



District of Columbia
Office of the State Superintendent of Education

Monitoring Guidance for K-12 Federal Grants

2020-21

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I. Introduction to Consolidated Risk-Based Monitoring activities

Each year, the Office of the State Superintendent of Education's (OSSE) Division of Systems and Supports K-12 reviews how its local education agencies (LEAs) and the Department of Youth Rehabilitation Services ("subrecipients") implement K-12 federal and local grants, including whether grant funds were used consistent with federal and local requirements. The review serves primarily two purposes: 1) learn how we can better support your operational needs and programmatic goals to support improved student outcomes, and 2) ensure that subrecipients are meeting the requirements of federal and local laws and regulations, as applicable.

For most grants authorized under the Elementary and Secondary Education Act (ESEA), the 2020-21 school year monitoring cycle will review subrecipient compliance with the Every Student Succeeds Act during the 2019-20 school year. Detailed information for each grant program can be found [here](#).

The purpose of this document is to support subrecipients in planning and successfully completing annual K-12 monitoring activities. This document answers the following questions:

- What is Consolidated Risk-Based Monitoring?
- Who is required to participate in Consolidated Risk-Based Monitoring reviews and what should I expect to experience if selected?
- How should I prepare for an effective monitoring review with the Consolidated Risk-Based Monitoring team?
- When do activities related to this monitoring review conclude?

II. Consolidated Risk-Based Monitoring overview

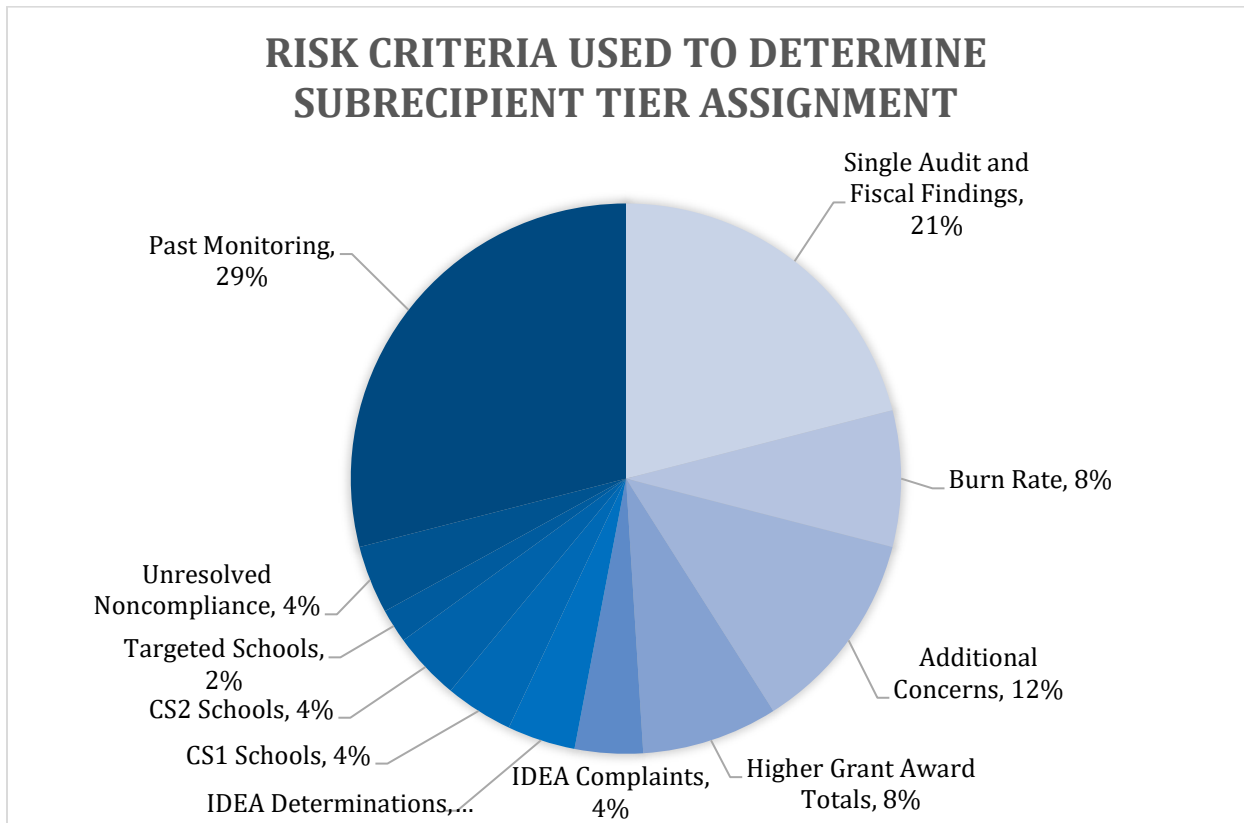
Consolidated Risk-Based Monitoring is the process OSSE uses to assess the implementation of federal and local grant requirements by subrecipients. OSSE's goal for the K-12 monitoring reviews is to ensure that subrecipients meet the requirements of federal and local laws and regulations. Additionally, this process reinforces understanding around requirements associated with accepting federal funds. At the conclusion of the Consolidated Risk-Based Monitoring review, you will receive a report with actionable data that can help you understand your current progress in implementing federal and local grants and areas of intervention needed.

III. Determining participation in Consolidated Risk-Based Monitoring reviews

A. Determining tier assignments

OSSE uses tier assignments to determine each subrecipient’s monitoring activities by OSSE. Your tier assignment will determine if OSSE conducts virtual monitoring, desktop monitoring or no formal monitoring with your organization. For the 2020-21 school year, OSSE will not conduct any on-site monitoring reviews. OSSE determines subrecipient tier assignments based on risk criteria listed in its Subrecipient Monitoring Policy (See Appendix), feedback from grant recipients and OSSE’s internal grant team.

