



Mississippi Department of Education

IDEA Part B Fiscal Monitoring Procedures

July 2024

Overview and General Supervision – Fiscal Management

Each state is required to have a general supervision system that monitors implementation of the Individuals with Disabilities Education Act (IDEA). The state’s general supervision system highlights the state’s accountability for meeting programmatic requirements, to monitor IDEA implementation by local education agencies (LEAs), and to ultimately improve educational results and functional outcomes for students with disabilities. The eight components of general supervision are as follows: state performance plan; policies, procedures, and effective implementation; integrated monitoring activities; fiscal management; data on processes and results; improvement, correction, incentives, and sanctions; effective dispute resolution; and targeted technical assistance and professional development. To be most effective, the eight components of a general supervision system are integrated whereby the components connect and interact with, articulate, and inform each other.

The Mississippi Department of Education (MDE) is authorized, under §37-23-5 of the Mississippi Code 1972, to “foster, inspect, approve, and administer a program of education for exceptional children.” It is the responsibility of the MDE, Office of Special Education (OSE) to ensure implementation of Federal mandates and State laws and regulations regarding the provision of programs, services, and protections to all Mississippi children and youth with disabilities.¹ MDE, OSE is responsible for monitoring the programmatic and financial activities of its LEAs. Administrative responsibilities include the general supervision requirements of the IDEA, program and fiscal monitoring and support for LEAs as required by Federal and State statutes and regulations. These policies and procedures ensure the oversight, evaluation, and monitoring of each Mississippi LEA and any other subrecipient.

¹ The Federal regulations that require and give MDE authority under which the MDE, OSE monitors for fiscal accountability and compliance include:

- Title 34 Code of Federal Regulations (34 C.F.R.) Part 300 Individuals with Disabilities Education Act
- 34 C.F.R. Part 75-77 Education Department General Administrative Regulations (EDGAR)
- 2 C.F.R. Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- 2 C.F.R. Part 3474 Uniform Administrative Requirements, Cost Principles, and Audit Requirements (as adopted by the U.S. Department of Education)
- 2 C.F.R. Part 180 OMB Guidelines to agencies on Government-wide Debarment and Suspension (non- procurement)
- 2 C.F.R. Part 3485 Non-Procurement Debarment and Suspension

- Procedures for State Board Policy 74.19

Fiscal Monitoring System Activities

The MDE, OSE implements a risk-based fiscal compliance and accountability system to ensure compliant LEAs processes, procedures, practices and the allowable use of IDEA Part B flow-through and discretionary grant funds. The system includes four levels of support and monitoring:

- Universal Monitoring
- Cyclical Monitoring
- Targeted Monitoring (may include investigative audits)
- Intensive Risk-Based Monitoring

The term LEA is defined as a traditional public school district or charter school. As part of monitoring an LEA, MDE, OSE monitors compliance for any student placed by the LEA in a placement outside the LEA, including an Educable Child Facility, a university-based program, or a private school or program. Each LEA is responsible for the compliance and oversight of any out-of-district program in which a student is placed to ensure that it operates in accordance with all Federal and State special education laws and regulations.

Universal Monitoring

Universal monitoring activities are conducted for all LEAs each year and include IDEA funding project application review, December 1 child count, assurances of specific IDEA requirements, internal eligibility application process, annual LEA determinations, dispute resolution, fiscal monitoring, and an annual risk assessment.

Each LEA is monitored annually as part of the MDE, OSE review and approval of the LEA's IDEA project application and budget submission in the Mississippi Comprehensive Automated Performance-based System (MCAPS) demonstrating eligibility for IDEA Part B grant awards. In addition to the required assurances described in 34 C.F.R. §300.200 and evidence that the LEA is meeting select assurances, the application includes separate program plans for Coordinated Early Intervening Services (CEIS) and parentally placed private school students.

Each LEA that is reserving funds for CEIS, either voluntary or required, must submit a CEIS plan in its Application for Funds. LEAs must provide detailed information outlining the identified areas of disproportionality (for comprehensive CEIS [CCEIS]), areas the funds will target (i.e., grade levels, schools, professional development, etc.), how these funds will be used to address disproportionality in the LEA (for CCEIS), and the specific interventions or strategies to be implemented. The MDE, OSE reviews each plan for compliance.

Each LEA with proportionate share, private schools, that meet the definition of elementary or secondary school within its jurisdiction is responsible for conducting

child find activities and holding timely and meaningful consultations with representatives of the private school and parents of parentally placed private school children with disabilities. The MDE, OSE requires LEAs to budget a proportionate share of funds to provide services to parentally placed private school students. This amount is calculated automatically through MCAPS based on self-reported child count data. Additionally, LEAs are required to upload a signed affirmation upon completion of timely 4 and meaningful consultation, signed by representatives of the participating private schools. The expectation of MDE, OSE is that consultation occurs continuously throughout the school year.

Annually, each funding application is reviewed for an LEA application is reviewed for accuracy and compliance with the grant guidelines. Applications are reviewed and approved by the MDE District Contact for Special Education, MDE Supervisor of Special Education and MDE Director of Special Education. Subrecipients are notified of the status of the application to include any revisions needed, eligibility decision, and the final award through the MCAPS system.

Under [34 C.F.R. §300.227](#), if an LEA has not provided the information to establish eligibility, elects not to apply for IDEA funds, or is unable to establish and maintain programs of FAPE that meet the requirements of IDEA, MDE must use the IDEA funds that would have been available to that LEA to provide special education and related services directly to children with disabilities residing in the area served by that LEA. Each LEA that does not establish eligibility will also be subject to the intensive monitoring described in these procedures and will be referred to the Office of Accreditation for review.

Each grant award issued by MDE is subject to terms, conditions, and/or assurances that include compliance requirements, Federal regulations, and audit requirements applicable to the grant award. Ongoing monitoring for allowable use of funds continues throughout the year. All funds must be expended in accordance with the budget approved by MDE, OSE in MCAPS. Budget change requests to an award must be submitted through a revision to the original application in MCAPS. Budget or project amendments must be reviewed and approved by the MDE Special Education District Contact and MDE Special Education Director. The changes must be consistent with grant guidelines. If authorized by program regulations, transferring funds between available allocations must be authorized by MDE and will require an updated budget.

In addition, MDE monitors each LEA regularly for the timely expenditure of IDEA funds to ensure that funds are used within the period of performance and that both MDE and its LEAs are following the first in, first out principle and spending down prior years' awards prior to spending down newer awards. If MDE finds that an LEA is expending its IDEA funds at a rate that will result in the LEA lapsing funds or that the LEA is drawing down newer funds before expending older available funds, the OSE contacts the district to provide technical assistance and take necessary actions to ensure funds are expended including:

- Requiring the LEA to submit a written plan for timely expenditure of available funds,
- Requiring the LEA to review non-performing balances (identified by OSE) from

older grants and move the funds into an active cost category through the revision process,

- Requesting the LEA to request a transfer of costs from a newer grant year to an older available grant year,
- Directing the use of remaining IDEA funds to address the noncompliance or complete the corrective action, for LEAs with outstanding noncompliance or corrective actions plans,
- Returning IDEA funds to the State for reallocation to LEAs who need additional funds to provide special education and related services, for LEAs who are adequately providing FAPE.

The sample of LEAs identified for cyclical monitoring in a specific year is referred to as a cohort. LEAs are organized into cohorts by LEA type (traditional school district or LEA charter school) and financial data, including each LEA's MOE amount and the size of its IDEA Part B section 611 award to ensure a representative distribution of LEAs across cohorts. State-operated agencies or facilities (e.g., Mississippi School for the Blind and Mississippi School for the Deaf) are not included in cyclical monitoring and are monitored every year.

Cyclical monitoring occurs each fall, from August to December. Each LEA cohort is notified of the upcoming self-assessment activity, and MDE, OSE holds a training for LEAs selected for cyclical monitoring. Each LEA that is required to complete an LEA self-assessment is notified no less than 30 days prior to its scheduled self-assessment due date. The self-assessment and all required documentation must be submitted to MDE, OSE on or before the due date.

Self-Assessment

The MDE, OSE facilitates the opportunity for self-assessment as a method of analyzing the implementation of IDEA, which requires each LEA to provide a free appropriate public education (FAPE) for students with disabilities. Self-assessment offers a way for LEAs to conduct an analysis of their fiscal policies and procedures assuring compliance with IDEA fiscal requirements. There are six components of the self-assessment process: Cost Principles (Procurement and Contracts), Time and Effort (PARs and SEMIs), IDEA Requirements (MOE, Proportionate Share, C/CEIS), Fiscal Management Systems, Policies and Procedures, and Inventory Management. Upon completion of the LEA self-assessment, the MDE, OSE's monitoring team conducts validation checks to ensure accuracy, identifies areas for additional training for individual LEAs and across the LEA cohort, and issues findings of noncompliance when it is identified.

