Fiscal Management of Federal Funds for Independent Charter Schools

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Federal Funding Conference 2018

WISCONSIN DEPARTMENT OF
PUBLIC INSTRUCTION
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Session Purpose and Agenda

- **Focus on Uniform Grant Guidance required subrecipient risk assessment and written procedures**

- **Procurement Procedures**

- **Discuss the various pupil count reports**

Uniform Grant Guidance

- **[2 CFR Part 200](#)**

- **Single Audit threshold is $750,000 or more of Federal expenditures in the fiscal year**

- **Increased pass-through entity's (the DPI) responsibility to assess and monitor all subrecipients**

- **Required the DPI to annually perform a risk assessment of all subrecipients**

The DPI Risk Assessment

- Completed annually by the DPI prior to fiscal awards being issued

- Applies to all DPI subrecipients and all Federal grants

- Is intended to:

  o Help ensure that subrecipients appropriately use Federal funds

  o Provide technical assistance to subrecipients as a preventative measure rather than an after the fact punitive measure

The DPI Risk Assessment Factors Include

- Known fraud

- Dollar amount of total federal funds

- No federal single audit required

- Significant or multiple audit findings

- New entity

- New subrecipient of federal award

- Claims do not match annual financial report

- Program fiscal monitoring findings

The DPI Risk Assessment Factors Include

- Return of federal funds

- Significant leadership turnover

- Financial concerns

- Insufficient obligation of funds

- External management organization

- Compliance with prior year risk assessment terms and conditions

- Other concerns determined as a possible risk of noncompliance

- Report Card

Most Common Terms & Conditions

- Additional technical assistance

- Required supporting documentation submitted with claim

- Required quarterly filing of claims

- Required submission of written procedures

- Required submission of cash reconciliation

- DPI site visit

Federal Claim Supporting Documentation

- **UGG requires your accounting system be able to sufficiently track which funds are being used for Federal programs (WUFAR project code)**

- **Expenditures must be recorded to Federal grant on a timely basis**

- **General ledger must match Federal grant claims**

- **Claimed expenditures must be appropriately budgeted for and allowable per the UGG and the specific grant requirements**

- **Claims required to be filed with the DPI on at least a quarterly frequency**

DPI Review of Written Procedures

- Requires certain written procedures (typically cash management and allowable cost) be sent to the DPI

- Written procedures are likely unique to each school

- The DPI reviews the procedures for existence and completeness

- The DPI <u>does not</u> approve the written procedures

- The DPI may provide subrecipients technical assistance and links to additional resources

Common Written Procedure Issues

- Written procedures do not exist and/or subrecipient is unaware of UGG written procedure requirements

- Document is more of a policy rather than procedures

- Only answers to DPI checklist of questions or copying the WASBO manual

https://dpi.wi.gov/wisegrants/uniform-grant-guidance/writtenprocedures

http://www.wasbo.com/WASBO/Resources/Federal_Funds_Procedural_Manual.aspx

- Document does not identify who is responsible to perform which functions

Other Written Procedure Considerations

- Ensure individuals identified to perform functions are aware of their responsibilities

- Ensure appropriate segregation of duties, monitoring, verification, and reporting

- Routinely review and update the written procedures

- Test written procedures to ensure they are being properly implemented

- Use written procedures as training when staff turnover occurs

Conflicts of Interest

- **UGG requires a written standard of conduct regarding real or potential conflicts of interest**

- **Has been an area of emphasis by the U.S. Department of Education,**
  - **Especially related to charter schools**
  - **Especially related to charter management organizations (CMOs) and education management organizations (EMOs).**

General Provisions – Procurement 200.318

Effective Date FY beginning after December 26, 2017

- **Documentation Policies**

- **Necessary**

- **Conflict of Interest**

- **Documentation**
  - **Cost & Price Analysis**
  - **Vendor Selection**

General Provisions – Procurment 200.319

Full and Open Competition

- Contractors who draft specifications for RFPs must be excluded from competing for those opportunities.

