



ESSER Auditing Update

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ESSER FUNDING FOR FISCAL YEAR 2022

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ESSER Related Grants (most common):

- 84.425C – Governor’s Emergency Relief Fund (GEER I & II)
- 84.425D – Elementary & Secondary School Relief Fund (ESSER I & II)
- 84.425U – American Rescue Plan – Elementary & Secondary School Relief Fund (ARP-ESSER aka ESSER III)
- Major Program Determination = 1 Program
- These are included in the April 2022 Compliance Supplement

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- Magnitude
- 3-27-20 First round of funding - \$30.75 billion nationwide
- 12-27-20 Second round of funding - \$81.88 billion nationwide
- 3-11-21 Third round of funding - \$165 billion nationwide
- Important notes – deemed higher risk programs, magnitude means you will likely likely auditing it

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Expenditure and Performance Periods –

Expenditure Periods Start – March 13, 2020

Various Obligation Dates – Original expenditure period end dates
+ Tydings Amendment Period

Various Liquidation Period Ending Dates

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What Funds May Likely Appear on SEFA:

1. ESSER I – GEER I
2. ESSER II – GEER II - Sec 11r(2) - Sec 23b(2a) - Sec 23b(2b) - Sec 23c(4a-b)
3. ESSER III - Sec 11t
4. Others
5. Each individual subprogram should be identified along with a total for all 84.425's – same for Data Collection Form (DCF). Include COVID-19 descriptor on DCF.

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ESSER Funds – Compliance Pick 6

1. Activities Allowed/Allowable Costs
2. Equipment/Real Property Management
3. Matching, Level of Effort, Earmarking (SEA)
4. Reporting
5. Subrecipient Monitoring
6. Special Tests and Provisions

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Activities Allowed/Allowable Costs

1. Very broad allowable expenditures
2. Initial funding had 12 allowable uses categories – subsequent rounds of funding expanded that to 16
3. Districts have approved budgets
4. Expenditures are captured via MDE grant codes
5. Supplanting is allowed

NEWER FEDERAL FUNDING FOR FISCAL 8

YEAR 2022

ARP-ESSER / ESSER III

It is subject to most of the same requirements as ESSER II except for the following: an LEA that receives ARP ESSER funds must submit to the SEA an ARP LEA plan for the use of funds, must engage in meaningful stakeholder consultation when developing its ARP LEA plan, must submit and make publicly available a plan for the safe return to in-person instruction and continuity of services, and must reserve at least 20 percent of its ARP ESSER award to address learning loss.

Required posting of the LEA Plan for Use of Funds within 60 days of Grant Award Notification

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Equipment/Real Property Management

- Any construction activities, including renovations or remodeling, that are necessary for an LEA to prevent, prepare for, and respond to COVID-19 could be permissible, though the burden remains on grantees and subgrantees to maintain the appropriate documentation that supports the expenditure
- Construction projects are also subject to PRIOR WRITTEN APPROVAL by a Governor or SEA (or the Department for State projects) and applicable Uniform Guidance requirements, Davis-Bacon prevailing wage requirements and all of the Department's applicable regulations regarding construction at 34 CFR §§ 76.600 and 75.600-75.618
- Procurement requirements apply

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Special Tests and Provisions

1. Wage Rate Requirements – aka Davis Bacon
2. Participation of Private School Children
 - a. ESSER I and GEER I only (10%)

Resource Links

- 2022 Compliance Supplement

https://www.whitehouse.gov/wp-content/uploads/2022/05/2022-Compliance-Supplement_PDF_Rev_05.11.22.pdf

- Michigan School Auditing Manual

[https://www.michigan.gov/mde/-/media/Project/Websites/mde/OFM/Audits/2021-2022--Michigan-School-Auditing-Manual-ADA.pdf?rev=77c42a061cf44358b0e366e68b23b1b](https://www.michigan.gov/mde/-/media/Project/Websites/mde/OFM/Audits/2021-2022--Michigan-School-Auditing-Manual-ADA.pdf?rev=77c42a061cf44358b0e366e68b23b1b1)

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Resource Links

- MDE: Financial Accounting Guidance During the Covid-19 Pandemic

<https://www.michigan.gov/mde/services/financial-management/state-aid/publications/michigan-public-school-accounting-manual>



QUESTIONS