

CBO/NP Monitoring Process

February 08, 2024

Agenda

- Overview of the monitoring process
- Where and when to submit documents in Syncplicity
- Walk through of the various documents requested
- Lessons learned from previous years

Overview - Why Must We Monitor?

- CDE has the obligation to monitor all grant allocations that pass-through our office (2 CFR §200.331 and 332)
 - Review is at the awardee level
 - Review will include fiscal and programmatic elements
 - Fiscal monitoring process focuses on compliant policies and procedures as well as actual expenditures
 - Program monitoring process will focus on implementation of grant programs and related policies and procedures
 - Main goal is to provide technical assistance and help awardee ensure they are currently, or can become, compliant
- Compliance is based mainly on the requirements outlined in the Uniform Grant Guidance (UGG)
 - Compliance is generally consistent across all federal funds, but can have an aspect of compliance based on individual program rules or requirements
 - Compliant procedures under one federal award are typically compliant under most federal awards



Overview - What Are We Reviewing?

- CDE will review compliance across five main areas
 - Time and Effort
 - Procurement
 - Capital Property and Equipment
 - Construction
 - Uniform Grant Guidance (UGG)
- We typically look at policies, procedures, transactions, and internal controls pertaining to federal funds
- Focus is solely on monitoring those areas with actual expenditures during the most recent completed fiscal year
 - During this upcoming monitoring year, the review will focus on actual expenditures for the time period noted in your notification letter

Please note: any entity receiving federal funds must comply with the UGG and other award requirements independent of any monitoring



Overview - How Will We Communicate?

- Communication typically by email
 - Teams meetings as needed
- Our communication is initially directed to the ESSER application contacts of grantee
 - Initial document requests, follow up questions, etc.
 - Can include others as requested by grantee
 - Final report will be sent to these same contacts
- Communication during the process
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Overview - Outline of the Process

- Notification letter
- Monitoring training
- Grantee initial Syncplicity submission (see slides below)
- CDE follow up with grantee
 - Clarification regarding documentation review
 - Expenditure sample request
- Grantee "second-stage" Syncplicity submission
- CDE additional review
- Draft monitoring report
- CDE and grantee work together to revise the report
- Final monitoring report

Syncplicity

- All documents will be submitted through Syncplicity
- Folder will be shared to your organization contact's email address from no-reply@syncplicity.com
- If you have not previously set up an account in Syncplicity, it will prompt you to do so
- Separate folder titled *CBO Name_Organization Code_ ESSER Monitoring*
 - Reach out to ESSER_Monitoring@cde.state.co.us if your organization does not have this folder
- CDE Team requests documentation at different stages of the process
- Ensure that documents submitted are PDF, readable and clear.
- When? By close of business in 10 business days from date of this webinar

Initial Documentation Request

- Completed Monitoring Questionnaire
- Detailed General Ledger as noted in notification letter
 - Should be broken out by grant award code (e.g., 4438, 4449, etc.)
 - Include subledgers (e.g., payroll register) as needed to provide sufficient detail
- Complete, documented process
 - Differentiate between policies and procedures. See [CDE guidance](#).
 - Process from A to Z – with enough detail to understand internal procedures, and how it satisfies the federal requirements for all selected items of costs.
 - If process is not already documented, provide a brief narrative
 - CDE will be providing a workshop in the spring to develop internal FEDERALLY compliant processes, procedures, and/or policies.

Monitoring Questionnaire - Overview

2023/2024 Monitoring Questionnaire (MQ)

- Completed Monitoring Questionnaire expedites the process for everyone
 - Grantee answers are used as a guide during the monitoring engagement
 - Helps the monitoring team identify opportunities for additional technical assistance
- Composed of six main sections - General, Time and Effort, Procurement, Capital Property and Equipment, Construction, and Contacts and Certification

Monitoring Questionnaire - Save a Copy

- Navigate to the provided link and save a copy (**do not request access**)
- Can be copied into a Google Drive, saved as a Google Doc, or downloaded into a variety of formats
- Keep in mind, completed and signed document will be submitted through Syncplicity

The screenshot shows a Google Docs document titled "CDE Subrecipient Fiscal Monitoring Questionnaire_FY24 Monitoring Cycle". The "File" menu is open, with "Make a copy" and "Download" highlighted by red arrows. The "Download" sub-menu is also open, showing options like "Microsoft Word (.docx)", "OpenDocument Format (.odt)", "Rich Text Format (.rtf)", "PDF Document (.pdf)", "Plain Text (.txt)", "Web Page (.html, zipped)", and "EPUB Publication (.epub)".