Some risk criteria are based on a subrecipient’s performance on individual grants, while others are based on federal guidance. For risk criteria that consider performance on individual grants, the weight of each grant is determined based on the number of students served and expected impact of that grant. For example, Elementary and Secondary Education Act (ESEA) and Individuals with Disabilities Education Act (IDEA) formula grants, which are made available to all qualifying subrecipients, receive a larger weight than a grant of smaller scope such as the McKinney-Vento Homeless Education Assistance grant. Additionally, the relative funding attributed to each grant is considered. For detailed descriptions of each risk area, see the Appendix, p. 13. *Please note that other program-specific criteria may also be considered at the discretion of OSSE leadership.*



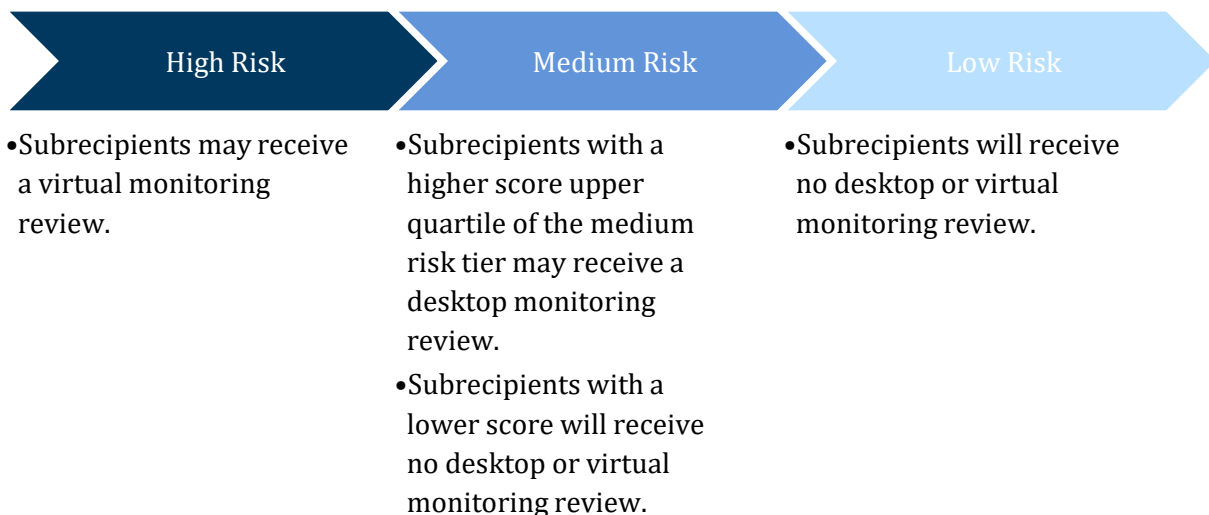
OSSE then totals points across each of the above categories to determine each subrecipient's score. Scores and monitoring activities are assigned based on the following:

- Low Risk: If your score is below the 25th percentile.
- Medium Risk: If your score is between the 25th and 75th percentile.
- High Risk: If your score is above the 75th percentile.

B. Monitoring activities based on tier assignment

Based on its tier assignments, OSSE aligns its support and resources to the subrecipients level of need, focusing more intensely on those requiring the greatest support.

There are three monitoring tiers: 1) High Risk, 2) Medium Risk, and 3) Low Risk. Subrecipients that have been determined to have high risk or medium risk may receive record reviews, document reviews, and interviews which are intended to identify any noncompliance, assess progress toward federal and local targets, and provide recommendations intended to support continuous improvement. For subrecipients that have been determined to have low risk, OSSE will continue to monitor grant implementation through its regular grant implementation and support structure (i.e., phone calls, emails, trainings, quarterly reports).



High-Risk Monitoring Activities

For the 2020-21 school year, due to coronavirus (COVID-19) and the decision of many schools to use a distance learning model, OSSE will generally use a virtual monitoring review structure for subrecipients that receive a high-risk tier designation. Virtual monitoring is the process by which selected subrecipients participate in a virtual meeting with selected representatives from OSSE's Division of Systems and Supports, K-12. The duration of the meeting will vary based on the programs under review, number of areas being monitored and subrecipient size. In most cases, an OSSE team of five to eight people will join the applicable subrecipient staff for a virtual meeting on the agreed upon date. Virtual monitoring meetings will generally last approximately one day.

Prior to the virtual meeting, OSSE's team will complete a comprehensive document review. During the meeting, OSSE will discuss any follow up questions about the submitted documentation and interview staff, family, and students as applicable. This interview strategy allows OSSE to gather information from a variety of perspectives and better understand the administration and implementation of grant programs at the LEA and school levels. Virtual monitoring also allows OSSE to identify any noncompliance and determine whether OSSE, as the state education agency (SEA), has implemented oversight strategies that have resulted in qualitative and quantitative improvements, and to formulate specific, tailored actions to help subrecipients further accelerate outcomes.

After the monitoring review, OSSE will issue a 1) preliminary, and 2) final report. Each monitoring report will provide determinations of compliance, determinations of noncompliance, and recommendations. Further descriptions about each report are detailed below. The reports will also delineate corrective actions and improvement activities necessary for correction of the noncompliance. These reports will align with items in the monitoring tool.

Medium-High Risk Monitoring Activities

For subrecipients with a score in the upper quartile of the medium risk tier, subrecipients will receive a desktop monitoring review. Desktop monitoring could be as specific as a request for documentation supporting a single reimbursement request or as expansive as a request for a series of quarterly reports or supporting documentation across the grant period. Subrecipients that participate in desktop monitoring will be required to submit evidence of program implementation and program administration documents for review via OSSE's online portal. Any subrecipient selected for desktop monitoring will be notified no later than December 2020.

[CONTINUED ON NEXT PAGE]

Sequence of monitoring activities for subrecipients that are assigned to the high-risk and medium-high risk tier.

Step 1	OSSE determines subrecipient monitoring tier assignments and notifies subrecipient of monitoring activity type
Step 2	Subrecipient completes pre-monitoring review activities
Step 3	OSSE conducts desktop or virtual monitoring reviews
Step 4	OSSE conducts exit conference with subrecipient to review preliminary monitoring findings
Step 5	OSSE issues its preliminary Consolidated Monitoring Report (within 70 days of monitoring review)
Step 6	Subrecipient provides supplemental documents responding to report (within 10 days of OSSE issuing report to subrecipient)
Step 7	OSSE issues its final monitoring report. (within 60 days of receiving response from subrecipient)
Step 8	Subrecipient submits corrective action plan to OSSE, if applicable and completes corrective action.
Step 9	OSSE closes open findings of noncompliance
Step 10	OSSE concludes monitoring activities for the 2020-21 school year.

While subrecipients in both the high and medium-high risk tiers will follow the general sequence of activities, the intensity of the steps may vary by tier. Below you will find details on key activities noted above.

