

OIG AUDIT ISSUES

**Title I Administrative Meeting
April 27-28, 2012
Hunt Valley Marriott**

© Section 1001

The **Purpose** of the Title I Program is to support the teaching and learning of at-risk children so they can acquire the knowledge and skills needed to meet academic standards developed by the State.

SUBRECIPIENT MONITORING

- ◆ EDGAR at 34 CFR §80.40

Monitoring and reporting program performance requires Grantees to manage the day-to-day operations of grant and sub-grant supported activities.

Grantees must monitor grant and sub-grant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved.

Grantee monitoring must cover each program, function or activity.

SUBRECIPIENT MONITORING

- This EDGAR regulation requires SEAs to oversee Federal funds used in the respective program, but the regulation provides flexibility in how this requirement is satisfied. The regulation does not outline how SEAs are to monitor their LEAs.



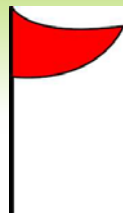
SUBRECIPIENT MONITORING INCLUDES, BUT NOT LIMITED TO:

- ◆ Program compliance
- ◆ Improper Payments (e.g. P-card use)
- ◆ Equipment for Title I programs in the public and private schools
 - Acquisition
 - Maintenance
 - Disposition

RED FLAGS



FINDING: MARYLAND NEEDS TO PROVIDE GUIDANCE TO ENSURE LEAs DO NOT USE FEDERAL FUNDS TO GIFT STAFF

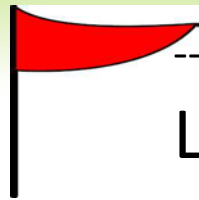


It is very important that LEAs be very careful purchasing MATERIALS AND SUPPLIES with federal dollars.

- Imprinted materials for meeting
- Materials and supplies with Logos.
- Over purchase of supplies and materials

⊙ **For an item to be allowable it must be necessary and reasonable for proper and efficient performance and administration of the federal award.**

MARYLAND NEEDS TO IMPROVE ITS MONITORING OF LEA FISCAL PROCEDURES FOR FEDERAL GRANT FUNDS



MSDE did not have testing of school or LEA level Title I expenditures built into the Monitoring tool.

Resolution: MSDE has begun testing source documentation. (Expanded Monitoring)

Accounting records must be supported by source documentation such as cancelled checks, paid bills, payroll, time and attendance records, contract and subgrant award documents.

UNALLOWABLE, UNSUPPORTED, AND INADEQUATELY SUPPORTED NON-PERSONNEL EXPENDITURES

OIG cited one district for spending Title I funds that were not approved. Ex. Competition at the local level led to finals in a national competition. Travel was only approved for the local competition, not the national competition.

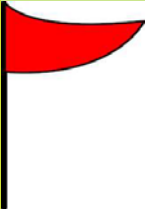
- ◎ **Travel: All travel must be approved. Specific destinations, number of people attending, all costs must be documented for approval.**

SCHOOL-WIDE PROGRAM PURCHASES

OIG cited one district for allowing a school to purchase materials and supplies for the school gym program. OIG's position was the items purchased did not meet the intent and purpose of the Title I program.

MSDE took the position that the items purchased were allowable for a SW program. Physical Education is listed in COMAR as an academic subject that impacts student academic achievement. Make sure your plan documents how the expenditures are reasonable , necessary and increase academic achievement.

PARENT INVOLVEMENT FUNDS USED FOR PURCHASES FOR NON-EDUCATIONAL EVENTS



MSDE was cited because one district purchased food “social events”, which are non-educational events. (Mother-Daughter Tea, Catering for end of year parent celebrations, promotion ceremonies, field days)

- © The use of parent involvement funds must ensure effective involvement of parents and support partnership among school, the parents, and community to improve student achievement through training, information and coordination activities.