The document content includes a "Required" stamp from the Oregon Secretary of State, dated 11/14/2023. The main title is "2023/2024 Fiscal Monitoring Questionnaire". Below the title is a "District Name:" field. The document contains instructions for completion, including a section for "Instructions" and a "General" section with a numbered list of requirements.

1)



Monitoring Questionnaire - General

- Detailed answers help CDE better understand your organization's federal grant process and things like:
 - Control environment
 - Experience with and exposure to federal grants
 - Understanding of compliance requirements.

General

1. To help CDE gain an understanding of the experience level within the CBO/NP, list the names of any federal grants and/or subawards and amounts that awardee personnel are currently managing or have managed within the last three (3) years. This may include awards such as Adult Education and Family Literacy Act (AEFLA), Integrated English Literacy and Civics Education (IELCE), Individuals with Disabilities Education Act (IDEA), The Elementary and Secondary School Emergency Relief Fund (ESSER), Elementary and Secondary Education Act (ESEA), etc., including awards not received through CDE.
2. Has the awardee received any comments or findings from any federal audit or state monitoring in the past three (3) years? If so, please describe the comments/findings or provide the audit/monitoring report in the Syncplicity folder.
3. Please indicate any changes in the CBO/NP's systems or key personnel within the last three (3) years by answering Yes or No to the following:
 - a. Accounting systems and/or personnel?
 - b. Procurement policies, systems, or personnel?
 - c. HR systems or personnel?
 - d. For any "Yes" response to a, b or c above, provide a brief description and/or the policies that have changed.

Monitoring Questionnaire - Time and Effort

- Focus on your organization's documented policies *and* procedures
 - What currently exists?
 - If nothing, answer accordingly and provide a brief narrative as a jumping off point
 - Should be a walk through of your process from A-Z

Time and Effort (2 CFR §200.430, 431 and ED Cost Allocation Guide)

1. Does the awardee currently have written time and effort procedures (i.e., a detailed description of the steps and controls that specifically states who, what, when and how an activity is performed)?
2. Awardee charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. The records must meet the minimum criteria outlined at 2 CFR 200.430(i) and listed in items a-g below. Please add a response describing how the CBO/NP's records:
 - a. Are supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.

2

Monitoring Questionnaire - Procurement

- Again, looking for documented process
- Some questions are related to the types of supporting documentation your organization requires for purchases
- Also used during review of actual expenditures selected by CDE

Procurement (2 CFR §200.318, 319, and 320)

1. Does the awardee currently have written procurement procedures (i.e., a detailed description of the steps and controls that specifically states who, what, when and how an activity is performed)?
2. Does the CBO/NP's written procurement policy and/or procedure include a documented review of the suspension and debarment list at Sam.gov for applicable vendors (any contracts \$25K or greater and/or purchases of telecommunications and video surveillance services or equipment of any amount)?
3. Does the CBO/NP's written procurement policy and/or procedure include a requirement that construction related contracts follow applicable rules such as Davis-Bacon requirements, real property reporting requirements, etc.
 - i. See the Construction Guidance summary posted on the [Resources and Technical Assistance](#) portion of CDE's website for a more detailed discussion of construction.
4. Does the CBO/NP's written procurement policy and/or procedure include any sort of tagging and tracking of noncapital/walkable items (e.g., check in/out list).
 - i. This is not specifically required by federal guidance but is strongly recommended to help bolster the control environment.