IV. Preparing for an effective monitoring engagement

Pre-monitoring review

During monitoring review

Post-monitoring review

- A. Prior to the virtual monitoring review
- a) Review OSSE's monitoring notification.
 - i) [See here for sample virtual monitoring review notification.](#)
 - b) Confirm availability to participate in monitoring review and notify OSSE of the subrecipient point of contact for monitoring activities within 10 days of the date of notice.
 - i) Disseminate OSSE monitoring information and requests to appropriate team members at all levels (e.g., Chief Executive Officer, Chief Operating Officer, Head of School, Chief Academic Officer, Special Education Director, and other relevant program grant managers).
 - c) Notify relevant personnel, including vendors, of monitoring review and confirm availability to participate in the virtual meeting.
 - i) Tip:
 - (1) Consider including any staff, or vendor, responsible for maintaining the file or implementing the program as they may be needed to assist with day-of monitoring questions.
 - (2) If you use a third-party vendor for any programmatic or fiscal element subject to monitoring, it is your responsibility to ensure that any required evidence needed for OSSE to complete its monitoring review is available for OSSE staff to review, upon request.
 - d) Attend OSSE's onboarding meeting for 2020-21 school year desktop or virtual monitoring reviews.
 - e) Coordinate staff interviews related to consolidated risk-based monitoring.
 - f) Coordinate virtual call space and logistics for the monitoring review.
 - g) Join the pre-meeting review call (See your monitoring notification for the proposed specific date and confirm the date and time with your OSSE Lead Monitor).
 - h) Submit the necessary documents as described in the monitoring tool to OSSE by the deadline provided.

- i) Determining scope of document submission to OSSE: The monitoring tool notes whether evidence requested is (a) on file at OSSE, or (b) to be provided by the subrecipient. You do not need to provide documents which are on file at OSSE. For documents that must be provided by the subrecipient, upload those documents via BOX.com, OSSE's secure file transfer system.
- ii) Permissions: We have granted upload permissions to the Head of School, Data Manager and Fiscal/Grant Manager as registered in eSchoolPLUS as of Oct. 1, 2020. You will need one of those individuals, or someone with one of those designations in eSchoolPLUS, to perform all upload and download functions related to accessing Box.
- iii) Uploading documents: To upload documents, locate the subfolder titled "Coordinated Risk Based Monitoring" within your LEA's main folder. When submitting documents, please use the following naming conventions aligned with the Monitoring Tool: "Grant., Indicator No." (e.g., "Fiscal 1.1").
- iv) Tip:
 - (1) Please be sure to submit the pre-monitoring evidence by the established deadline. Doing so will provide OSSE with enough time to review the materials and reduce the number of documents that may be requested during the virtual monitoring interviews.

B. Prior to the desktop monitoring review:

- a) Review OSSE's monitoring notification.
 - i) [See here for sample desktop monitoring review notification.](#)
 - ii) Note due dates and deadlines for monitoring activities.
- b) Notify OSSE of the subrecipient point of contact for monitoring activities within 10 days of the date of notice.
 - i) Disseminate OSSE monitoring information and requests to appropriate team members at all levels (e.g., Chief Executive Officer, Chief Operating Officer, Head of School, Chief Academic Officer, Special Education Director, and other relevant program grant managers).
- c) Attend OSSE's virtual onboarding meeting for 2020-21 school year desktop or virtual monitoring reviews.
- d) Join the pre-virtual visit meeting call for your LEA/agency (See your monitoring notification for the proposed specific date and confirm the date and time with your OSSE Lead Monitor).
- e) Submit the necessary documents as described in the monitoring tool to OSSE by

the deadline provided.



C. During the virtual monitoring review

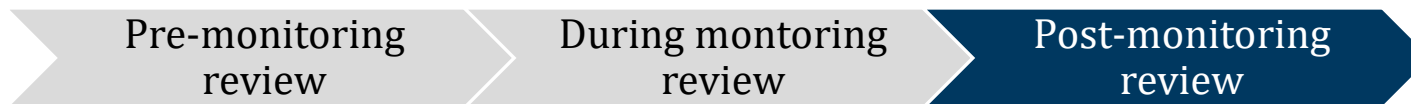
- a) Ensure that all relevant team members have the log-in information and schedule to join the virtual monitoring reviews.

i) **Practice tip:**

(1) Join the virtual meeting a few minutes early to test technology. If you have trouble joining, reach out to the OSSE point of contact via email or cell phone.

(2) If you have an unavoidable scheduling conflict or last-minute issue that arises immediately prior to your session, reach out and let your OSSE point of contact know so that you can collaboratively coordinate a new date and time.

- b) Participate in the virtual interviews and note any supplemental documents requested by OSSE based on your interviews or that were noted as missing from your document submission.



D. After the virtual or desktop monitoring review

- a) Submit any remaining documents for OSSE’s review to Box.com by **5 p.m. the day after the virtual monitoring meeting**.
- b) Join OSSE’s exit conference to review key takeaways from monitoring review (see date in subrecipient notification letter).
- c) Review OSSE’s preliminary Consolidated Monitoring Report.
- d) Within 10 days of issuance of the Consolidated Monitoring Report, provide any additional documents to OSSE via Box that may demonstrate compliance.
- e) OSSE will then send via email its final Consolidated Monitoring Report.
- f) Within 30 days, review the final Consolidated Monitoring Report, develop a corrective action plan, send the Corrective Action Plan (CAP) and any supplemental documents due to OSSE.

- i) Practice tip: Corrective actions and improvement activities may be relatively uncomplicated and not time consuming (e.g., correcting a data error) or may be multifaceted and involved (e.g., developing policy and procedures for ensuring appropriate discipline processes). Simple corrective actions or improvement activities may be accomplished by one staff member or through a routine meeting, while more complex corrective actions or improvement activities may require extensive analysis and collaboration with the subrecipient leadership and/or Boards of Directors. For example, a CAP may be necessary when there are multiple steps to accomplish in order to reach compliance. A CAP lays out each action step, a target date for completion, and a subrecipient staff member responsible for the action item. [Click here](#) to view the Monitoring Tool and CAP template.
- g) Correct outstanding noncompliance. After the subrecipient has corrected identified noncompliance, OSSE will verify the correction of noncompliance as required by the related federal or local grant.
- h) Once all noncompliance has been corrected, OSSE will close the monitoring review and that will conclude your monitoring activities for the 2020-21 school year.
- i) Practice Tip: The subrecipient will be notified in writing that the finding of noncompliance is closed. Subrecipients should continue to conduct reviews of records and activities to identify any areas of need that may arise before future OSSE monitoring activities.

