need to include grants if payments received and expenditures recorded during the District's fiscal year
 - Capture ALL pandemic related funding (not all comes from MDE)
 - Remember – cannot recognize grant expenditure activity until the GAN is received (very important for pandemic related funding)
 - Inquire if there are any other federal grants not included in the report – This may be tricky!

Business Office Role Requirements: Considerations

- Areas for District's to focus on
- Summary of individual grant requirements. Highlights what District is responsible for and what auditors might test
- How to approach indirect costs
- SEFA content requirements
- Passthrough payments schedule
- Guidance on Corrective Action Plan – what is needed if there is an audit finding
- Contacts listed by grant when you have a question

Business Office Role Requirements: Resources

- Annual Audit Alert
- Areas for District's to focus on
- What is a “hot” issue this year?
- Specific filing requirement and changes for the current year
- COVID 19 updates
- Implications of Government Auditing Standards (Yellow Book) on the audit
- Reporting requirements when a single audit is not required
- Uniform Budgeting and Accounting Act issues
- Fraud alerts
- Grants management updates

Business Office Role Requirements: Considerations for 2022

- Pandemic related grants
- Multiple grants in play and more are added
- “Common” grants
- ESSER I, II, III (formula and 11t)
- GEER
- FEMA
- Emergency Connectivity Fund (ECF)

Listing of MDE managed pandemic related grants attached

COVID-19 Appropriation Status Report

as of March 15 2022

Federal Legislation	Description of Federal Program	Federal Appropriation Amount	SOM Public Act (PA)	Amount Appropriated by SOM	Expended To Date	Unspent SOM Appropriation Amount
Families First Coronavirus Response Act (FFCRRS)	Emergency Food Assistance Program-USDA Commodities	1,244,100	PA 67 of 2020	1,244,100	1,244,095	5
Families First Coronavirus Response Act Admin (FFCRRS)	Emergency Food Assistance Program-USDA Commodities Admin	20,000	PA 67 of 2020	20,000	20,000	0
Coronavirus Aid, Relief and Economic Security Act (CARES)	CARES Child Care and Development Block Grant	100,898,900	PA 67 of 2020	100,898,900	\$96,764,016	4,134,884
Coronavirus Aid, Relief and Economic Security Act (CARES)- National School Lunch Program	Child Nutrition Program Meal Reimbursements	214,022,600	PA 67 of 2020	214,022,600	214,022,575	25
Coronavirus Aid, Relief, and Economic Security Act (CARES)	Coronavirus Relief Fund-Food Bank Council of Michigan	2,250,000	PA 67 of 2020	2,250,000	2,250,000	0
Coronavirus Aid, Relief, and Economic Security Act (CARES)	Museum and Library Services Grant (LSTA CARES)	902,400	PA 67 of 2020	902,400	895,636	6,764
Emergency Food Assistance Program to Administer USDA Commodities (CARES)	Emergency Food Assistance Program	4,777,200	PA 67 of 2020	4,777,200	4,776,970	230
Coronavirus Aid, Relief, and Economic Security Act (CARES)	District COVID 19 Fund	18,000,000	PA 123 of 2020	18,000,000	17,999,956	44
Coronavirus Aid, Relief, and Economic Security Act (CARES)	Child Care Rate Reduction Stipend	115,000,000	PA 166 of 2020	115,000,000	114,903,392	96,608
Elementary and Secondary School Education Relief Fund I (ESSER I)	ESSER I-LEA 90%	387,848,000	PA 67 of 2020	387,848,000	\$354,311,974	33,536,026
Elementary and Secondary School Education Relief Fund I Admin (ESSER I) Admin	ESSER I Admin-SEA 10%	1,948,985	PA 67 of 2020	1,949,000	\$407,880	1,541,120
Elementary and Secondary School Education Relief Fund II- Coronavirus Response and Relief Supplemental Act- (ESSER II-CRRSA)	ESSER II-CRRSA-Title I Formula-LEA 90%	1,490,677,486	PA 3 of 2021 PA 47 of 2021	1,490,677,500	402,045,247	1,088,632,253
Elementary and Secondary School Education Relief Fund II- Coronavirus Response and Relief Supplemental Act- (ESSER II-CRRSA)	ESSER II-CRRSA Admin-SEA 10%	8,281,500	PA 3 of 2021 PA 47 of 2021	8,281,500	11,463	8,270,037

