

LEA IDEA Fiscal Training

LEA Overview

June 8-9, 2021

mdek12.org



MISSISSIPPI
DEPARTMENT OF
EDUCATION





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IDEA Part B Funding Manual

- Purpose and Authority for Special Education Fiscal Compliance and Accountability
- Period of Availability
- Allocation of IDEA Part B Subgrants to LEAs
- Reallocation of IDEA Funds
- Allowable Uses of IDEA Funds
- Excess Cost
- Time and Effort
- Acquisition of Equipment and Construction or Alteration of Facilities Under IDEA
- Coordinated Early Intervening Services (CEIS)
- Parentally-Placed Private School Student Procedures Including Proportionate Share
- Fiscal Monitoring and Support

Fiscal Monitoring Overview

LEA Overview

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1

ALL Students Proficient and Showing Growth in All Assessed Areas



2

EVERY Student Graduates from High School and is Ready for College and Career



3

EVERY Child Has Access to a High-Quality Early Childhood Program

EVERY School Has Effective Teachers and Leaders

4



EVERY Community Effectively Uses a World-Class Data System to Improve Student Outcomes

5



EVERY School and District is Rated "C" or Higher

6



VISION

To create a world-class educational system that gives students the knowledge and skills to be successful in college and the workforce, and to flourish as parents and citizens



MISSION

To provide leadership through the development of policy and accountability systems so that all students are prepared to compete in the global community



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- Review of Federal Regulations
- Review Scope
- Purpose, Procedures, and Methodology
- Post-Audit
- Next Steps

Review of Federal Regulations

Uniform Grant Guidance

2 CFR §200.332

Subrecipient monitoring/requirements for pass-through entities:

- Must evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and subaward terms and conditions.
- May conduct risk assessments before or after subawards are made.
- Must use risk assessment results to determine appropriate subrecipient monitoring activities.

2 CFR §200.332

The State's considerations in assessing risk may include:

- Prior experience with IDEA subawards.
- Results of previous audits – including whether the subrecipient receives a single audit.
- New personnel or new and/or substantially changed systems.
- Extent and results of Federal agency monitoring.

2 CFR §200.332

The State's monitoring tools may include:

- Providing training and technical assistance on program-related matters.
- Conducting on-site reviews of the subrecipient's program operations.
- Arranging for agreed-upon procedures engagements (audit services).

2 CFR §200.339

Imposing Special Conditions

Temporarily withholding cash payments pending correction of the deficiency or more severe enforcement action

Disallowing all or part of the cost of the activity/action not in compliance

Suspending or terminating the Federal award

Withholding further Federal awards for the program or project

Audit Scope

Compliance Standards

- Set standards for fiscal monitoring and oversight
- Standardize evaluation and monitoring guidelines
- Identify each component of sub-recipient fiscal monitoring

Audit is limited to:

- IDEA Part B Federal Funds
- Special Education Maintenance of Effort (MOE) Funds

To ensure compliance with:

- IDEA federal regulations & Uniform Grant Guidance (UGG)
- Education Department General Administrative Regulations (EDGAR)
- Mississippi state codes and policies

Plan Summary

Fiscal Monitoring

Mississippi Department of Education (MDE) Office of Special Education (OSE) is responsible for monitoring the programmatic and financial activities of its subrecipients through the implementation of a cyclical and risk-based fiscal monitoring system to improve compliance, accountability, and technical assistance.

Differentiated levels of subrecipient monitoring:

- Universal Monitoring
- Targeted Cyclical Monitoring
- Intensive Risk Based Monitoring
- Ongoing Technical Assistance

- Targeted Fiscal Monitoring
- Intensive Fiscal Monitoring
- Reporting
- Corrective Action Plan
- Enforcement Mechanisms

- Cyclical monitoring, based on cohorts
- Desk audit and other monitoring activities
- Technical assistance
- Benefits

- SECTION 1. COST PRINCIPLES AND EXPENDITURES
- SECTION 2. TIME AND EFFORT
- SECTION 3. IDEA FISCAL REQUIREMENTS
- SECTION 4. FINANCIAL SYSTEM REVIEW
- SECTION 5. WRITTEN FISCAL POLICIES AND PROCEDURES





- Risk-based monitoring
- Desk audit
- Onsite visit and other activities
- Technical assistance
- Benefits

- 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 are 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?

- Is the LEA in a special financial status (Conservatorship, School of Transformation, Achievement School District)?
- 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 4 years since the LEA last received a desk audit or onsite 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?

Based on the annual risk assessment score, each entity will be classified into a risk category, with cutoffs established based on the annual review of the data and MDE OSE capacity for intensive monitoring, using the following as a guideline:

- Low potential of risk: Below the 50th percentile
- Medium potential of risk: Between the 50th and 95th percentiles
- High potential of risk: Above the 95th percentile

The 5% of LEAs with the highest risk scores are categorized as “high risk.”

SECTION 1. ADMINISTRATIVE REVIEW

SECTION 2. COST PRINCIPLES AND EXPENDITURES

SECTION 3. TIME AND EFFORT

SECTION 4. IDEA FISCAL REQUIREMENTS

SECTION 5. INVENTORY MANAGEMENT SYSTEM

SECTION 6. CONTRACT AND PROCUREMENT REVIEW

SECTION 7. FISCAL RECORD RETENTION

SECTION 8. FINANCIAL SYSTEM REVIEW

SECTION 9. FINANCIAL AUDITS

SECTION 10. WRITTEN FISCAL POLICIES AND PROCEDURES

SECTION 11. OTHER





Post Monitoring Activities

Reporting and Technical Assistance

- Monitoring report is prepared within 30 days
- Schedule of fiscal monitoring findings with recommended corrective plan
- Meeting with LEA to review findings
- LEA must respond to the finding within 30 days

- MDE will provide technical assistance
- A close out letter issued within 30 days if findings have been resolved
- Findings not addressed will prompt the use of enforcement mechanisms by MDE

NEXT STEPS

We are currently piloting the new fiscal protocols

- Final cohorts, protocols, and timelines have not been established

No monitoring will take place without thorough training on the procedures and LEA requirements.

If you have any questions, please feel free to email them to osefiscalsupport@mdek12.org at any time.

Thank you!