V. Nonpublic School Monitoring for IDEA Compliance

IDEA, 34 C.F.R. § 300.325, and Section 2808 of the District of Columbia Municipal Regulations (DCMR) Title 5-A, Chapter 28 (5 DCMR §A- 2808.4), holds LEAs responsible for ensuring that students attending nonpublic schools receive a free appropriate public education in the least restrictive environment and for maintaining compliance with regulatory requirements. OSSE monitors the sending LEA's compliance with these requirements through desktop monitoring activities. The purpose of the desktop monitoring review is to ensure compliance with regulatory requirements in the following areas:

1. Initial evaluations and reevaluations;
2. Eligibility determinations;
3. Individualized Education Program (IEP) development and implementation;
4. Positive behavior supports and emergency behavioral interventions; and
5. Attendance and truancy.

OSSE may conduct a desktop review of the LEA's IDEA Part B nonpublic student files aligned with the OSSE risk-based monitoring calendar and will notify LEAs a minimum of four weeks in advance. In preparation for the review, LEAs are encouraged to take proactive measures to ensure compliance by conducting a self-review of student files prior to OSSE's review.

Following the nonpublic school monitoring, OSSE will provide subrecipients with two reports: a Consolidated Monitoring Report (detailed above in Section I) which will outline information gathered through the virtual monitoring review or desktop monitoring process, if applicable; and 2) a report summarizing the information gathered from the non-public monitoring process via the District of Columbia Corrective Action Tracking System (DC CATS)/EasyIEP. If the information gathered reveals noncompliance, OSSE will identify noncompliance and prescribe corrective actions that must be taken to correct the noncompliance. For any identified noncompliance under risk-based monitoring, subrecipients must ensure correction of the noncompliance within the timelines outlined on the monitoring report. For nonpublic monitoring, all identified noncompliance must be corrected as soon as possible but in no case later than one year after identification of the noncompliance.

VI. Technical Assistance

OSSE is committed to providing technical assistance to subrecipients as they address any findings of noncompliance and formulate corrective action plans. However, there are some instances in which the findings represent such a systemic concern that the LEA and its Board Chair are notified of the grant concerns and the LEA is issued a formal CAP. All subrecipients that are issued a CAP must participate in technical assistance with the applicable grant manager, as needed. OSSE grant managers are available to support subrecipients as they strive toward correction of noncompliance and improvement of educational results and functional outcomes for students. For subrecipients that receive findings of noncompliance under IDEA, OSSE may conduct further review of the subrecipient's file(s) to determine compliance. For more information about this process, contact your LEA IDEA monitor.

Appendices

A. Determining Subrecipient Risk Level

OSSE uses a consolidated risk-based monitoring approach to prioritize the monitoring of subrecipients which receive funds for the following grant program(s):

- Elementary and Secondary Education Act, as amended (ESEA), Title I, Part A: Improving Basic Programs Operated by Local Education Agencies
- ESEA, Title I: 1003 School Improvement Funds
- ESEA, Title I: 1003(g) School Improvement Grants (SIG)
- ESEA, Title I, Part D: Neglected, Delinquent, and At-Risk Youth
- ESEA, Title II, Part A: Preparing, Training, and Recruiting High Quality Teachers, Principals and Other School Leaders
- ESEA Title III, Part A: Language Instruction for Limited English Proficient and Immigrant Students
- ESEA Title IV, Part A: Student Support and Academic Enrichment Grants
- ESEA Title IV, Part B: 21st Century Community Learning Centers (CCLC)
- McKinney-Vento Homeless Education Assistance
- Individuals with Disabilities Education Act (IDEA), Part B
- Scholarships for Opportunity and Results (SOAR) Act, Academic Quality
- Scholarships for Opportunity and Results (SOAR) Act, Facilities
- Special Education Enhancement Fund (SEEF)
- Coronavirus Aid, Relief, and Economic Security (CARES) Act, Elementary and Secondary School Emergency Relief Fund (ESSER)

OSSE uses a risk matrix to determine the schedule and monitoring activities applicable subrecipients. The matrix contains 11 fiscal and programmatic risk criteria detailed below. Subrecipient specific information may be found in OSSE's QuickBase Application titled K-12 Systems and Supports Grants Risk Assessment. This application was designed to provide subrecipients with an understanding of the risk matrix, and specifically, the data utilized to make risk determinations.

Some risk criteria are based on a subrecipient's performance on individual grants, while others are based on federal guidance. For risk criteria that consider performance on individual grants, the weight of each grant is determined based on the number of students served and expected impact for that grant. For example, ESEA and IDEA formula grants, which are made available to all qualifying subrecipients, receive a larger weight than a grant of smaller scope such as the McKinney-Vento grant. Additionally, the relative funding for each grant is considered.

How subrecipient risk scores are calculated:

The assessment contains 11 fiscal and programmatic risk categories:

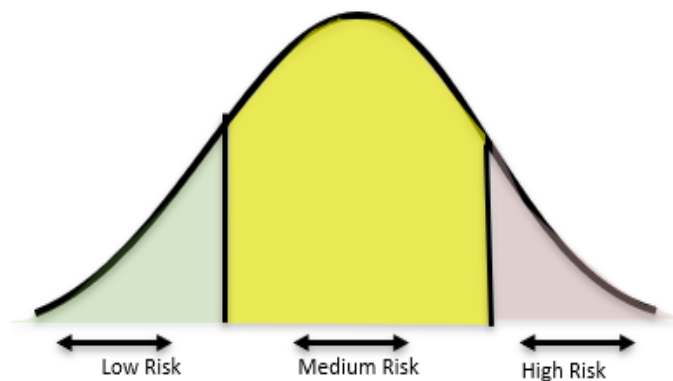
- Single Audit and Fiscal Findings (~21%)
- Higher Grant Award Totals (~8%)
- Failure to Drawdown Grant Funds (~8%)

- Findings that Resulted from IDEA Complaints Filed against Agency (~4%)
- IDEA Part B Determination Level (~4%)
- Comprehensive Support and Improvement School (CS1)(~4%)
- Comprehensive Support and Improvement School (CS2)(~4%)
- Targeted Support and Improvement (TS)(~2%)
- Unresolved Noncompliance (~4%)
- Additional Concerns (~12%)
- Past Monitoring (~29%)