Monitoring Questionnaire - Capital Property and Equipment

- Typically builds upon Procurement process
- Some questions related to tracking process

Capital Property and Equipment (2 CFR §200.313, 2 CFR §200.439(b))

1. Does the awardee currently have written policies regarding the management/tracking of capital equipment (e.g., Board approved policy)?
2. Does the awardee currently have written procedures regarding the management/tracking of capital equipment (i.e., a detailed description of the steps and controls that specifically states who, what, when and how an activity is performed)?
3. Do the CBO/NP's policies and/or procedures from items #1 and #2 above include (not intended to be an exhaustive list):
 - a. The definition of capital equipment
 - i. Note the federal guidance defines equipment as tangible personal property having a useful life greater than one year and a per unit acquisition cost at or exceeding the capitalization threshold for the entity or \$5K, whichever is less.
 - b. The process performed when capital equipment is received (i.e., what type of capital equipment is tagged, what position/office performs the tagging, etc.)
 - c. The process to adjust the inventory records in the event the property is disposed of (i.e., sold, lost, stolen, decommissioned, cannot be repaired, etc.)

Monitoring Questionnaire - Construction

- Focuses on federal requirements unique to construction
- If your organization has any expenditures related to construction during the monitoring period, a [Construction Questionnaire](#) will be provided with follow up documentation requested by CDE
 - More detailed questions related to organization's process around construction will be requested, if applicable to renovation, remodeling, and new construction

Construction (34 CFR §75.600-75.617)

1. Does the awardee use any federal funding for new construction projects? Note this excludes **minor** remodeling projects as defined in 34 CFR §77.1 and **maintenance** projects as defined in 2 CFR §200.452.
 - a. If yes, does the awardee follow all applicable rules including but not limited to:
 - i. Obtain prior written approval
 - ii. Davis-Bacon compliance, including contract clauses
 - iii. Build America, Buy America Act compliance
 - iv. Annual real property reporting

Note, for additional information regarding the above construction items, pCBO/NPse reference the Construction Guidance summary posted on the [Resources and Technical Assistance](#) portion of CDE's website.



Monitoring Questionnaire – Organization Contacts and Certification

- Signed by Authorized Representative
- Printed and signed or digital signature are both options
- Can be submitted as separate page in Syncplicity

Awardee Contacts

Please list the appropriate contact for follow up questions and requests during the monitoring process if different than the Authorizing Official below. This would be the individual with the knowledge of daily business processes and/or procedures.

Printed Name: _____

Title: _____

Email: _____

Phone: _____

Printed Name: _____

Title: _____

Email: _____

Phone: _____

Printed Name: _____

Title: _____

Email: _____

Phone: _____

Certification

This certification must be signed by an Authorizing Official. This page may be printed, signed, and submitted in the Syncplicity folder titled General Submissions. As an alternative to printing, an official digital signature may be used.

I hereby certify that, to the best of my knowledge, the provided information is true and accurate.

Printed Name and Title: _____

Signature and Date: _____



Documented Processes - What Does That Mean?

In order to conduct our review, we need to know how your organization's process works - what are the steps from start to finish to accomplish a task?

Documented through a combination of policies *and* procedures

Policy

A guiding principle used to set direction in an organization.

- Changes infrequently
- States generally who, what, when, or why
- Is broad and general

Procedure

A series of steps to be followed as a consistent and repetitive approach to accomplish a result.

- Continuously changes and improves
- States specifically who, what, when, and how
 - CDE recommends using titles rather than names when documenting the “Who”
- Offers a detailed description of activities...



Documented Processes - So What Should We Submit?

- Start with what is documented. Any relevant Board approved policies as the first stepping-stone?
- Does that tell the whole story? If not (and have not seen an instance where Board approved policy alone qualifies), fill in the gaps. The end result should be a documented process at a level of detail that would describe all the steps needed from start to finish to accomplish a task (e.g., make a purchase, document time and effort, receive and track capital assets, etc.).
- If nothing is currently documented, indicate this on the Monitoring Questionnaire, then draft a narrative of how your organization's process works.
- Ensure the process works at your organization. You may choose to have more controls or be more restrictive than the federal guidance. However, an organization must follow their internal process, so avoid adding steps to a process your organization is not prepared to follow.
- To help facilitate this internal process evolution, CDE has compiled some [rules and guidance](#) an organization should incorporate. Your organization will need to determine how best to fit the required elements into the documented processes.



