



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

GRETCHEN WHITMER
GOVERNOR

MICHAEL F. RICE, Ph.D.
STATE SUPERINTENDENT

January 4, 2021

Dr. John Smith, Superintendent
ABC Public Schools
123 Any Road
Anyplace, MI 48123-4567

Dear Dr. Smith:

A Fiscal On Site Review of Consolidated Application Grant Programs for ABC Public Schools by the Michigan Department of Education (MDE), Office of Educational Supports (OES), was conducted on November 16, 2020. The purpose of the fiscal monitoring review by the OES Fiscal Audit staff was to review the following: Staff (Appropriately placed, background checks, Time & Effort, Salaries, Payroll); Policies and Procedures (including internal controls); Cash Management; General Expenditures; Payroll; Budget; Expenditures; Purchased Services; Equipment; and Final Expenditure Reporting.

ABC Public Schools was found to have preliminary questioned costs in the amount of \$70,000.00. ABC Public Schools has the opportunity to request an additional review of these preliminary questioned costs.

If your agency does not submit supporting documentation for these questioned costs, the questioned costs (and any applicable indirect costs) will be recaptured. Also, found during our review were miscoded/misclassified costs in the amount of \$465,000.00.

During our fiscal review the following areas of existing deficiencies were noted:

- Staff
- Payroll
- Budget
- General Expenditures
- FER
- Purchased Services

ABC Public Schools is required to prepare a plan to bring the program into compliance in all areas where deficiencies exist. If adequate supporting information is missing, the compliance plan will not be accepted.

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A completed compliance plan with supporting attachments must be received by OES Financial Unit no later than February 15, 2021. You may send this information to us electronically at OFSFinancial-Unit@michigan.gov.

If the compliance plan is not received by February 15, 2021, OES will withhold 25 percent of current year funds for Comstock Public Schools in accordance with 2 CFR 200.339(e). If your LEA does not submit supporting documentation for these questioned costs with the compliance plan, questioned costs (and any applicable indirect costs) will be recaptured.

If you have any questions, please call our office at 517-241-5388.

Sincerely,



Shoua Vang, Manager
Fiscal Unit
Office of Educational Supports

Enclosures

cc: Jane Jones, ABC Public Schools
Board President, ABC Public Schools
Michael Stevens, Review Team Member
Jack Russell, Regional Consultant
Superintendent's Office