The following methodology was used:

1. Points assigned across all 11 risk categories are totaled to determine the risk score
2. The 25th percentile score and the 75th percentile score are identified to establish risk-level cut points
3. Risk level is assigned based on the below tiers

Risk Level Tiers



Risk Level	Low Risk
	The LEA's risk score is below the 25th percentile
	Medium Risk
	The LEA's risk score is between the 25th and 75th percentile
	High Risk
	The LEA's risk score is above the 75th percentile

*Bell curve represents sample distribution of LEAs across risk levels

Detailed review of fiscal and programmatic risk categories:

I. Single Audit and Financial Review Findings

Data Source: Individual LEA FY 2019 Single Audit and Financial Review Results

Method and Criteria: OSSE staff reviewed each LEA's **FY19** single audit and financial review results to determine whether there were concerns with the LEA's management of grant funds and if findings were issued as a result of the audit. The maximum points possible for this category is 25.

II. Higher Grant Award Totals

Data Source: OSSE's Enterprise Grants Management System (EGMS)

Method and Criteria: OSSE identified each LEA's total grant award for the **2019-20** school year. OSSE then determined if this grant amount is in the 50th percentile, or the median, of the distribution of grants awarded to all LEAs. Any grant award that was higher than the amount in the 50th percentile, or the median, was considered a higher grant award. OSSE then assigned a point value to each grant and scored each LEA accordingly. In assigning points, OSSE considered the relative size and scope of each grant award. The maximum points possible for this category is 9.5.

III. Failure to Draw Down Grant Funds

Data Source: OSSE's Enterprise Grants Management System (EGMS)

Method and Criteria: For each of the grants, OSSE grant managers calculated the draw down rate for the **2019-20** school year as of July 1, 2020, for each applicable LEA. The draw down rate is calculated by dividing the amount of funds for which an LEA sought reimbursement by the total grant funds awarded in the given year. OSSE assigned a point value to each grant and scored each LEA accordingly. **Due to coronavirus (COVID-19) and LEAs transition to distance learning models, OSSE reduced the expenditure reimbursement threshold from 60 percent to 30 percent. Additionally, if an LEA failed to draw down 20 percent or less of funds in two or more grants, OSSE reduced the maximum penalty from 18 points to 9 points for this category.**

For example, if an LEA had a draw down rate of 15 percent for Title I, Part A funds, it was assigned one point in this category of the risk matrix. The maximum points possible for this category is 9.

IV. Findings as a Result of IDEA Complaints Filed Against the Agency

Data Source: Special education dispute resolution data collected during the 2018-19 school year, including state complaints tracking system and Hearing Officer Determinations (HOD) compliance database.

Method and Criteria: OSSE used the above data sources to determine whether an LEA was issued findings of noncompliance that resulted from a state special education complaint(s) and/or a Hearing Officer Determination (HOD) in the 2018-2019 school year. LEAs that were issued findings of noncompliance that resulted from a state complaint and/or HOD in the 2018-2019 school year were assigned 5 points in the *Complaints filed Against the Agency* category of the risk matrix if they failed to timely resolve all findings within the one-year period. LEAs that timely resolved all findings of noncompliance within the one-year period were assigned 2.5 points in the *Complaints filed Against the Agency* category of the risk matrix. LEAs that failed to timely resolve findings of noncompliance were assigned five points in the *Complaints filed*

Against the Agency category of the risk matrix. The maximum points possible for this category is 5.

V. IDEA Part B Determination Level

Data Source: Most Recent IDEA Part B LEA Determinations

Method and Criteria: Under IDEA OSSE is required to make determinations annually of an LEA's programming for students with disabilities. In making such determinations, OSSE assigns each LEA one of the following determination levels:

- Meets requirements
- Needs assistance
- Needs intervention
- Needs substantial intervention

OSSE considers a variety of performance and compliance indicators when assigning an IDEA determination level to an LEA. OSSE included an LEA's determination level in the risk matrix because a determination level of Needs Assistance or Needs Intervention indicates that an LEA has not sufficiently demonstrated an ability to serve students with disabilities. In **September 2020**, OSSE issued a determination decision to each LEA. Please check with your Special Education Coordinator for details regarding your LEA's determination. The maximum points possible for this category is 5.

VI. Comprehensive Support & Improvement (CS1)

Data Source: DC School Report Card School Support Designations List

Method and Criteria: OSSE used the above data source to identify schools designated as Comprehensive Support and Improvement Schools, type 1 in the 2018-19 school year. LEAs with school(s) designated as Comprehensive Support and Improvement Schools, type 1 were assigned five points in the Comprehensive Support & Improvement (CS1) category of the risk matrix. The maximum points possible for this category is 5.

VII. Comprehensive Support & Improvement (CS2)

Data Source: DC School Report Card School Support Designations List

Method and Criteria: OSSE used the above data source to identify schools designated as Comprehensive Support and Improvement, type 2 in the 2018-19 school year. LEAs with school(s) designated as Comprehensive Support and Improvement Schools, type 2 were assigned five points in the Comprehensive Support & Improvement (CS2) category of the risk matrix. The maximum points possible for this category is 5.

VIII. Targeted Support & Improvement (TS)

Data Source: DC School Report Card School Support Designations List

Method and Criteria: OSSE used the above data source to identify schools designated as Targeted Support and Improvement Schools, type 1 in the **2019-20** school year. LEAs with school(s) designated as Targeted Support and Improvement Schools, type 1 were assigned two points in the Targeted Support and Improvement Schools category of the risk matrix. The maximum points possible for this category is 2.

IX. Unresolved Noncompliance from Previous Monitoring Reviews

Data Source: OSSE Corrective Action Tracking System and OSSE grant managers

Method and Criteria: OSSE identifies which LEAs had unresolved findings of noncompliance from on-site monitoring occurring in the **2018-19** school year.

LEAs which failed to close timely findings of noncompliance from the 2018-19 school year, across any of the grants were assigned 5 points in the *Unresolved Noncompliance* category of the risk matrix. The maximum points possible for this category is 5.