Detailed General Ledger vs Summary - What Actually Happened?

Need detailed general ledger

- Individual transactions leading to summary totals
- If accounting system can generate Excel type export of raw data - that is preferred

10-501-00-1600-0600-000-4420-0 Elem Comp Tech ESSER II									
07/14/2022	AP	16		027739	1	ENTREPRENEUR	STEM CLASS SUPPLIES		3,250.00
11/17/2022	AP	85	8982	028101	1	IXL LEARNING	LEARNING SUPPORT		2,950.00
04/12/2023	AP	168		028499	1	ILLUMINATE	VIRTUAL		1,000.00
04/12/2023	AP	168		028529	1	BANK OF	CONFERENCES/BISON/		1,044.00
04/12/2023	AP	168		028529	1	BANK OF	CONFERENCES/BISON/		2,145.92
10-501-00-1600-0600-000-4420-0 Account Totals:									10,389.92
10-501-00-2600-0600-000-4420-0 Op									
02/14/2023	AP	144		028387	1	Visa	ELEM. SPORTS, MAINT		352.18
02/14/2023	AP	144		028387	1	Visa	ELEM. SPORTS, MAINT		410.61
02/14/2023	AP	144		028387	1	Visa	ELEM. SPORTS, MAINT		2,053.06
02/14/2023	AP	144		028388	1	BANK OF	CASB, MAINT ESSER II,		8,594.79
10-501-00-2600-0600-000-4420-0 Account Totals:									11,410.64

DETAILED EXAMPLE

Account Number	Description	GL Budget	Ra
22.305.00.2210.0869.000.5010.2020	INCIRECT COST RATE EASI	\$5,236.00	
22.305.11.2210.0110.000.5010.2019	EASI SALARIES	\$5,065.00	
22.305.11.2210.0150.000.5010.2020	EASI STIPEND	\$15,500.00	
22.305.11.2210.0150.218.5010.2019	EASI SALARY STIPENDS	\$0.00	
22.305.11.2210.0221.000.5010.2019	EASI MEDICARE	\$154.26	
22.305.11.2210.0221.000.5010.2020	EASI MEDICARE	\$224.75	
22.305.11.2210.0221.218.5010.2019	EASI MEDICARE	\$0.00	
22.305.11.2210.0230.000.5010.2019	EASI PERA	\$1,039.34	
22.305.11.2210.0230.000.5010.2020	EASI PERA	\$3,162.00	
22.305.11.2210.0230.000.5010.2019	EASI PERA	\$0.00	
22.305.11.2210.0300.000.5010.2019	EASI PURCHASED SERVICES	\$471.00	
22.305.11.2210.0300.000.5010.2020	EASI PURCHASED SERVICES	\$10,000.00	
22.305.11.2210.0350.000.5010.2020	EASI PURCH SERVICES RESTOR JUS	\$1,000.00	
22.305.11.2210.0580.000.5010.2019	EASI TRAVEL TRAINING REGISTRAT	\$1,314.00	
22.305.11.2210.0580.000.5010.2020	EASI TRAVEL TRAINING	\$3,795.00	
22.305.11.2210.0591.000.5010.2020	EASI PURCHASED SERVICES-BOCES	\$3,700.00	
22.305.11.2210.0600.000.5010.2019	EASI SUPPLIES	\$720.64	
22.305.11.2210.0600.000.5010.2020	EASI SUPPLIES	\$12,000.00	
Grand Total:		\$63,381.99	

SUMMARY EXAMPLE

Multiple Uses

- Budget-to-Actual - what was budgeted versus what was posted in your accounting system
- Sample selections - look at support to see the process was followed

End of Report



How Does CDE Review My Docs? - Budget to Actual

- Comparing budgeted amounts to actual expenditures - by year and by object code
- Where do things differ and why?