Desk Audit

The purpose of the desk audit is to ensure that each LEA has internal controls in place to ensure special education expenditures are compliant with Federal and State statute. The desk audit includes an MDE, OSE review of files submitted by the LEA including, but not limited to:

- budget or expenditure reports,

- time and effort documentation,
- documentation related to specific areas including use of funds set aside for CEIS or the provision of equitable services to parentally placed private school children, where applicable,
- written, board-approved, fiscal policies and procedures,
- additional fiscal data submitted requested by OSE,
- sub-award letters, contracts, files, documents, and related correspondence; and
- audit reports, as necessary.

Interview and Additional

Information

Cyclical Monitoring may also include follow-up interviews, on-site visits, or requests for additional information based on the review of the self-assessment data, risk assessment and review of LEA information. The MDE may identify, and the LEA scheduled for Cyclical Monitoring to participate in the Intensive Risk-Based Monitoring as necessary. If an LEA is selected for Intensive Risk-Based Monitoring in the same year as it is selected to participate in Cyclical Monitoring, the two activities will be combined.

Targeted Monitoring

The MDE, OSE conducts targeted programmatic and fiscal monitoring as needed. Targeted monitoring is typically limited in scope to specific instances of frequent or systemic noncompliance in a singular area. The purpose of targeted monitoring to direct the provision of technical assistance from the MDE, OSE to the LEA, based on the area being targeted. LEAs can be identified for targeted monitoring through the general supervision team’s bi-monthly review of data, substantiated credible allegations, or universal monitoring activities. It should be noted that the MDE, OSE reserves the right to implement cyclical or intensive monitoring based on findings during targeted monitoring.

Intensive Risk-Based Monitoring

The purpose of intensive risk-based monitoring is to determine compliance with Federal and State laws for serving students with disabilities, to direct the provision of technical assistance from the MDE, OSE to the LEA, and to assist the LEA in developing a continuous improvement process.

Each year the MDE, OSE completes a fiscal risk assessment for all LEAs and other subrecipients of IDEA Part B Sections 611 and 619 funds, to direct the provision of technical assistance from the MDE, OSE to the LEA, and to assist the LEA in developing a continuous improvement process.

Each year, the MDE, OSE completes a program risk assessment for all LEAs to determine their risk of potential noncompliance. LEA and subrecipient risk are calculated based on the following questions:

- Did the LEA fail the LEA MOE compliance test?
- Has the LEA Special Education Director been in the position for three years or less or receiving intensive mentoring or support?
- Has the LEA Business Manager been in the position for three years or less?
- Did the LEA miss the LEA MOE submission deadline?
- Have any other offices alerted MDE, OSE of potential risks in the LEA (crosscheck with the Office of Federal Programs, Office of Accreditation, and the LEA determinations)?
- Is the LEA in a special financial status (Achievement School District, Conservatorship, School of Transformation)?
- Does the LEA receive within the top 10% of IDEA allocation amounts?
- Did MDE, OSE identify noncompliance on the most recent desk audit or monitoring visit for the LEA?
- Did the LEA return (lapse) significant unspent funds?
- Does the LEA have unresolved findings from its most recent single audit (external audit)?
- Has the State placed special conditions on the LEA's award?
- Has it been more than seven years since the LEA last received a desk audit or on-site monitoring visit related to fiscal?
- Did the LEA have a large IDEA Section 611 carryover balance in the previous fiscal year?
- Did the LEA have a large IDEA Section 619 carryover balance in the previous fiscal year?

The criteria for risk may be adjusted each year to reflect MDE, OSE priorities or new learning. LEAs receive partial points on a sliding scale for each indicator. The sum for each LEA is then calculated to produce a percentage (total LEA points/total possible points). Based on the annual risk assessment score, each entity is classified into a risk category, with cutoffs established based on the annual review of the data, using the following as a guideline:

- Low risk: Below the 50th percentile
- Medium risk: Between the 50th and 69th percentiles
- High risk: Between the 70th and 89th percentiles
- Extremely high risk: Above the 90th percentile

LEAs identified with extremely high risk or the LEAs with the top 10 highest risk assessment scores, are required to participate in intensive monitoring activities, regardless of when they last participated in cyclical or other risk-based monitoring. While MDE does not make risk assessment scores publicly available, MDE, OSE sends each LEA identified for intensive risk-based monitoring its final risk score.

In addition to any LEA identified as having extremely high risk, MDE, OSE may select LEAs from the cyclical monitoring cohort with the highest risk. Intensive monitoring may also be conducted as the result of:

- a determination of “needs substantial intervention,”
- a notification from the Office of Accreditation that an LEA’s accreditation is at risk, or
- emerging or emergency issues identified through uncorrected findings of noncompliance, findings from the LEA self-assessment, or other available information.

If an LEA is selected for intensive risk-based monitoring for two or three subsequent years, the MDE, OSE will determine, based on the status of the LEA’s previous monitoring, whether additional on-site monitoring is necessary. If the MDE, OSE determines additional monitoring is not necessary because it did not identify noncompliance during the previous monitoring visit or the LEA corrected each finding of noncompliance, the MDE, OSE will select the LEA with the next highest risk score for monitoring. If the LEA has been identified as extremely high risk for four consecutive years, the MDE, OSE will conduct an on-site monitoring visit. Intensive risk-based monitoring is differentiated based on each LEA’s fiscal compliance. The monitoring team prioritizes areas for review based on:

- findings of noncompliance and areas determined through the cyclical monitoring reviews
- findings of noncompliance identified in the LEA’s self-assessment; and
- other information available to MDE indicating the need for on-site monitoring.

Each LEA selected for intensive risk-based monitoring receives a notification letter at least 30 days prior to the on-site visit with an overview of the site visit protocols and documents that will be reviewed. Visits occur between February through May of each year.

Preparation for On-Site Monitoring

MDE will hold trainings for LEAs selected for Intensive Risk-Based Monitoring. The MDE, OSE will provide each LEA the intensive monitoring protocol to prepare for on-site monitoring including: a list of requested documentation on purchases and other expenditures, requested interviews with LEA special education and business administration personnel, and a list of files to be audited.

Each year, the MDE, OSE assigns a staff member to serve as the LEA’s point of contact throughout the on-site monitoring cycle. Monitoring the implementation of corrective action plans and providing differentiated technical assistance to best support the LEA’s needs may be provided by the MDE, OSE fiscal monitoring staff. An MDE, OSE staff member will conduct a pre-on-site visit meeting with designated members of the LEA team to provide an overview of the prioritized focus areas for the monitoring visit; address questions from the LEA in preparation for the monitoring visit; review the on-site monitoring protocol; and facilitate information gathering necessary for the on-site visit.

On-Site Monitoring

Intensive Risk-Based Monitoring consists of, but is not limited to:

- Entrance Meeting – The MDE, OSE team provides a description of the scope and purpose of the monitoring, requests additional information from the LEA, and verifies that information required to complete the monitoring visit is available at the site.

- Interviews – The MDE, OSE team interviews staff involved with IDEA Part B grant activity (specifically business managers and special education directors).
- Detailed Document Review – The MDE, OSE team conducts a detailed review of:
 - Fiscal records for compliance with IDEA Part B Sections 611 and Section 619 requirements, generally accepted accounting principles, and internal control best practices.
 - Pay records (timecards/sheets) and attendance reports to ensure compliance with time and effort requirements.
 - Staffing levels, operating procedures, and contracts.
 - Employment contracts/agreements between LEAs and personnel paid with IDEA Part B funds to ensure that services to students with disabilities are being provided and payments are appropriate. Contracts shall be reviewed for dates, authorized signatures, amounts paid, and supporting documents to justify payment.
 - Subrecipient records of IDEA Part B fund expenditures and supporting documents.
 - Written, board-approved, fiscal policies and procedures.
 - Procurement Procedures and Practices
 - Adherence to contract requirements and instructions for purchases
 - Documentation of contract awards
 - Procedures for the prevention of conflict of interest
 - Property Management
 - Financial Management Procedures and Practices
 - Standards for financial management systems
 - Fiscal controls and accountability
 - Record retention
 - Allowability of costs
 - Fiscal Records such as cash receipts journal, cash disbursement, payroll journal, general ledger, bank reconciliation, accounts payable, purchase orders, cost allocation plan
 - Source documents such as timesheets, vendor invoices, travel reimbursements, petty cash, canceled checks
 - Payments for program activities such as travel, training attendance
 - Justification for the need of activities (which may include agendas, training attendance records, documentation of miles traveled, receipts, etc.)
 - Pre-approval by MDE of out-of-state travel using IDEA Part B funds
 - An invoice or receipt for payments received (itemized and dated) for the supportive service
 - Record Keeping Procedures and Practices
 - Records must be retained for a minimum of six years from the date that funds are made available to LEAs
 - Property Control Records
 - Property purchased with IDEA Part B funds shall be tagged and used for the purpose of serving student with disabilities
 - Building and facility rentals funded with contract funds is being used for project proposes and is adequate
 - Verification of prior approval, where applicable
 - Conduct a random check to determine if proper care and attention

is being given to the maintenance, repair, and protection of Federal property

- Verification of Practice – The MDE, OSE team may visit schools and classrooms to verify purchases and allowable costs including the review of personnel and verification of time and effort reporting.
- Exit interview – The MDE, OSE team will hold an exit interview with the appropriate LEA or subrecipient staff when the monitoring visit is completed. Problem areas will be discussed in general terms.