X. Additional Concerns

Data Source: OSSE grant managers

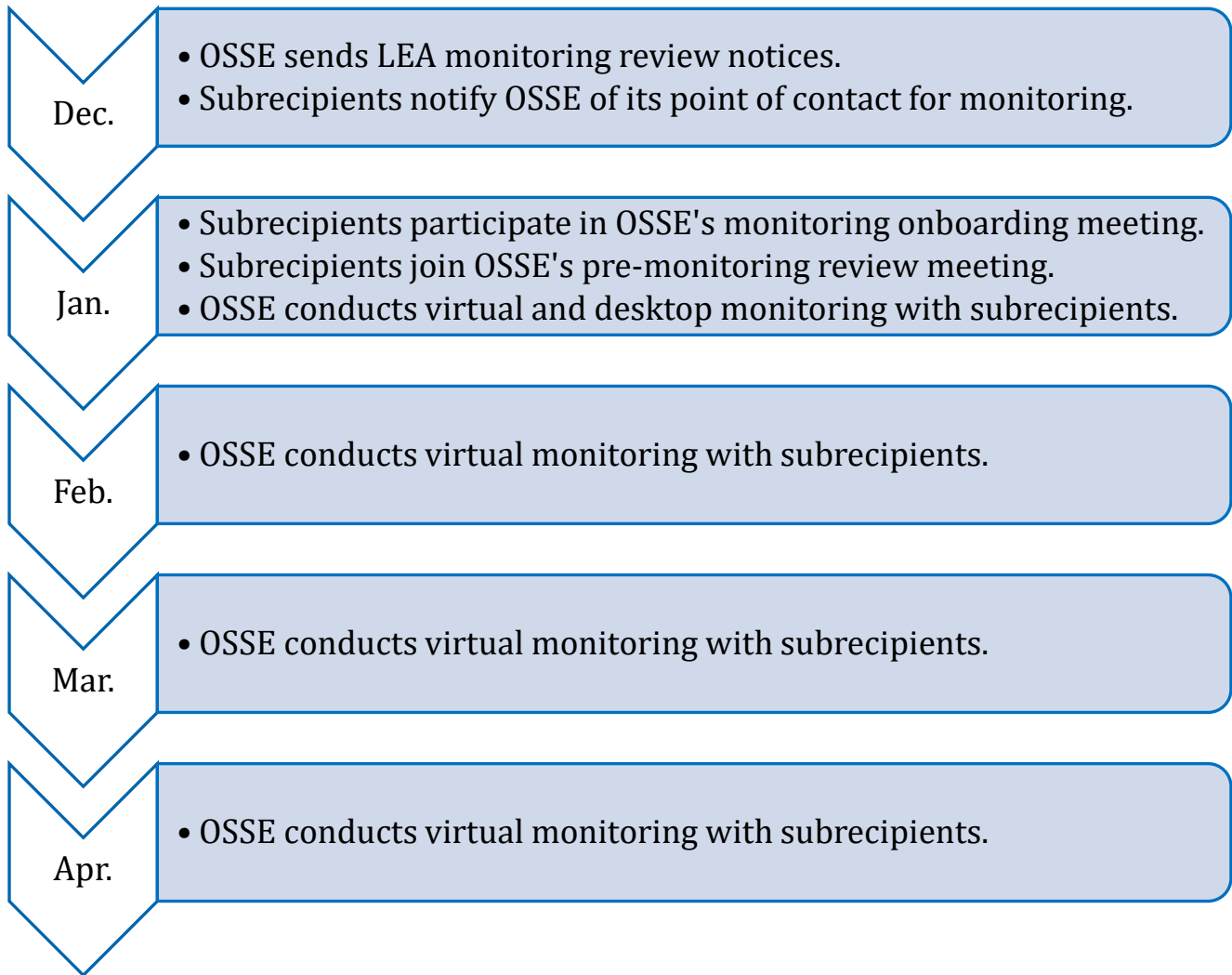
Method and Criteria: OSSE grant managers annually identify additional challenges regarding LEA's grant administration practices. The maximum points possible for this category is 15.

XI. Most Recent Monitoring Event

Data Source: Historical monitoring reports

Method and Criteria: OSSE determined the most recent monitoring visit that took place for each LEA. If an LEA had not been monitored in the past five school years (i.e. since **Oct. 1, 2015**), points were assigned by grant. The maximum points possible for this category is 35.

B. K-12 Annual Monitoring Cycle 2020-21





DISTRICT OF COLUMBIA

OFFICE OF THE STATE SUPERINTENDENT OF

EDUCATION

C. Subrecipient Monitoring Policy¹

The Public Education Reform Amendment Act (PERAA) of 2007 (D.C. Law 17-9) established OSSE as the state education agency (SEA) for the District of Columbia (D.C. Code § 38-2601.01). As the SEA, the Office of the State Superintendent of Education (OSSE) is responsible for monitoring subrecipients to ensure compliance with local and federal laws and regulations.

This document establishes the minimum requirements and standards that OSSE shall use to monitor federal and local programs implemented by grant subrecipients, including, but not limited to the following: local education agencies (LEAs), institutions of higher education, community-based organizations, childcare development centers, and other not-for-profit organizations. This policy and the procedures contained herein are subject to changes in applicable federal or local law, regulations, or guidance.

Each division or office within OSSE shall use this policy in developing individual program specific monitoring protocols and tools that address the requirements of each local and federal grant administered by the agency. Additionally, it is noted that programs should consult the CityWide Grants Manual and Sourcebook when creating program specific monitoring tools for local funds. A copy of the Sourcebook and attachments can be found at: <http://opgs.dc.gov/book/citywidegrants-manual-and-sourcebook>.

This policy addresses types of monitoring and monitoring schedules. It also describes the structure of reports for monitoring, corrective action plans, conditions and restrictions, and resolution expectations.

Hanseul Kang
State Superintendent

¹ As of April 29, 2016

I. DEFINITIONS AND PURPOSE OF MONITORING

Monitoring is the regular and systematic examination of all aspects associated with the administration and implementation of a state approved program in an effort to ensure that a sub-award is used for authorized purposes and in compliance with federal and local laws and regulations, and that the terms and conditions of the sub-award are achieved. The examination addresses programmatic and fiscal components. The process both ensures compliance with grant requirements and measures programmatic results, assisting the SEA in determining which programs need technical assistance in an effort to ensure high quality programs.