- Cannot have unreasonable requirements to limit competition

5 Methods of Procuremnt

- **Micro Purchase**

- **Small Purchase**

- **Sealed Bids**

- **Competitive Proposals**

- **Noncompetitive Proposals**

Micro Purchase – 200.320

1. Aggregate dollar amount not to exceed $3,500

2. When practical, distribute equitable among qualified suppliers

3. No competitive quotes required if management determines price is reasonable

Small Purchase – 200.302

1. Purchase up to the Simplified Acquisition threshold (currently $150,000)

2. Informal procedures acceptable

3. Price or rate quotes must be obtained from an adequate number of sources

Sealed Bids – 200.320

1. Purchases over the Simplified Acquisition Threshold (currently $150,000)

2. Formal solicitation required

3. Fixed Price awarded to responsible bidder who conformed with all material terms and is the lowest in price.

4. Most common for construction contracts

5. See section or additional detail.

Competitive Proposals – 200.320

1. Purchases over the Simplified Acquisition Threshold (currently $150,000)

2. Formal solicitation required

3. Fixed Price or cost-reimbursement contracts

4. Used when sealed bids not appropriate

5. Awarded to responsible firm who proposal is most advantageous to the program, with price being one of the various factors

6. See section for additional detail

Noncompetitive Proposal – 200.320

May be used only when <u>one or more</u> of the following apply:

- The item is available only from a single source

- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation

- The federal awarding agency (or pass-through entity-DPI) expressly authorizes this method in response to a written request from the non-federal entity

- After solicitation of a number of sources, competition is determined inadequate

Membership Reports

- **Three count days each school year:**
  - **Preliminary September** (September 1 or first day of school in September)
  - **3rd Friday in September**
  - **2nd Friday in January**
- **Membership reports (MC-1567) due to DPI for each count day**
  - **Preliminary count due September 7, 2018**
  - **3rd Friday in September due September 28, 2018**
  - **2nd Friday in January due January 25, 2019**

- **Use the DPI Excel form available via the web at https://dpi.wi.gov/sms/charter-schools/current/2r-membership**

Membership Audits

- All schools are required to hire an independent certified public accountant to audit the 3rd Friday in September and 2nd Friday in January count reports.

- Membership audits are due to DPI annually by May 1.

- The audit confirms the count, adds eligible pupils, removes ineligible pupils, or makes changes based on the submitted count reports.

- Any changes that result in an adjustment to the state charter schools aid will be included in the June payment to the charter schools.

- Audit Information: https://dpi.wi.gov/sms/charter-schools/current/2r-audit-info

WISEdata

- **WISEdata is an open data collection system that allows school districts, independent charter schools, and private choice schools to submit data to the Department of Public Instruction (DPI) from the Student Information System (SIS) vendor of the schools choice.**

- **There are certain [Data Elements](#) that must be submitted to the DPI. See the link for a description of each.**

- **Be sure to review descriptions for [disability/order of disability](#) and [economically disadvantaged status](#) and ensure that information is reported appropriately and accurately as it is used for IDEA and Title I purposes.**

WISEdata

- **Once data is entered into your SIS, your system will push the information to WISEdata for DPI data quality review and reporting. You will need to log in to WISEdata to review your data and check for inaccuracies that need correcting.**

WISEdata

Stay current with WISEdata progress by joining the WISEdata Google Plus Community. You can also join the weekly DPI WISEid/WISEdata and WISEstaff User Group web meetings. This is a great resource to get updated statuses on the system deployment, ask questions and view demonstrations of new product features.
See **https://dpi.wi.gov/wisedata/help** for more information.

For questions see the **WISEdata User Guide** or submit a **Help Ticket** to the WISEdata team for assistance.

WISEdata

Be sure to review the WISEdata calendar of events located at:

https://dpi.wi.gov/wisedata/events/upcoming

Calendar of Important Dates

See the 2017-18 Independent Charter School **Program Calendar** for the list of upcoming important dates.

https://dpi.wi.gov/sms/charter-schools/independent

Federal Funding in 2016-17

- **Title I grants were provided to all Independent Charter Schools, with the exception of Penfield Montessori.**

- **However, a review of the WISEgrants database showed 4 schools received no Title 1 funds during 2016-17**

- **HOW IS THIS POSSIBLE???**

Indirect Costs

The Independent Charter Schools are eligible to claim Indirect Cost reimbursements.

Indirect Cost Reimbursement

To qualify for the Indirect Cost Reimbursement

1. Review the documentation https://dpi.wi.gov/sfs/aid/federal/indirect-costs

2. Complete the spreadsheet for Calculating the Reimbursement Rate

Contact Information

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Open Q & A

Questions ?