Monitoring Report

A monitoring report with findings and areas for improvement will be sent to each LEA within **90 days** of the MDE, OSE validation of the self-assessment, desk audit or on-site visit and a copy of the report will be filed in the master fiscal monitoring folder. The report includes:

- Monitoring objectives, scope, and methodology
- The standard of criteria (regulation, directive, or contract clause etc.)
- The condition found or reason for the finding
- The required corrective actions
- The required evidence for verification of correction

Each finding of noncompliance must be corrected in a timely manner and in no case greater than one year from the date of the monitoring report.

The MDE, OSE may establish shorter timelines for correction. MDE, OSE conducts a follow-up call with each LEA to review the report. Depending on the extent of noncompliance, LEAs may be required to submit a detailed corrective action or improvement plan, including specific steps to be taken and an associated timeline to resolve noncompliance, implement internal controls, and submit data demonstrating correction and systemic improvement.

Verification of Correction of Noncompliance

Pursuant to Office of Special Education Programs (OSEP) Memo 09-02, the MDE, OSE will consider all findings resolved only after the subrecipient has provided sufficient evidence that corrective actions have been fully implemented and evidence of correction (e.g., repayment, a revised budget, compliant procedures, evidence of compliant implementation for a period following the identification of the finding). At such point, a clearance letter will be issued to the subrecipient within **60 days** stating that all findings have been resolved.

Incentives and Enforcement Mechanisms

Each LEA must respond in writing to all fiscal monitoring findings according to the timeline described in the fiscal monitoring report. If an LEA does not respond or correct

identified noncompliance within a reasonable time, as required by the monitoring report, MDE, OSE will take additional actions to ensure correction. MDE, OSE will also impose sanctions if an LEA has not corrected the noncompliance within the timeline agreed upon. Sanctions may include:

- Technical assistance based on LEA's specific area(s) of need
- Decreased reporting requirements when noncompliance is corrected in a shorter timeline
- Recognition of timely correction through points added to determinations or risk assessment scores
- Increased reporting requirements
- Additional on-site monitoring
- Special conditions on the LEA's IDEA subgrant awards
- Direction of the use of or withholding IDEA funds
- Accreditation actions and sanctions
- State takeover with State oversight

Fiscal Technical Assistance

The MDE, OSE provides differentiated technical assistance to LEAs and other IDEA Section 611 and 619 subrecipients to address identified needs. Technical assistance is provided as an integral part of the accountability system and includes face-to-face and virtual training, training materials, State guidance, and procedural documents. MDE's technical assistance system includes three levels of support.

Universal

The MDE, OSE provides technical assistance to each LEA during the annual submission of the grant application to ensure that all IDEA subrecipients comply with applicable Federal statutes and regulations including the uniform administrative requirements and cost principles for Federal awards provided in Title 2 of the Code of Federal Regulations (C.F.R.), Part 200, as well as the specific administrative and fiscal requirements of IDEA.

Cyclical

The MDE, OSE provides cyclical technical assistance to each LEA in preparation for and as follow up to cyclical monitoring to ensure compliance and corrective action on part of the LEA. Cyclical technical assistance is provided until all findings are resolved and improvement plans completed. Cyclical technical assistance is also provided at the request of the LEA through researching and responding to fiscal questions, providing training, and developing templates and resources.

Intensive

The MDE, OSE provides intensive technical assistance to LEAs identified as “extremely high risk” to ensure proper corrective action and compliance with Federal and State statutes and regulations. At a minimum, MDE, OSE holds monthly calls with each identified LEA and intensive technical assistance is provided until all findings are resolved.

Appendices

Appendix A: Self-Assessment

Appendix B: OSEP Memorandum 09-02

Appendix C: Cyclical Monitoring Protocol

Appendix D: Risk Rubric

Appendix E: Intensive Monitoring Protocol

Appendix F: Sample Timeline of Monitoring Activities and Communication to LEAs

Appendix A: Cyclical Monitoring Self-Assessment

Introduction

The Mississippi Department of Education (MDE), Office of Special Education (OSE) facilitates the opportunity for self-monitoring as a method of analyzing the implementation of the Individuals with Disabilities Education Act (IDEA) 2004 (PL108-446), and Education Department General Administrative Regulations (EDGAR) require that the Mississippi Department of Education monitor local education agencies, including charter schools and State-operated programs, to ensure fiscal compliance with State and Federal laws, regulations, policies and procedures that govern the provision of special education and related services to appropriately identified children.

The primary goal of the self-assessment is to identify areas for potential improvement and technical assistance for local education agencies, charter schools and State agencies who request Federal, State, and local funds to ensure the alignment toward improved results for eligible children with disabilities and their families.

Components

There are six components of the self-assessment process: Policies and Procedures, Cost Principles and Expenditures, Time and Effort, IDEA Fiscal Requirements, Financial System Review, and Inventory Management. The LEA, charter school or State agencies are required to analyze the evidence submitted by utilizing the guided questions in these six components.

Citations

For potential noncompliance and identifying areas where the State will examine evidence of compliance, each component is supported by a compliance regulation that will help the agencies self-assessment team understand the IDEA and EDGAR fiscal requirements aligned with the agreements of approved subgrant awards.

Planning and Preparation

The local education agency, charter school or State agency should assign key staff to include: the Director of Special Services, Business Manager and other personnel who are responsible for the fiscal management policies and procedures related to IDEA subgrant awards.

Activities

The self-assessment consists of a review of fiscal artifacts related to each of the six components. These same components will be reviewed during the OSE monitoring protocol process either by desk review or on-site.

Required Activity	Recommended Action Steps
1. Director of Special Services selects team members	<p>The team should include personnel responsible for implementing fiscal policies and procedures related to IDEA subgrant awards.</p> <ul style="list-style-type: none"> • Director of Student Services • Business Manager • Office Manager and/or Assistant • Inventory/Equipment personnel
2. Conduct an initial meeting with team members to align responsibilities	<p>Align team members to appropriate artifact collection and review.</p> <ul style="list-style-type: none"> • Expenditure reports • Time and Effort (PARs and SEMIs) • Private School Placements, CEIS/CCEIS, Schoolwide programs • Policies and Procedures • Inventory List
3. Complete required self-assessment	<p>Based on the above collection and review, complete the aligned statements and questions.</p>

4. Compile artifacts for uploads to MCAPS	The team should utilize the potential source of documentation to guide the artifacts chosen for uploading in MCAPS.
5. Upload required artifacts of evidence to MCAPS	The team should assign person(s) to complete the uploads for OSE to begin the review process.