II. MONITORING CRITERIA

OSSE will consider at minimum the following risk-assessment criteria when determining the monitoring activities, rotation, and focus areas for each sub-recipient monitoring effort. *Please note that other program and/or fiscal specific criteria may also be considered at the discretion of the respective grant manager.*

- Results from required audits, including the single audit required by 2 CFR 200, Part F;
- Consistent noncompliance relative to unresolved findings identified during previous monitoring reviews;
- The outcome of individual complaints to the agency;
- Higher grant award totals;
- Excess carryover or failure to liquidate funds;
- Late reporting (*e.g.*, expenditures, status reports, progress reports, equipment inventory, data collections);
- Lack of alignment between expenditures and approved budget;
- Ratio of disallowed to allowed costs;
- Lack of prior experience with the same or similar sub-awards;
- Failure to adhere to terms and conditions set forth in a Grant Award Notice (GAN) or other documents setting forth the program and fiscal requirements; and
- Failure to make substantial progress toward grant goals and objectives.

Additional risk assessment criteria may include, but are not limited to:

- Prior experience with the same or similar federally or locally funded sub-awards;
- Administrative costs above budgeted amounts;
- Staffing capacity levels for completion of grant objectives; and
- Whether the subrecipient has new personnel or new or substantially changed systems.

III. TYPES OF MONITORING ACTIVITIES

OSSE will conduct monitoring activities through both desktop and onsite monitoring. Scheduled onsite monitoring visits will be prioritized by risk-assessment criteria in accordance with 2 CFR § 200.331(b) (described above). Certain grant programs may choose to use a multi-step monitoring process which will include desktop and onsite monitoring in addition to other forms of monitoring. All monitoring strategies and schedules will be coordinated agency-wide to: identify cross-cutting areas of monitoring across programs, align efforts, set clear expectations, and avoid unnecessary burden on subrecipients.

- A. **Desktop Monitoring:** During desktop monitoring, OSSE performs an intensive review of documents submitted by the subrecipient or evidence that is otherwise available, in addition to utilizing data submitted by a subrecipient that is already housed within OSSE's data systems. Desktop monitoring may also include a more comprehensive review of a subrecipient's fiscal and programmatic activities and records. Desktop monitoring is a tiered monitoring approach that can be as specific as a request for documentation supporting a single reimbursement request or as expansive as a request for a series of quarterly reports or an external audit. Determinations from a desktop monitoring may prompt OSSE to schedule an onsite monitoring.
- B. **Onsite Monitoring:** Onsite monitoring involves a comprehensive assessment conducted by a monitoring team at a site where a program is operating. One or more content area experts from OSSE conduct this assessment on site to evaluate all phases of program and fiscal administration and operations using a monitoring tool aligned with grant requirements. Any subrecipient selected for annual onsite monitoring activities will be notified at least four weeks in advance and will be informed of any documentation to prepare and/or submit prior to the OSSE

monitoring team's visit (commonly referred to as "pre-visit documentation"). OSSE may also conduct onsite monitoring concerning a specific focus area or set of circumstances related to a particular grant. While OSSE has the authority to conduct unannounced visits—and does so—on a case by case basis in consideration of the circumstances, OSSE aims to be as transparent as possible so as to minimize disruption to the academic program when conducting its reviews.

- C. During the onsite review, the monitoring team may perform the following tasks:
- Review selected documentation (*e.g.*, expense reports, local applications, programs of study, curriculum plans) relevant to the grant or program;
 - Review student data/student records as they relate to the grant or program;
 - Visit classrooms or service areas supported by the grant or program;
 - Use expenditure samples to verify and locate equipment purchased;
 - Visit location where financial records are kept;
 - Request subrecipient to display their financial management system and provide a walkthrough of how transactions are recorded, reconciled, and tracked;
 - Conduct focus group meetings with faculty, staff, students, parents, providers, or other key stakeholders participating in or affected by the grant or program; and/or
 - Conduct additional monitoring activities, as needed.

In the instance that student interviews are included within the scope of the planned activities, OSSE will work with the subrecipient to identify potential students and will provide the subrecipient with letters to assist the subrecipient with requesting parental consent as appropriate prior to the interviews. OSSE will not conduct interviews without the receipt of appropriate consent.

At the conclusion of each onsite monitoring visit, the OSSE monitoring team will perform an exit interview with key subrecipient staff to provide general feedback, outline outstanding documentation requests and the timeline for their submission, and discuss other information critical to draft OSSE's onsite monitoring report to the subrecipient.

IV. TYPES OF EVIDENCE REQUESTED

OSSE will review documents related to both financial and programmatic activities prepared by the subrecipient. Commonly requested records for both desktop and onsite monitoring include:

- Documentation related to payroll transactions (*e.g.*, a list of employees paid with grant funds; job or position descriptions; time and effort records demonstrating employees worked on grant activities; time and attendance records demonstrating when employee worked; evidence of payroll reconciliations; accounting records indicating how salaries were charged; and/or payment records indicating how salaries were paid);
- Documentation related to procurement (*e.g.*, requisitions; cost estimates; requests for bids, proposals, etc.; copies of bids, proposals, etc., submitted; evaluation documents; purchase orders or contracts; invoices; proof that items purchased were received; inventory records; and/or review of the excluded parties list);
- Equipment and other asset inventory logs, including evidence that a physical inventory was conducted if appropriate;
- Other expenditure receipts for items purchased under the grant;
- Fiscal documentation showing the subrecipient is meeting its obligations under EDGAR 34 CFR §§76.730 and 76.731, and/or the City-Wide Grants Manual and Sourcebook, including documents showing:
 - a) The amount of funds available under the grant;
 - b) How the subrecipient has used the funds;
 - c) The total cost of projects initiated via the grant award;
 - d) The share of projects' total cost provided from other sources; and
 - e) Other records necessary to facilitate an effective audit.
- Copies of policies and procedures concerning grant administration, especially those related to internal controls;
- Data related to performance against grant goals and objectives; and
- Representative samples of student or staff files.

V. COORDINATING MONITORING ACROSS OSSE

OSSE strives to coordinate monitoring functions for grant programs in order to reduce burden. OSSE's Enterprise Grants Management System (EGMS) and other shared resources enable OSSE's various divisions to reduce the administrative burden of monitoring for subrecipients, including: coordinating visits; streamlining documentation requests; allowing document requests, response documents, monitoring reports from OSSE, and Corrective Action Plans (CAPs) to be uploaded to an online, centralized platform; and prioritizing monitoring based on information contained within other divisions' monitoring reports.