Per ESSER II Budget Application					Per GL				Budget to Actual (BTA)	
Fiscal Year	Funding Source/ Code(s)	Object Code (entered in text format)	Object Title (VLOOKUP)	Budget Amount	ESSER Funding Source/ Code(s)	Object Codes if Rolled to the Bold	GL Amount	WP Ref	\$ Difference (Over)/Under (formula)	% Difference (Over)/Under (formula)
FY 22	4420	0100	Salaries	-	4420	0100	79,149.00	GLC	(79,149.00)	#DIV/0!
FY 22	4420	0735	Non-Capital Equipment	98,573.00	4420	0735	5,747.00	GLB p13; GLC	92,826.00	94%
		Budgeted		98,573.00			84,896.00		92,826.00	94%
FY 22	4420	0869	Indirect Cost	29,571.90			-	GLB	29,571.90	100%
		Subtotal		128,144.90			84,896.00		43,248.90	34%
		Allocation per Budget App		128,144.00			128,144.00			
		Difference/Funds Remaining		(0.90)			43,248.00			

Lessons Learned - Budget to Actual

- Not all GLs submitted initially
 - Activity in a given year but not provided (maybe it was originally budgeted in a prior year but not spent until a subsequent year)
- Not tracking use of federal funds independently from other funds
- Budget differs from actual - typically due to a lack of budget revision submission
 - Greater than 10% difference in activity amount or new activities not originally budgeted
 - Recommend a periodic budget to actual reconciliation...even high level to help mitigate these errors

How Does CDE Review My Docs? - Time and Effort

- Always starts with how does your process work – noted on previous slides
- In the absence of existing procedures, provide a narrative of the process to start
- We review for a complete process including, at a minimum:

a.	They apply to all employees paid in whole or in part with federal funds?		
b.	They require documentation of actual activity (not budgeted)? <i>[Look for verbiage around reconciliations]</i>		
c.	They account for 100% of an individual's efforts (not just hours worked toward federal activity)? <i>[sort of definition of cost objectives/activities]</i>		
d.	They include a description of the employee compensation support required? <i>[Specific examples w/</i>		

- CDE then selects a sample of employees from provided sub-ledger (i.e., payroll journal)
 - How does the time and effort support compare with the process for your organization?
 - How does it meet the minimum requirements from [2 CFR 200.430\(i\)](#)?

a.	Supported by a system of internal controls providing reasonable assurance that charges are accurate, allowable, and properly allocated						
b.	Incorporated into the official records						
c.	Reasonably reflect the total activity for the individual (not to exceed 100%)						
d.	Encompass both federal and non-federal activity for which the employee is compensated						
e.	Comply with policies and practices from Step #1						
f.	Support distribution among specific activities or cost objectives						
g.	Not based on budget estimates alone						

If LEA does not have support for any of the employee compensation samples selected, create a memo comment and perform record



Lessons Learned - Time and Effort

- No documented process from start to finish - common theme
 - Typically receive high level policies and nothing else
 - Minimal time and effort supporting documentation
 - Payroll ledgers do not reconcile with charges to grant
 - Stipends - how is this determined, who receives, documented policy?
- Not following internal process
 - Not all fields completed on a required form
 - Is the internal process too restrictive?
- Federal guidance does not require timesheets or semi-annual certifications but these can be used, but the activities and duties must align to the funding grant



How Does CDE Review My Docs? - Procurement

- Just like with time and effort, starts with how does your process work - if nothing is documented provide a narrative
- We review for a complete process including, at a minimum:

a.	Methods of procurement/vendor selection (shall include mention of micro purchases, small purchases, sealed bids, competitive proposals, and non-competitive (sole source) proposals).
b.	Approval thresholds (e.g., dollar amounts, board approval requirements, etc.)
c.	Review process (may include additional reviews performed by IT, HR, Grants, Capital, etc.)
d.	Segregation of duties (e.g., purchase approval by someone other than the requestor)
e.	Suspension and debarment
3	Tagging and tracking of noncapital/walkable items (e.g., check in/out list)

- Note the tagging item - **strongly** encouraged
- CDE then selects a sample of transactions from provided GL
 - Important to have a transaction level GL
 - Are you following your internal process as well as the items listed below

b.	Expense was reasonable and necessary (contact Program personnel as necessary)
c.	Object code used was reasonable and in line with budget (e.g., bolded/required object code was used, object code was reasonable given item purchased, etc.)
d.	Review LEA supporting documentation for purchases that were \$25,000 or more and/or purchases of telecommunications and video surveillance services or equipment of any amount to verify www.sam.gov was checked for vendor suspension and debarment prior to purchase (see 2 CFR 180.220, 200.214, and 200.216)