Section One: Cost Principles and Expenditures			Documents
Compliance	Yes	No	Evidence uploaded into MCAPS
a. Does the cost allocation of transactions/expenditures match the LEA/Entity methods of cost allocation narrative?			<ul style="list-style-type: none"> Budget vs Expenditure Report Expenditure reports for 2610, 2620, CCEIS, Private Schools from 7/1 through 6/30 (12-month report) Journal Entry Report
b. Are expenditures used for allowable and approved activities?			<ul style="list-style-type: none"> Procurement packets from 2610, 2620, 1130, CCEIS, Private Schools. <p>Note: The transactions will be chosen by the reviewer from MDE, and these will be uploaded at that time.</p>
c. Does the agency ensure that the payment transactions reference a PO, contractual agreement, or other prior approval?			<ul style="list-style-type: none"> Requisition Board Minutes History Transaction Report
d. There is a valid contract for each expenditure using Federal IDEA funds identified in expenditure reports.			<ul style="list-style-type: none"> Signed contractual agreement Board approval signature Board minutes
e. The LEA has written policies/procedures for developing and awarding contracts.			<ul style="list-style-type: none"> District policy and procedure
f. Procedures are established to verify that vendors providing services or goods have not been suspended or debarred by the State and/or the Federal government.			
g. Contracts include the following: WHO will provide the services, WHAT services will be provided, WHEN the services will be provided and WHERE the services will be provided.			<ul style="list-style-type: none"> Contracts
h. Contracts contain beginning and ending dates that include month, date, and year.			

i. Contracts include a printed name with a valid signature dated and the staff positions outlined.			
j. All IDEA contracted service invoices are supported by a valid contract.			
k. Invoices include WHO provided the services, WHAT services were provided, WHEN the services were provided, WHERE the services were provided, and WHO received the services.			
l. Invoices include rates and fees established in the valid contract.			
m. Does the agency ensure that expenditures are not commingled with other sources such as SBAC/Medicaid?			<ul style="list-style-type: none"> • Expenditure Report Coding • Policy and Procedure

Section Two: Time and Effort			Documents
Compliance	YES	NO	Evidence uploaded into MCAPS
Semi-Annual Certification Salaries and wages paid for employees who work on a single federal cost object must be supported by periodic certifications that the employees worked solely on that activity for the period covered by the certification. These certifications must be prepared at least semi-annually and signed by the employee or supervisory official who has firsthand knowledge of the employee's work.			
a. There are written policies/procedures for meeting Time and Effort requirements for personnel paid with IDEA funds.			<ul style="list-style-type: none"> • Policy and Procedure Manual
b. The Time and Effort policies/procedures include the staff position(s) responsible for identifying employees who require Semi-Annual Certification and for collecting and maintaining the certifications.			<ul style="list-style-type: none"> • A list of employees paid from any portion of 2610 or 2620 by location and designated percentages.
c. Payroll documents are available that identify the funding source and program report code of all employees who serve students with disabilities and are used to identify employees who require Semi-Annual Certification.			<ul style="list-style-type: none"> • Salary distribution report • Gross payroll (cumulative earnings distribution by employee) • Board approved employee contracts of 2610 and 2620

d. According to payroll records all employees who have worked on a single Federal cost objective have Semi-Annual Certifications.			<ul style="list-style-type: none"> • Semi Annual Certifications for both semesters
e. Semi-Annual Certification Forms cover one year and are completed twice in a 12-month period.			
f. The beginning and ending dates of the Semi-Annual Certification Form includes month/day/year of the certification period.			
g. The Semi-Annual Certification Form includes a legible, printed, and written signature of the employee or supervisor completing the form. (The LEA may choose to add a printed position name on the form.)			
h. All signatures are affixed and dated after the work has been certified as completed.			
i. When a blanket Semi-Annual Certification Form is used to document certification of multiple employees at a single site, the list of employees is recorded in a manner that clearly identifies the site (names are not attached separately to a certification form with no identifying site information.			
Personnel Activity Report (PAR) Employees who work on multiple cost objectives must support the distribution of their salaries or wages by completing personnel activity reports. These personnel activity reports must reflect an after-the fact distribution of the actual activity; must account for the total activity for which the employee is compensated; must be prepared at least monthly, coinciding with one or more pay periods; and must be signed by employee. At least quarterly, comparisons must be made between actual costs (based on monthly activity reports) to budgeted distribution.	YES	NO	Evidence uploaded into MCAPS
a. Time and Effort policies/procedures detail the documentation required for distribution of the salaries and wages of an employee who works on multiple cost objectives.			<ul style="list-style-type: none"> • Policy and Procedure

b. Time and Effort policies/procedures include staff position(s) responsible for identifying employees who require PARs.			<ul style="list-style-type: none"> A list of employees paid from any portion of 2610 or 2620 by location and designated percentages.
c. Payroll documents are available that identify the funding source and program report code of all employees who serve students with disabilities and are used to identify employees who require a PAR.			<ul style="list-style-type: none"> Salary distribution report Gross payroll (cumulative earnings distribution by employee) Board approved employee contracts of 2610 and 2620
d. All PARs are completed monthly or as specified in the LEA approved substitute system and include documentation that reflects after-the-fact distribution of each activity performed.			<ul style="list-style-type: none"> PARS for each month
e. Each PAR form has a legible, handwritten employee signature and date.			
f. All signatures and dates are after the end of the PAR date (i.e., PAR for January 1, 2024, through January 30, 2014, is signed after January 30, 2024).			
g. There is a proper handwritten signature by a supervisory official who has firsthand knowledge of the employee's work.			

Section Three: IDEA Fiscal Requirements			Documents
Maintenance of Fiscal Effort (MOE) Funds provided to an LEA under Part B of the IDEA must not be used to reduce the level of expenditures for the education of children with disabilities made by the LEA from State and/or local funds below the level of those expenditures for the preceding fiscal year	Yes	No	Evidence uploaded into MCAPS
a. The LEA is aware that MOE can be met one of four ways. There are: total of State and local expenditures, total local expenditures only, State, and local total expenditures per child and local expenditures per child only.			<ul style="list-style-type: none"> 1130 expenditure report This may be done through an interview.
b. If applicable, the LEA uses the justification worksheet based on §300.204 .			

c. If applicable, the LEA is aware there is a copy of a memo sent from the OSE Director of Special Education explaining MOE and eligibility under §300.204.			
d. Does the LEA meet the Maintenance of Effort requirement and is there documentation to substantiate?			<ul style="list-style-type: none"> • MDE Letter confirming that MOE is met or not met.
e. If MOE is not maintained, documented evidence releasing the LEA from the requirement by the SEA is on file.			

<i>Proportionate Share for Eligible Parentally Placed Private School Children</i> Each LEA must expend, on the provision of special education and related services for the eligible parentally placed private school children with disabilities enrolled in private schools located in the LEA.	Yes	No	Evidence uploaded into MCAPS
a. The proportionate Share Section of the current IDEA narrative in MCAPS provides accurate information regarding the LEA Proportionate Share activities.			
b. Is there evidence of a proportionate share calculation amount?			
c. Are expenditure reports available that identify Federal IDEA funds used for Proportionate Share?			<ul style="list-style-type: none"> • Expenditure report for Private School • Budget report to include carryover • Personnel Gross Salary Report for Private School • Vender contracts if applicable
d. Is there evidence of documentation tracking proportionate share expenditures (contracts, invoices, payroll)?			
e. If applicable, salaried employees of the LEA that also are paid from proportionate share funds complete a Personnel Activity Report (PAR) that documents time spent providing proportionate share services.			<ul style="list-style-type: none"> • Time and Effort document if applicable
f. Does the LEA have documentation on file to support the consultation process (dates of meetings, sign-in sheets, signed affirmation forms from private school representatives)?			<ul style="list-style-type: none"> • Private School Agreement and supporting documentation

g. Did the LEA ensure child find and evaluation costs for Proportionate share students were not included as part of the proportionate share obligation?			<ul style="list-style-type: none"> Outline Plan of Services
h. Does the LEA have a home school policy that allows for participation in district programs?			<ul style="list-style-type: none"> Policy Manual

Coordinated Early Intervening Services (CEIS) LEAs providing CEIS/CCEIS must report annually the number of children receiving CEIS, the number of children who received CEIS, the number of children who received CEIS and subsequently received special education and related services during the preceding two-year period. CEIS funds must be used solely for CEIS activities.	Yes	No	Evidence uploaded into MCAPS
a. The IDEA project narrative for the current year provides accurate and detailed information about the LEA's CEIS activities.			
b. Are expenditure documents available that identify IDEA funds used for CEIS activities?			<ul style="list-style-type: none"> CCEIS/CEIS Expenditure report Budget report to include carryover Personnel Gross Salary Report for CCEIS/CEIS Vender contracts if applicable
c. Is there evidence of a tracking system for students receiving CEIS?			<ul style="list-style-type: none"> CCEIS/CEIS Plan
d. Did the LEA develop and implement a plan for assuring that students selected to participate in CEIS activities and later identified as students with disabilities are not served by individuals paid with CEIS funds?			
e. Is there evidence of a tracking system for students who receive CEIS and the number of those students who subsequently receive special education and related services during the two years after receipt of CEIS?			
f. Are CEIS funds used solely for CEIS activities?			
g. If applicable, do salaried employees of the LEA that also are paid from CEIS funds			<ul style="list-style-type: none"> PARS if applicable

complete a Personnel Activity Report (PAR) that documents time spent providing CEIS?			
h. Did the LEA track CEIS expenditures paid with IDEA funds separately from other expenditures?			<ul style="list-style-type: none"> • CCEIS/CEIS expenditure report