Elementary and Secondary School Education Relief Fund II-Coronavirus Response and Relief Supplemental Act- (ESSER II-CRRSA)	ESSER II-Summer Programs-SEA 10%	90,000,000	PA 3 of 2021	90,000,000	42,315,706	47,684,294
Elementary and Secondary School Education Relief Fund II-Coronavirus Response and Relief Supplemental Act- (ESSER II-CRRSA)	ESSER II-Credit Recovery-SEA 10%	45,000,000	PA 3 of 2021	45,000,000	7,712,989	37,287,011
Elementary and Secondary School Education Relief Fund II-Coronavirus Response and Relief Supplemental Act- (ESSER II-CRRSA)	ESSER II-Before & After Schools-SEA 10%	17,400,000	PA 3 of 2021	17,400,000	608,286	16,791,714
Elementary and Secondary School Education Relief Fund II-Coronavirus Response and Relief Supplemental Act- (ESSER II-CRRSA)	ESSER II Benchmark Assessments-Federal Funds-SEA 10%	4,949,300	PA 3 of 2021	4,949,300	290,072	4,659,228
NA-State Aid Funds Appropriated	Per-Pupil Equalization Payments-State Funds	NA-State Aid Funds Appropriated	PA 3 of 2021	136,000,000	135,723,247	276,753
NA-State Aid Funds Appropriated	Innovative Programs-State Funds	NA-State Aid Funds Appropriated	PA 47 of 2021	10,000,000	10,000,000	0
NA-State Aid Funds Appropriated	Benchmark Assessments-State Funds	NA-State Aid Funds Appropriated	PA 3 of 2021	4,197,900	0	4,197,900
Elementary and Secondary School Education Relief Fund III(American Rescue Plan (ARP)) (ESSER III)	ESSER III-ARP	3,350,230,500	PA 47 of 2021	3,350,230,500	35,196,458	3,315,034,042
American Rescue Plan (ARP)	Homeless Children and Youth	24,379,000	PA 48 of 2021	24,379,000	0	24,379,000
Governor's Emergency Education Relief Fund- (GEER)	GEER	89,432,600	PA 3 of 2021	89,432,600	\$75,939,808	13,492,792
Governor's Emergency Education Relief Fund II-Coronavirus Response and Relief Supplemental Act- (GEER II-CRRSA)	GEER II - EANS I	86,776,972	PA 47 of 2021	86,776,972	28,276,805	58,500,167
Governor's Emergency Education Relief Fund II-Coronavirus Response and Relief Supplemental Act- (GEER II-CRRSA)	GEER II- Teacher and Support Staff	21,309,900	PA 3 of 2021	21,309,900	6,838,167	14,471,713
Governor's Emergency Education Relief Fund II-Coronavirus Response and Relief Supplemental Act- (GEER II-CRRSA)	GEER II- Before & After School-competitive only for Community Based Organizations	5,000,000	PA 3 of 2021	5,000,000	4,788,084	211,916
Governor's Emergency Education Relief Fund II-Coronavirus Response and Relief Supplemental Act- (GEER II-CRRSA)	GEER II-Assessments	2,572,000	PA 3 of 2021	2,572,000	80,148	2,491,853
Governor's Emergency Education Relief Fund -American Rescue Plan-Non Public Schools- (GEER III -ARP-EANS)	GEER III-EANS II	86,894,397	PA 47 of 2021	93,023,000	0	93,023,000
Elementary and Secondary School Education Relief Fund II-Coronavirus Response and Relief Supplemental Act- (ESSER II-CRRSA)	ESSER II-CRRSA-Child Care	292,114,988	PA 48 of 2021	292,115,000	40,131,366	251,983,634
American Rescue Plan-Institute of Museum and Library Services (ARP)- (LSTA)	ARP-LSTA	4,171,573	PA 133 of 2021	4,171,600	530,480	3,641,120

Elementary and Secondary School Education Relief Fund III(American Rescue Plan (ARP)) (ESSER III)	National School Lunch	100,259,600	PA 48 of 2021	100,259,600	28,963,188	71,296,412
Elementary and Secondary School Education Relief Fund III(American Rescue Plan (ARP)) (ESSER III)	Federal Emergency Food Assistance Program	2,867,500	PA 48 of 2021	2,867,500	2,866,841	659
American Rescue Plan (ARP)	ARP-Child Care Entitlement (one time)	30,000,000	PA 48 of 2021	30,000,000	0	30,000,000
American Rescue Plan (ARP)	ARP-Child Care Stabilization (one time)	700,708,000	PA 48 of 2021	700,708,800	363,638,951	337,069,849
American Rescue Plan (ARP)	ARP-Child Care Stimulus (one time)	438,107,400	PA 48 of 2021	438,107,400	2,179,515	435,927,885
IDEA/ARP of 2021	Special Education IDEA- ARP	81,752,000	PA 48 of 2021	81,752,000	0	81,752,000
IDEA/ARP of 2021	ARP Funds for IDEA Infants, Toddlers and Families - Early On	5,822,000	PA 48 of 2021	5,822,000	0	5,822,000
IDEA/ARP of 2021	ARP Funds for IDEA Preschool	6,373,000	PA 48 of 2021	6,373,000	0	6,373,000
ARP/SLFRF	State and Local Fiscal Recovery Funds/GSRP	121,000,000	PA 48 of 2021	121,000,000	0	
ARP/SLFRF	State and Local Fiscal Recovery Funds/Infrastr	75,000,000	PA 48 of 2021	75,000,000	0	
ARP/SLFRF	State and Local Fiscal Recovery Funds	250,000	PA 9 of 2022	250,000	0	
	Totals	7,918,768,901		8,075,096,272	1,557,422,994	4,762,473,378