VI. MONITORING REPORTS

Within ninety (90) calendar days after completion of any desktop review or onsite monitoring (assuming receipt of all supporting documents and materials requested of the subrecipient), OSSE will send a report to the subrecipient that will include an overview of any findings, recommendations, and/or plans for onsite monitoring, if applicable. Should a CAP that delineates strategies and a timeline in which the subrecipient will correct any findings be required by OSSE, a subrecipient will have thirty (30) calendar days to submit the CAP.

Additionally, in specific instances involving immediate student safety or the potential denial of a Free and Appropriate Public Education (FAPE) under the Individuals with Disabilities Education Act, corrective actions may either be stipulated by OSSE and/or include shorter timelines for implementation of the CAP.

VII. CORRECTIVE ACTION PLAN (CAP)

OSSE will review a subrecipient's CAP and provide feedback to the subrecipient within thirty (30) calendar days of receipt of the CAP. OSSE will either approve the CAP or provide targeted technical assistance to support the subrecipient in strengthening the CAP to meet requirements. The OSSE program office will work with the subrecipient to ensure the plan is sufficient, manageable, and timely. OSSE program staff will ensure that the CAP includes a timeline that requires correction of any findings as soon as possible and in no case more than one year from the date the finding was made. As described in additional detail under Section IX, the OSSE program office may submit post-monitoring documentation requests to ensure the CAP has been sufficiently implemented and may include verification of CAP implementation as part of subsequent monitoring.

VIII. CONDITIONS/RESTRICTIONS

If a subrecipient is determined to be high risk or fails to sufficiently implement its CAP within a timely manner, OSSE may impose special conditions or restrictions on the subrecipient's ability to receive grant funds in the future. Special conditions or restrictions may include:

- Additional reporting;
- Additional onsite monitoring;
- Mandatory technical assistance; and/or
- Withholding or suspension of grant funds, with advanced notice via written notification.

Additional program-specific conditions may also be imposed at the discretion of the respective grant manager if a grant manager believes that the subrecipient has failed to achieve the performance goals of the grant. The subrecipient will be notified in writing by the OSSE grant manager if there are any special conditions or restrictions attached to the grant award. The notice will include:

- Nature of the special conditions/restrictions;
- The reasons why the additional conditions/restrictions are being imposed;
- The nature of the action (including any corrective actions) which must be implemented before the conditions/restrictions may be lifted;
- The time allowed for completing the actions, as applicable; and
- The method for requesting reconsideration of the additional requirements imposed.

OSSE will remove special conditions once the conditions that prompted them have been corrected.

IX. RESOLUTION OF NONCOMPLIANCE

OSSE will consider all findings from a monitoring visit resolved only after the subrecipient has provided sufficient evidence that all findings of noncompliance have been corrected. Sufficient evidence may include, but is not limited to, additional testing of applicable records and the submission of documents identified by OSSE. Once OSSE has collected, reviewed, and deemed acceptable all evidence of implementation of corrective actions, OSSE will issue a closeout letter to the subrecipient to indicate the findings have been resolved and to document any conditions/restrictions that have been lifted.

X. DESKTOP AND ON-SITE MONITORING SUMMARY TIMETABLE

This section delineates standard timelines related to key monitoring activities. Adjustments to the timeline based on extenuating circumstances will be determined on a case by case basis.

OSSE Monitoring Activity	Due date
Notification of annual onsite monitoring from OSSE to subrecipient	4 weeks prior to start of onsite monitoring
Monitoring report from OSSE to subrecipient (both desktop and onsite monitoring)	Ninety (90) days after completion of the review <u>and</u> receipt by OSSE of all supporting documents and materials requested of the subrecipient
Corrective action plan (CAP) from subrecipient to OSSE (if required by onsite monitoring report)	Thirty (30) days after receipt of the onsite monitoring report from OSSE
Feedback from OSSE to subrecipient regarding CAP (if CAP is required)	Thirty (30) days after receipt of the CAP by OSSE
Documentation requests for verification of CAP implementation (post-monitoring)	On an as-needed basis

XI. MANAGEMENT DECISION LETTERS

Following review of the subrecipient’s single audit, as required by 2 CFR Part 200, Subpart F (or OMB A133 for fiscal years beginning before December 26, 2014), OSSE will issue a management decision letter (MDL). The letter will state whether or not OSSE sustains the audit finding, provide the reasons for the decision, and identify the expected subrecipient action to repay disallowed costs, make financial adjustments, or take any other corrective action. If the subrecipient has not already completed the corrective action, the MDL will include a timetable for follow-up.

Prior to issuing the MDL, OSSE may request additional information or documentation from the subrecipient as a way of mitigating disallowed costs. The MDL will also include a description of any appeal process available to the subrecipient. OSSE will issue the MDL within six (6) months of acceptance of the audit report by the Federal Audit Clearinghouse. The MDL will include the reference numbers the auditor assigned to each audit finding.

XII. DEFINITIONS

Federal Audit Clearinghouse (FAC) means the clearinghouse designated by Office of Management and Budget (OMB) as the repository of record where non-Federal entities are required to transmit the reporting packages required by Subpart F—Audit Requirements of 2 CFR Part 200. The mailing address of the FAC is Federal Audit Clearinghouse, Bureau of the Census, 1201 E. 10th Street, Jeffersonville, IN 47132 and the web address is: <http://harvester.census.gov/sac/>. Any future updates to the location of the FAC may be found at the OMB Web site.

- A. Local Education Agency (LEA)** means an educational institution at the local level that exists primarily to operate a publicly funded school or schools providing elementary or secondary education in the District of Columbia, including the District of Columbia Public Schools (DCPS) and a District of Columbia public charter school. For the purposes of special education compliance monitoring, LEAs are responsible for ensuring that appropriate and compliant services are provided for students who have been parentally-placed in private (*i.e.*, non-public) institutions.
- B. Community-based Organization (CBO)** means an institution at the local level that exists primarily to engage in community development activities in a particular geographic area, which may include educational, economic, and housing development activities, with the goal of:
improving the climate of the area, increasing educational or professional opportunities for the area’s residents, or other desired outcomes.
- C. Subrecipient** means a non-Federal entity that receives a sub-award from a pass-through entity to carry out part of a Federal program but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.