Section Four: Financial System Review			Evidence uploaded into MCAPS
Compliance	Yes	No	
a. Does the LEA maintain a fiscal management system that accurately identifies the source and amount of funds awarded to them?			<ul style="list-style-type: none"> • Name of fiscal management package
b. Expenditure reports are available aligned with the MCAPS budget allocations by function and object code.			<ul style="list-style-type: none"> • Expenditure Reports for 2610 and 2620
c. Does the LEA have a working budget vs. expenditures?			<ul style="list-style-type: none"> • Budget vs. Expenditure Report with and without carryover
d. Does the District have a copy of their current approved IDEA Part B Budget?			<ul style="list-style-type: none"> • GAN Report
e. Are budget modifications requested and approved prior to expenditure?			<ul style="list-style-type: none"> • Procedures • Expenditure budget reports • Revision form • MCAPS overview report plus/minus
f. Were expenditures reported and requested through MCAPS on a reimbursable basis and submit all required reports on time?			<ul style="list-style-type: none"> • MCAPS budget • At least quarterly request of funds (drawdowns)

Section Five: Written Fiscal Policies and Procedures			Documents
Compliance	Yes	No	Evidence uploaded into MCAPS
a. Does the LEA have a funding manual that sets for the policies and procedures used by the LEA to administer Federal subgrant funds. PROCEDURES: Cost Principles - 2 C.F.R. §200 Subpart E Procurement - 2 C.F.R. §200.318			<ul style="list-style-type: none"> • District Fiscal Management Policies and Procedures Manual for IDEA. If this is included with the Federal Programs Manual, ensure all the EDGAR regulations are aligned for IDEA purposes and both programs are outlined in the manual.

<p>Written Cash Management-2 C.F.R. §200.302(b)(6) & §200.305 Written Allowability Procedures – 2 C.F.R. §200.302(b)(7) Written Procurement Procedures – 2 C.F.R. §200.319(c) Time and Effort - 2 C.F.R. §200.430, 403(a) Inventory Management 2 C.F.R. §200.313 Separation of Duties - 2 C.F.R. §200.303</p> <p>POLICIES: Written Conflicts of Interest Policy – 2 C.F.R. §200.318(c) Fiscal records retention Policy – 2 C.F.R. §200.334 Written Travel Policy – 2 C.F.R. §200.474(b)</p>			
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Section Six: Equipment	Documents		
<i>Compliance</i>	Yes	No	Evidence uploaded into MCAPS
a. Federal IDEA funds are used to purchase equipment.			<ul style="list-style-type: none"> Budget Report
b. Expenditure reports are available that identify Federal IDEA funds used to purchase equipment (object codes).			<ul style="list-style-type: none"> Expenditure Report
c. There are written policies/procedures for maintaining records of equipment purchased with Federal funds.			<ul style="list-style-type: none"> District Fiscal Policy Manual
d. Written policies include the threshold (dollar amount) that the LEA has identified for classification of purchased items as equipment.			
e. Written policies/procedures include the staff position(s) responsible for maintaining records of equipment with IDEA funds and responsible for conducting a physical inventory at least every two years.			
f. IDEA equipment records are maintained and include a description, serial or other identifying number, source, and acquisition cost and date.			<ul style="list-style-type: none"> Inventory List Documentation of the most current physical inventory
g. A physical inventory has been conducted within the last two years and there is evidence that shows description, purchase			

price, location, and condition of each piece of equipment.			
h. The LEA has policies/procedures for proper disposal of equipment?			
i. The LEA inventory demonstrates compliance with policies and procedures set forth by the Mississippi Public School Asset Management Manual. (For example, is the threshold limit set by the Mississippi Public School Asset Management Manual being applied?)			
j. Equipment inventory captures “significant technological items” regardless of the LEA inventory threshold.			
k. The LEA physical inventory is reconciled with property records to assure that all equipment and significant technological items purchased with IDEA funds are inventoried.			

Appendix C: CYCLICAL FISCAL MONITORING PROTOCOL

FY: _____ SY: _____

LEA and Reviewer Information

LEA or Subrecipient	
Funding Sources	
Date of Review	
Review Conducted By	

Person (s) Interviewed or Contacted During the Review

Name	Title	Phone/Email

PURPOSE

As a requirement of the Office of Management and Budget Uniform Grant Guidance, fiscal monitoring is conducted by the Mississippi Department of Education, Office of Special Education Fiscal Team, to ensure Local Education Agencies (LEAs) or sub recipients of IDEA subgrants are in compliance with Federal, State, and Local laws and regulations.

Monitoring efforts are conducted to assess and measure compliance of LEAs to grant rules and regulations to:

- Monitor activities to ensure grant funds are used for authorized purposes in compliance with laws and regulations,
- Assess organization internal controls to ensure reliable financial reporting and accountability, and
- Identify areas of noncompliance and recommend areas of improvement to improve administrative efficiencies and programmatic effectiveness.

SECTION 1. COST PRINCIPLES AND EXPENDITURES

Examples of Evidence:

- Revenue and Expenses Report or General Ledger – to include revenue, expenditures, and remaining balance
- Budget– to include budgets and may also include actual expenses.

Appendix C: CYCLICAL FISCAL MONITORING PROTOCOL

FY: _____ SY: _____

- List of all staff, including FTEs and funding sources from IDEA Part B 611 and 619 Funds
- Accounting report by school identifying salaries & benefits for positions paid for with IDEA Part B 611 and 619 Funds
- Gross salary pay report by cost center – to include positions, names, and amounts.
- Detailed Ledger– to include detailed expenditure transactions: type of expense, vendor name, date, and amount.
- Budget Report for the previous year if the LEA is reporting carryover in the current year.
- Interview with the business manager, if needed
- Interview with the special education director, if needed

Section 1. Compliance	Evidence	Yes/No/NA
<p>1 Are expenditures and budgets tracked and reported separately per Federal grant in the accounting system? Resources: Budget vs. Expenditure Report</p>		
<p>2 Does the cost allocation of transactions/expenditures match the LEA methods of cost allocation narrative?</p> <p style="color: blue; text-decoration: underline;">The reviewers will select 25 of the IDEA transactions from a combination of funds 2610, 2620, and 1130(1130-only expenditures other and salaries/benefits) to be submitted by the district report. This is done prior to reviewing.</p> <p>Resources: Approved MCAPS Funding Application Expenditure Reports Funds: 2610, 2620, CCEIS/CEIS, Private School</p>		
<p>3. Are expenditures used for allowable and approved activities?</p> <p style="color: blue; text-decoration: underline;">Note: The reviewer may select up to 25 additional transactions from the detailed expenditure reports and request support documentation if the allowability of those already reviewed transactions are questionable.</p>		

Appendix C: CYCLICAL FISCAL MONITORING PROTOCOL

FY: _____ SY: _____

<p>Resources: Procurement Packets from 2610, 2620, 1130, CCEIS, Private School; District Policies and Procedures; MDE Funding Manual</p>		
<p>4. Does the agency ensure that the payment transactions reference a PO, contractual agreement, or other prior approval?</p> <p>Resources: Expenditure vs. Budget Report; History Transaction Report; Budget pages in the MCAPS approved application; Board minutes of district</p>		
<p>5. Are expenditures supported by proper source documentation including, but not limited to, purchase orders (POs), original invoices, packing slips, cancelled checks, accounting journal entries, and other pertinent records necessary to facilitate the tracing of grant funds?</p> <p>Resources: Procurement packets from 2610, 2620, 1130, CCEIS, Private School; Journal Report</p>		
<p>6. Does the agency ensure that expenditures were not also billed and/or reimbursed by other funding sources such as Medicaid?</p> <p>Resources: District Policies and Procedures; interview; District’s financial budget report</p>		
<p>7. Expenditures selected for testing are (if the answer to all the questions above are a “yes”, then this is a “yes”):</p> <ul style="list-style-type: none"> a. Necessary, reasonable, and allocable b. Conform with Federal law and grant terms. c. Consistent with State and local policies and procedures d. Consistently treated as either a direct cost or indirect cost e. In accordance with GAAP (Generally Accepted Accounting Principles) f. Allowable in accordance with IDEA 34 C.F.R. & and Uniform 		

Appendix C: CYCLICAL FISCAL MONITORING PROTOCOL

FY: _____ SY: _____

<p style="text-align: center;">Grant Guidance 2 C.F.R. Part 200 Subpart E</p> <p>Resources: Approved Funding Application; Edgar Reference Book; GAN; District Policies and Procedures; Procurement Documents</p>		
Section 1. Findings		
Section 1. Recommendations and Corrective Action		

SECTION 2. TIME AND EFFORT

Examples of Evidence:

- System of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated (i.e. signatures, periodical time and effort certification)
- Official records, if applicable
- Documentation that reasonably reflects total activity for which the employee is compensated, not exceeding 100% of compensated activities.
- Documentation of both Federally assisted, and all other activities compensated by the district on an integrated basis.
- Accounting policies and practices
- Documentation that shows support the distribution of the employee’s salary or wages among specific activities of cost objectives.