Business Office Role Requirements: Considerations for 2022 – COVID Grants – Infographic

FUNDING CATEGORIES

1. Any activity authorized by the ESEA of 1965..... **ESSER-F**
2. Coordination of preparedness and response efforts of local educational agencies with state, local, tribal, and territorial public health departments, and other relevant agencies, to improve coordinated responses among such entities to prevent, prepare for, and respond to coronavirus. **ESSER-F, CRF (SEC. 103(2), 602, AND 11P)**
3. Providing principals and other school leaders with the resources necessary to address the needs of their individual schools..... **ESSER-F**
4. Activities to address the unique needs of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth, including how outreach and service delivery will meet the needs of each population. **ESSER-F, GEER**
5. Developing and implementing procedures and systems to improve the preparedness and response efforts of local educational agencies. **ESSER-F**
6. Training and professional development for staff of the local educational agency on sanitation and minimizing the spread of infectious diseases. **ESSER-F, CRF (SEC. 103(2) AND SEC. 11P)**
7. Purchasing supplies to sanitize and clean the facilities of a local educational agency, including buildings operated by such agency. **ESSER-F, CRF (SEC. 103(2) AND SEC. 11P)**
8. Planning for and coordinating during long-term closures, including for how to provide meals to eligible students, how to provide technology for online learning to all students, how to provide guidance for carrying out requirements under the Individuals with Disabilities Education Act (20 U.S.C. 1401 et seq.) and how to ensure other educational services can continue to be provided consistent with all federal, state, and local requirements. **ESSER-F, GEER, CRF (SEC. 103(2), 602, AND 11P)**
9. Purchasing educational technology (including hardware, software, and connectivity) for students who are served by the local educational agency that aids in regular and substantive educational interaction between students and their classroom instructors, including low-income students and students with disabilities, which may include assistive technology or adaptive equipment. **ESSER-F, ESSER-EE, GEER, CRF (SEC. 103(2), 602, AND 11P)**
10. Providing mental health services and supports. **ESSER-F, ESSER-EE, GEER**
11. Planning and implementing activities related to summer learning and supplemental afterschool programs, including providing classroom instruction or online learning during the summer months and addressing the needs of low-income students, students with disabilities, English learners, migrant students, students experiencing homelessness, and children in foster care. **ESSER-F, GEER**
12. Other activities that are necessary to maintain the operation of and continuity of services in local educational agencies and continuing to employ existing staff of the local educational agency. **ESSER-F**

Business Office Role Requirements: Considerations for 2022

- COVID grants
 - Note APR grants have more hurdles in order to use funds
- Tracking grant activity is critical
- School accounting manual guidance regularly updated (https://www.michigan.gov/documents/mde/COVID-19_Accounting_Guidance_691616_7.pdf)
- Key challenges
- Crafting a budget/plan
- Identification of costs related to program activity
- Understanding some costs incurred may be from the previous year
- Recording activity in correct accounts
- Retaining support for costs incurred and related allowability

Business Office Role Requirements: Resources

- [Michigan School Auditing Manual](#)
- Key Content Elements
- District reporting requirements
- Focus on key subjects, such as compensation and procurement
- Focus on grants passed through the MDE, for District and Auditor
- Highlights of grants management system
- Discussion of ORS
- Key MDE funds management issues
- Pupil membership guidance

Business Office Role Requirements: Key Takeaways

- Grant timeline
- Did we follow the rules?
- Ask – what is unique about this grant?
 - Example – “Is an equipment purchase allowable under this grant?”
- Did we follow the process?
- Are costs in the right spot?
- Documenting
 - Processes in place from application, execution to reporting
 - Internal control process – did we do it right?
 - Approvals/oversight
 - Manual journal entries – adjustments, huge issue with COVID funding!

What I wish I knew...

- Admins/Directors know more than you think they do, meet regularly
- Trust, but verify
- Plan well in advance
- Document, document, document

Quick Access to UG Guidance

US ED Guidance

<https://www2.ed.gov/policy/fund/guid/uniform-guidance/index.html>

MDE/Grants/Uniform Guidance

<https://www.michigan.gov/mde/services/financial-management/grants>

MDE Guidance

[Compensation-Personal Service Memo – February 2, 2017](#)

[Tangible Personal Property Memo – February 2, 2017](#)

[MDE Uniform Guidance \(UG\) memo – May 26, 2016](#)

[MDE User Guide to Local Users – May 26, 2016](#)

(Pages 7-10 focus on Procurement)

Federal Grant Requirements – 2 CFR 200

[Code of Federal Regulations – Part 200](#)