Lessons Learned - Procurement

- No documented process from start to finish
 - Many policies speak to purchase levels and methodologies - ensure these are followed if in the policy (Board approval for all purchase over \$XXX)
- No indication of review for suspension and debarment
 - Screenshot or other documented review of Sam.gov at a minimum
- Not following internal process - another common theme
- Not required to track items under the equipment threshold but ...
 - Highly walkable may be scrutinized under audit
 - Strong internal controls
 - i.e., how is your authority and approval segregated? (checks and balances)

How Does CDE Review My Docs? - Capital Property & Equipment

- You guessed it, this starts with how does your process work
 - Document, document, document
 - Most likely builds off the procurement process

- Key items to consider:

- | | |
|----|--|
| a. | A definition of capital equipment |
| b. | Process performed when capital equipment is received (what type of capital equipment is tagged, what position/office performs the tagging, etc.) |
| c. | Process to adjust the inventory records in the event the property is disposed (sold, lost, stolen, decommissioned, cannot be repaired, etc.) |

- CDE will review property and equipment records
 - Even partially funded with federal funds, records must track at least:

- | | |
|----|---|
| a. | Description and serial number or other identification number |
| b. | Source of funding for the property, including Federal Award Identification Number (FAIN#); and Assistance Listing Number (ALN) previously known as Catalog of Federal Domestic Assistance |
| c. | Title owner/holder |
| d. | Acquisition date |
| e. | Acquisition cost |
| f. | Percentage of cost related to Federal participation for the program under which the property was |
| g. | Location, use and condition of property |
| h. | Any ultimate disposition data including the date of disposal and sale price of the property, federal release of title/approval to dispose. |

- Do you reconcile your inventory records to a physical count at least once every two years?



Lessons Learned - Capital Property and Equipment

- No documented process from start to finish
- Property records insufficient
 - Some fields are more prevalent than others in records
 - Purchased in whole **or in part** with federal funds
- No physical inventory with results reconciled to property records

How and Why Does CDE Review My Docs? - Construction

- Not common in USDE grants until ESSER
- Really tied in closely with Procurement process
 - Check with legal team if possible - starts with the contract
- Davis-Bacon and Related Acts takes center stage. Rules apply if contract:
 - Exceeds \$2,000
 - Is federally financed (in whole or in part)
 - Is for the construction, alteration, or repair (including painting and decorating) of public buildings and public works
 - Involves the employment of mechanics or laborers
- Keep in mind monitoring is “after the fact”



Lessons Learned - Construction



- Davis-Bacon Compliance
 - Organizations must be periodically monitoring for this
 - Collect and review weekly certified payrolls - looking for assurance of prevailing wage being paid
 - May include on-site reviews for required wage notifications
- Contract Clauses
 - Review contracts for any projects currently in progress and issue addendums
 - May even be required to amend contracts for projects already complete
- Notice of Federal Interest
 - County departments may have standard forms/language
 - Check with applicable County Assessor's office
- Projects that have been completed are not "out of the woods"
 - Subject to Federal Reporting for "decades"



Resources:



- [2 CFR §200](#) - the Uniform Grant Guidance
- [ED Cost Allocation Guide](#) - additional time and effort requirements
- [Fact Sheet #66: The Davis-Bacon and Related Acts \(DBRA\)](#)
- [Grants Fiscal Helpful Resources](#)
- [January 26, 2023 Office Hours on Construction](#)
- [CDE Construction Guidance](#)
- [Sam.gov](#)

- Technical assistance opportunities
 - [Office Hours and Resources/Technical Assistance](#)
 - Targeted trainings on specific activities throughout the year
 - Subject matter expert events – BruMan Legal Group, Public School Finance Unit, Grants Fiscal Management Unit, etc.



CDE Monitoring Contacts

ESSER Monitoring

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Questions