Section 2. Compliance	Evidence
<p>1. Charges to Federal awards for salaries and wages, including stipends, must be based on records that accurately reflect the work performed, salary distribution, and semiannual certification (2 C.F.R. 200.430, 200.403(a))</p> <p>Resources: List of Employees paid from any portion of 2610 or 2620 (by position, location, contract amount w/percentage charged to fund); Salary Distribution report, Gross Payroll (cumulative earnings distribution by employee); Board approved contracts; Payroll report (07/01/xx -</p>	

Appendix C: CYCLICAL FISCAL MONITORING PROTOCOL

FY: _____ SY: _____

06/30/xx = 12 month); MAEP Report; Timesheet (if applicable)	
Section 2. Findings	

Section 2. Recommendations and Corrective Action

SECTION 3. IDEA FISCAL REQUIREMENTS

Examples of Evidence:

Accounting record identifying distributions or payments for:

- Parentally Placed Private School Children
 - Budget vs. Expenditure Report
 - MCAPS CEIS/CCEIS Budget Narrative
 - Carryover budget, report if applicable from previous and current years
- CEIS/CCEIS
 - Budget vs. Expenditure Report
 - MCAPS CEIS/CCEIS Budget Narrative
 - Carryover budget, report if applicable from previous and current years
- Schoolwide program

Section 3. Compliance	Yes/No/NA
1. The LEA ensures that it accurately tracks and reports expenditures for maintenance of effort (MOE). (1130) <b style="color: #4F81BD;">Resource: MOE Letter upload	
2. The LEA ensures that it accurately tracks and reports expenditures related to proportionate share. <b style="color: #4F81BD;">Resources: MCAPS Plan, Private School budget and expenditure report for private schools	
3. The LEA ensures that it accurately tracks and reports expenditures for Voluntary Coordinated Early Intervention Services (CEIS) or Comprehensive (Required) Coordinated Early Intervention Services (CCEIS) for allowability of cost and adequate internal controls.	

Appendix C: CYCLICAL FISCAL MONITORING PROTOCOL

FY: _____ SY: _____

Resources: MCAPS CCEIS and amount required; Expenditure vs. Budget report for CCEIS/CEIS; current District Budget Report to identify carryover, if applicable	
Section 3. Findings	

Section 3. Recommendations and Corrective Action

SECTION 4. FINANCIAL SYSTEM REVIEW

Examples of Evidence:

- Expenditure Reports and carry over budget.
- Federal Award Notification—GAN
- Inspect LEA budget vs expense report spreadsheets or accounting system output.
- LEA chart of accounts
- Budget report for IDEA Federal program to ensure alignment with budgets submitted during the submission of funding application.
- Office of Grants Management indirect cost rate agreement letter – Bank reconciliation report
- Accrual reports
- Salary distribution in accounting system

Section 4. Compliance	Evidence	Yes/No
1. Does the LEA maintain a financial management system that accurately identifies the source and amount of funds awarded to them?		
2. Does the LEA have a method to compare actual costs to budgeted costs to ensure that programs are operating within their budgets?		
Resources: Expenditure report, Budget vs. Expenditure Report, MCAPS Overview Budget page		

Appendix C: CYCLICAL FISCAL MONITORING PROTOCOL

FY: _____ SY: _____

<p>3. Does the LEA’s accounting system ensure that grant funds are not commingled with other funds or other grants?</p> <p>Resources: Budget vs. Expenditure, Budget Report</p>		
<p>4. Does the LEA/Entity have a copy of the approved IDEA subgrant award for 2610 and 2620 budgets?</p> <p>Resources: Federal Award Notification</p>		
<p>5. Are budget modifications requested and approved prior to expenditure?</p> <p>Resources: Procedures, Expenditure Budget Reports, MCAPS overview plus/minus report, MCAPS Funding Request History, Approval date on the Funding Request page in MCAPS</p>		
<p>6. Is the indirect cost rate used approved by OGM?</p> <p>Resources: Expenditure Report Fund 7710 (900); MCAPS Application top box with indirect cost; letter/email received by the district from MDE</p>		
<p>7. Were expenditures reported and requested through MCAPS on a reimbursable basis?</p> <p>Resources: MCAPS Application budget overview page; Expenditure Report which includes the allocation and budgets expenditures monthly, yearly, encumbered and unencumbered and balance; MCAPS Funds Requested Section</p>		
<p>Section 4. Findings</p>		
<p>Section 4. Recommendations and Corrective Action</p>		

Appendix C: CYCLICAL FISCAL MONITORING PROTOCOL

FY: _____ SY: _____

SECTION 5. WRITTEN FISCAL POLICIES AND PROCEDURES

Examples of Evidence:

- Evidence that the LEA has a funding manual that sets forth the policies and procedures used by the LEA to administer Federal funds.

Section 5. Compliance	Yes/No/NA
<p>1. Does the LEA have written policies and procedures in compliance with the Uniform Grant Guidance?</p> <p>PROCEDURES: Cost Principles - 2 C.F.R. §200 Subpart E Procurement - 2 C.F.R. §200.318 Written Cash Management - 2 C.F.R. §200.302(b)(6) & §200.305 Written Allowability Procedures - 2 C.F.R. §200.302(b)(7) Written Procurement Procedures - 2 C.F.R. §200.319(c) Time and Effort - 2 C.F.R. §200.430, 403(a) Inventory Management - 2 C.F.R. §200.313 Separation of Duties - 2 C.F.R. §200.303</p> <p>POLICIES: Written Conflicts of Interest Policy - 2 C.F.R. §200.318(c) Fiscal records retention Policy - 2 C.F.R. §200.334 Written Travel Policy - 2 C.F.R. §200.474(b)</p> <p>Resources: Policies and procedures and determine that all sections required under the Uniform Grant Guidance are included.</p>	
Section 5. Findings	
Section 5. Recommendations and Corrective Action	

Appendix C: CYCLICAL FISCAL MONITORING PROTOCOL

FY: _____ SY: _____

SECTION 6. Inventory Management System

Examples of Evidence:

- The LEA has Inventory Procedures that include:
 - Process performed when inventory is received.
 - Process describing what type of property is tagged and what position/office performs the tagging
 - Process to adjust the inventory records in the event the property is sold, lost, or stolen, or cannot be repaired
 - Process describing how the physical inventory is performed
- For each equipment and computing device purchased with IDEA Part B Federal funds, the following information is maintained:
 - Serial number or other identification number
 - Source of funding for the property
 - Who holds title
 - Acquisition date and cost of the property
 - Percentage of Federal funds used to acquire property for use under a program
 - Location, use and condition of the property
 - Any ultimate disposition data including the date of disposal and sale price of the property
- Proof that physical inventory of property is reconciled with property records at least once every two years

Section 6. Compliance	Evidence	Yes/No
1. Does the LEA have an Inventory Management System in place for tracking property acquired with IDEA Part B funds? Resources: Inventory List		
2. Did the LEA receive prior MDE, OSE approval for equipment purchases over \$5,000? Resource: History Transitions; Budget vs. Expenditure Report; MCAPS Budget Overview and narrative		
3. Does the LEA ensure purchased equipment is being used for grant-specific purposes? Resource: MCAPS narrative and Equipment Page; district's inventory from its district program.		
4. Does the LEA maintain an inventory of equipment including the description, condition, serial number, deployed location, custodian, acquisition date, acquisition cost, and disposition of equipment?		

Appendix C: CYCLICAL FISCAL MONITORING PROTOCOL

FY: _____ SY: _____

<p>Resource: Inventory list from the district's program.</p>		
<p>5. Does the agency have a method for the disposition of equipment?</p> <p>Resource: Inventory Management Procedure and policy if applicable.</p>		
<p>6. Has a physical inventory of equipment been conducted within the last two years?</p> <p>Resource: Inventory list dated from the district program.</p>		
<p>7. Does the LEA ensure preventative measures for adequate equipment safeguarding to deter equipment from being lost, stolen, or destroyed? 2 C.F.R. 200.19(c) 313 & 317</p> <p>Resources: Procedures/Policies, Check forms; Board minutes of disposal or lost items.</p>		
Section 6. Findings	Yes/No/NA	
Section 6. Recommendations and Corrective Action		

Fiscal Monitoring Reviewer Signature	Fiscal Monitoring Reviewer Signature

Appendix D: LEA FISCAL RISK RUBRIC

Type	Indicator	Scoring
Qualitative	Did the LEA fail the LEA MOE compliance test?	Y = 6 N = 0
	Has the LEA Special Education Director been in the position for three years or less or are receiving intensive mentoring or support?	Y = 3 N = 0
	Has the LEA Business Manager been in the position for three years or less?	Y = 3 N = 0
	Did the LEA miss the LEA MOE submission deadline?	Y = 3 N = 0
	Have any other offices alerted MDE, OSE of potential risks in the LEA? - Was the LEA placed on probation from accreditation in the last 3 years? - Did the LEA receive a determination of needs substantial intervention in the most current reporting period?	Y = 3 N = 0
	Is the LEA in a special financial status (Achievement School District, Conservatorship, School of Transformation)?	Y = 3 N = 0
Quantitative	Does the LEA receive within the top 10% of IDEA allocation amounts?	Tiered score: Top 1% = 6; 2-6% = 4; 7-10% = 2; less than 10% = 0
	Did MDE, OSE identify noncompliance on the most recent desk audit or monitoring visit for the LEA?	Tiered score: 3+ findings = 6; 2 findings = 4; 1 finding = 2; 0 findings = 0 *If no data is available, the LEA will receive a 0
	Did the LEA return (lapse) significant unspent funds?	Tiered score: 90-100% = 6; 70-89% = 5; 50-69% = 4; 30-49% = 3; 10-29% = 2; 1-9% = 1;

Type	Indicator	Scoring
		0% = 0 points
	Does the LEA have unresolved findings from its most recent single audit (external audit)?	Tiered score: 3+ findings = 6 2 findings = 3 1 finding = 2 0 findings = 0
	Has the State placed special conditions on the LEA's award?	Tiered score: Fiscal = 6; Programmatic = 3; None = 0
	Has it been more than 7 years since the LEA last received a desk audit or on-site monitoring visit related to fiscal?	Tiered score: 7+ years = 6. 4-6 years = 4; 1-3 years = 2
	Did the LEA have a large IDEA Section 611 carryover balance in the previous fiscal year?	Tiered score: 90-100% = 6. 70-89% = 5; 50-69% = 4; 30-49% = 3; 10-29% = 2; 1-9% = 1; 0% = 0 points
	Did the LEA have a large IDEA Section 619 carryover balance in the previous fiscal year?	Tiered score: 75-100% = 4; 50-74% = 3; 25-49% = 2; 1-24% = 1; 0% = 0 points

Appendix E: INTENSIVE FISCAL MONITORING PROTOCOL

***Targeted Monitoring for specific identified areas will be chosen from this protocol. Added*

LEA and Reviewer Information

LEA or Subrecipient	
Funding Sources	
Date of Review	
Review Conducted By	

Person (s) Interviewed or Contacted During the Review

Name	Title	Phone/Email

PURPOSE

As a requirement of the Office of Management and Budget Uniform Grant Guidance, fiscal monitoring is conducted by the Mississippi Department of Education, Office of Special Education Fiscal Team, to ensure Local Education Agencies (LEAs) and other sub recipients of IDEA subgrants comply with Federal, State, and Local laws and regulations.

Monitoring activities:

- Assess and measure LEA compliance with grant rules and regulations,
- Ensure grant funds are used for authorized purposes in compliance with laws and regulations,
- Assess organization internal controls to ensure reliable financial reporting and accountability, and
- Identify areas of noncompliance and recommend areas of improvement to improve administrative efficiencies and programmatic effectiveness.

SECTION 1. ADMINISTRATIVE REVIEW

Section 1. Compliance	Yes/No/NA
1. Did the LEA submit all required reports on time? (Annual IDEA application and monthly MCAPS reimbursement requests)	

Section 1. Comments

Section 1. Recommendations and Corrective Action

SECTION 2. COST PRINCIPLES AND EXPENDITURES

Examples of Evidence:

- Revenue and Expenses Report or General Ledger – to include revenue, expenditures, and remaining balance
- Budget – to include budgets and may also include actual expenses
- Gross salary pay report by cost center – to include positions, names, and amounts
- Detailed Ledger– to include detailed expenditure transactions: type of expense, vendor name, date, and amount
- Budget Report for the previous year if the LEA is reporting carryover in the current year
- Accounting report by school identifying salaries & benefits for positions paid for with IDEA Part B 611 and 619 Funds
- List of all staff, including FTEs and funding sources
- Interview with the business manager, if needed
- Interview with the special education director, if needed
- Budget report for IDEA Federal program to ensure alignment with budgets submitted during the submission of funding application

Section 2. Compliance	Yes/No/NA
1. Are expenditures and budgets tracked and reported separately per Federal grant in the accounting system?	
2. Are expenditures used for allowable and approved activities?	
3. Were expenditures reported and requested through MCAPS on a reimbursable basis?	
4. Are expenditures supported by proper source documentation including, but not limited to, purchase orders (POs), original invoices, packing slips, cancelled checks, accounting journal entries, and other pertinent records necessary to facilitate the tracing of grant funds?	
5. Does the cost allocation of invoices match the LEA methods of cost allocation narrative?	
6. Does the agency ensure that the payment transaction references a PO, contractual agreement, or other prior approval?	

Section 2. Compliance	Yes/No/NA
7. Does the agency ensure that costs charged to grant funds were not also billed and/or reimbursed by other funding sources such as Medicaid?	
8. Expenditures selected for testing are: a. Necessary, reasonable, and allocable b. Conform with Federal law and grant terms c. Consistent with State and Local policies d. Consistently treated as either a direct cost or indirect cost e. In accordance with GAAP f. Allowable in accordance with IDEA 34 C.F.R. & and Uniform Grant Guidance 2 C.F.R. Part 200 Subpart E	

Section 2. Findings

Section 2. Recommendations and Corrective Action

SECTION 3. TIME AND EFFORT

Examples of Evidence:

- System of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated (i.e. signatures, periodical time and effort certification)
- Official records
- Documentation that reasonably reflects total activity for which the employee is compensated, not exceeding 100% of compensated activities
- Documentation of both Federally assisted, and all other activities compensated by the District on an integrated basis
- Accounting policies and practices
- Documentation that shows support the distribution of the employee's salary or wages among specific activities of cost objectives

Section 3. Compliance	Yes/No/NA
1. Charges to Federal awards for salaries and wages, including stipends, must be based on records that accurately reflect the work performed, salary distribution, and semiannual certification (2 C.F.R. 200.430, 200.403(a))	

Section 3. Findings

Section 3. Recommendations and Corrective Action

SECTION 4. IDEA FISCAL REQUIREMENTS

Examples of Evidence:

Accounting record identifying distributions or payments for:

- Parentally placed private school children
- CEIS
- Schoolwide program

Section 4. Compliance	Yes/No/NA
1. The LEA ensures that it accurately tracks and reports expenditures for maintenance of effort (MOE).	
2. The LEA ensures that it accurately tracks and reports expenditures related to proportionate share.	
3. The LEA ensures that it accurately tracks and reports expenditures for Voluntary Coordinated Early Intervention Services (CEIS) or Comprehensive (required) Coordinated Early Intervention Services (CCEIS) for allowability of costs and adequate internal controls.	

Section 4. Findings

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Section 4. Recommendations and Corrective Action

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SECTION 5. INVENTORY MANAGEMENT SYSTEM

Examples of Evidence:

- The LEA has inventory procedures that include:
 - Process performed when inventory is received
 - Process describing what type of property is tagged and what position/office performs the tagging
 - Process to adjust the inventory records in the event the property is sold, lost, or stolen, or cannot be repaired
 - Process describing how the physical inventory is performed
- For each equipment and computing device purchased with IDEA Part B Federal funds, the following information is maintained:
 - Serial number or other identification number
 - Source of funding for the property
 - Who holds title
 - Acquisition date and cost of the property
 - Percentage of Federal funds used to acquire property for use under a program
 - Location, use and condition of the property
 - Any ultimate disposition data including the date of disposal and sale price of the property
- Proof that physical inventory of property is reconciled with property records at least once every two years

Section 5. Compliance	Yes/No/NA
1. Does the LEA have an Inventory Management System in place for tracking property acquired with IDEA Part B funds?	
2. Did the LEA receive prior MDE, OSE approval for equipment purchases over \$5,000?	
3. Does the LEA ensure purchased equipment is being used for grant-specific purposes?	
4. Does the LEA maintain an inventory of equipment including the description, condition, serial number, deployed location, custodian, acquisition date, acquisition cost, and disposition of equipment?	
5. Does the agency have a method for the disposition of equipment?	

Section 5. Compliance	Yes/No/NA
6. Has a physical inventory of equipment been conducted within the last two years?	
7. Does the LEA ensure preventative measures for the adequate safeguarding of equipment to deter equipment from being lost, stolen, or destroyed? 2 C.F.R. 200.19(c) 313 & 317	

Section 5. Findings

Section 5. Recommendations and Corrective Action

SECTION 6. CONTRACT AND PROCUREMENT REVIEW

Examples of Evidence:

- The LEA has written procurement policies and procedures that includes the following:
 - Threshold amounts
 - Conflicts of interest policy
 - Bidding process
- Contract agreements, approval and prior approval process, invoice payment as defined under the contract established

Section 6. Compliance	Yes/No/NA
1. Does the LEA have policies and procedures to ensure that its procurement mechanisms conform to the standards outlined in 2 C.F.R. §200.19 (c) & 318?	
2. Does the LEA procurement policy establish procurement methods with thresholds? Are these thresholds in compliance with Federal requirements?	
3. Does the LEA have a conflict-of-interest policy in place?	
4. Does the LEA have a debarment and suspension policy in place?	
5. Does the LEA ensure that local geographical preferences are not used when entering into a procurement transaction or contractual agreement?	

Section 6. Findings

Section 6. Recommendations and Corrective Action

SECTION 7. FISCAL RECORD RETENTION

Examples of Evidence:

- The LEA has GAN notifications on file for all awards issued in the last six years
- The LEA has internal controls in place that identify in writing:
 - Who tracks expenditures
 - Who draws down funds from MCAPS
 - Who deposits checks
- The LEA has an internal accounting system process that identifies obligations and unobligated balances (carryovers) and how these are tracked (e.g., excel or carryover calculator).
- The LEA has a written process for identifying any interest earned. For example, if the LEA accidentally requested from MCAPS more than what was expended, then excess funds will be sitting in the LEA's account, possibly earning interest. If this is the case, this must be reported to MDE.
Important Note: Generally, an LEA should not earn interest because LEAs receive payments from MDE on a reimbursement basis.
- The LEA maintains records that show:
 - The amount of funds under the grant or subgrant
 - How the subgrantee expended those funds
 - The total cost of each project
 - The share of the total cost of each project contributed by other funding sources
 - Other records to facilitate an effective audit
 - Other records to show compliance with Federal program requirements
 - Evidence that records are maintained for a minimum of six years from the date that funds are made available to LEAs
- Evidence that the LEA has a written policy/procedure for maintaining and storing original records, both paper and electronic. Procedure includes reasonable safeguards for ensuring that the records are not altered

Section 7. Compliance	Yes/No/NA
1. IDEA Part B original source documents are kept (C.F.R. Part 200.302(b)): <ol style="list-style-type: none"> a. Federal Award Catalog of Federal Domestic Assistance (CFDA) number, Federal Award ID number b. Authorization (the process of giving someone permission to do or have something) c. Obligations, unobligated balances (carryovers) d. Expenditures e. Assets (inventory control) f. Time and effort documentation g. Income (if applicable) h. Interest (if applicable) 	

<p>2. The LEA maintains all records that fully show:</p> <ul style="list-style-type: none"> a. The amount of funds under the grant or subgrant b. How the subgrantee uses those funds c. The total cost of each project d. The share of the total cost of each project contributed by other funding sources e. Other records to facilitate an effective audit f. Other records to show compliance with Federal program requirements g. Project expenses and results 	
<p>3. The LEA maintains original records. If records are electronic, there is no need to create and retain paper copies. Both types of records may be subject to periodic quality control reviews. 2 C.F.R. 200.334</p> <p>Definition: The record on file contains the same content, context, and structure as the original record the day it was used, based on the LEA’s policy. If an LEA’s policy is to obtain actual signatures on all Purchase Orders (POs), then all documents with original signatures must be filed and stored. If the policy allows electronic POs with digital signatures, then all electronic POs must be saved on a shared drive.</p>	

Section 7. Findings

Section 7. Recommendations and Corrective Action

SECTION 8. FINANCIAL SYSTEM REVIEW

Examples of Evidence:

- Copy of the LEA’s fiscal policies and procedures manual
- LEA cost center or cost allocation plan
- Inspect LEA budget vs expense report spreadsheets or accounting system output
- LEA chart of accounts
- Office of Grants Management indirect cost rate agreement letter
- Bank reconciliation report
- Accrual reports
- Salary distribution in accounting system

Please note that while highlighted items will not be included as part of the monitoring process, they are important aspects of internal controls and may be monitored in subsequent years.

Section 8. Compliance	Yes/No/NA
1. Does the LEA maintain a financial management system that accurately identifies the source and amount of funds awarded to it?	
2. Does the LEA have a method to compare actual costs to budgeted costs to ensure that programs are operating within its budgets?	
3. Does the LEA’s accounting system ensure that grant funds are not commingled with other funds or other grants?	
4. Does the LEA have a copy of its current approved IDEA Part B budget?	
5. Are budget modifications requested and approved prior to expenditure?	
6. Is the indirect cost rate used approved by OGM?	
7. Does the LEA perform monthly bank reconciliations?	
8. Is the LEA on a cash or accrual basis?	
9. If the LEA is on a cash basis, are year-end accruals supported by the general ledger?	
10. Does the LEA ensure the separation of duties for all accounting transactions? List the names and titles of the indicator(s) and approver(s) 2 C.F.R. 200.303	

Section 8. Findings

Section 8. Recommendations and Corrective Action

SECTION 9. FINANCIAL AUDITS

Examples of Evidence:

- Copy of “Schedule of Findings and Questioned Costs” section from district audit for last two years.
- Evidence that Single Audit findings have been addressed

Section 9. Compliance	Yes/No/NA
1. Did the LEA’s previous fiscal monitoring result in findings?	
2. If yes, were corrective actions completed and is there evidence of ongoing compliance?	
3. Did the LEA's most recent financial audit result in findings?	
4. If yes, were corrective actions completed and is there evidence of ongoing compliance?	

Section 9. Findings

Section 9. Recommendations and Corrective Action

SECTION 10. WRITTEN FISCAL POLICIES AND PROCEDURES

Examples of Evidence:

- Evidence that the LEA has a funding manual that sets forth the policies and procedures used by the LEA to administer Federal funds

Section 10. Compliance	Yes/No/NA
<p>1. Does the LEA have written policies and procedures in compliance with the Uniform Grant Guidance?</p> <ul style="list-style-type: none">• Cost principles 2 C.F.R. §200. Subpart E• Procurement 2 C.F.R. §200.318• Time and effort 2 C.F.R. §200.430, 403 (a)• Inventory management 2 C.F.R. §200.313• Cash management 2 C.F.R. §200.305• Conflict of interest policy 2 C.F.R. §200.319 (c), 318• Fiscal records must be retained for a period of three years from the date of submission of the final expenditure report – 2 C.F.R. §200.334 and MDE records retention policies• Separation of duties 2 C.F.R. §200.303	

Section 10. Findings

Section 10. Recommendations and Corrective Action

SECTION 11. OTHER

Section 11. Interview	Yes/No/NA
1. Does the LEA have concerns about the latest Uniform Grant Guidance requirements?	
2. Are there any challenges the agency is experiencing?	
3. Does the LEA have any improvements or suggestions for MDE, OSE's grant administration process?	

Section 11. Comments

Fiscal Monitoring Reviewer Signature

Fiscal Monitoring Reviewer Signature

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Appendix F: Sample Timeline* of Monitoring Activities and Communication to LEAs

Date	Activities
July-August	MDE, OSE conducts the LEA Cyclical Monitoring trainings.
August-September	MDE, OSE notifies LEAs to complete Self-Assessment and assigns an MDE, OSE Monitoring Specialist
September-October	LEAs complete Self-Assessment and submit files for verification
October-December	MDE, OSE conduct LEA file verification and on-site notification (determined by previous risk score)
January	MDE, OSE complete cyclical on-site activities and conduct current year Risk-Based Assessment
January	MDE, OSE identify and notify districts Intensive Monitoring
March (within 90 days of verification)	MDE, OSE issue final Monitoring Reports (desk-audits only)
February-March	MDE, OSE conducts Intensive Monitoring activities
April (within 90 days of completion of activities)	LEAs respond to Cyclical Monitoring Reports/submit Corrective Action Plans (CAPs) (desk audits) and the MDE, OSE issue final Monitoring Reports for Cyclical Monitoring (on-site visits)
May-June (within 30 days of Monitoring Report)	LEAs respond to Cyclical Monitoring Reports/submit Corrective Action Plans (CAPs) and the MDE, OSE issue final Monitoring Reports for Intensive Monitoring
Monthly or as needed	MDE, OSE will follow up and meet with LEA staff to monitor the implementation of CAPs until Clearance
No later than 1 year from Monitoring Report	MDE, OSE verifies LEA compliance and issues a Clearance Letter

*Timelines may be subject to change