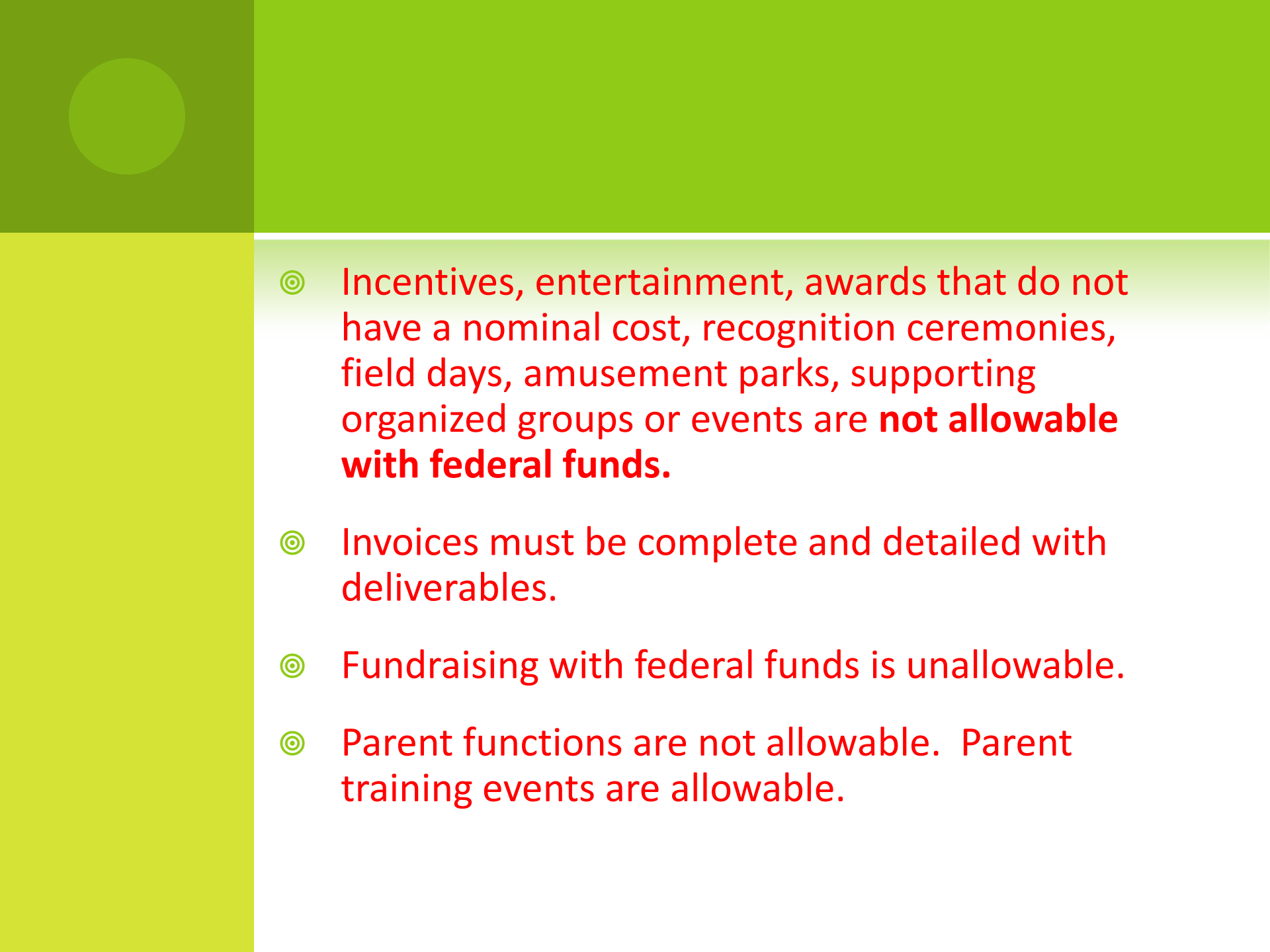
TITLE I FUNDS USED TO PROVIDE FOOD FOR FACULTY AND STAFF

One school used Title I funds to provide food for a School planning and management team meeting. Based on the agenda, OIG found the meeting to be a staff meeting and not a meeting or training session where technical information was discussed.

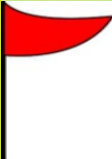
- Title I funds should not be used to purchase food for faculty in most circumstances. Exceptions may be for meetings that extend more than 2 hours over the course of a regular day and through the customary meal time. **Put a policy in place and train staff.**

INADEQUATELY SUPPORTED EXPENDITURES

OIG found a mired of inadequately supported or unallowable expenditures: invoices without insufficient detail, invoices that were unsupported by source documentation, field trips as incentives, purchase of appliances for an office, food purchases without documentation of the purchase and SANE documents, parent recognition activities which included entertainment, purchase of food for a formal organization event (PTA), fundraising including financial campaigns, solicitation of gifts and similar expenses to raise capital or obtain contributions.

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- ⊙ Incentives, entertainment, awards that do not have a nominal cost, recognition ceremonies, field days, amusement parks, supporting organized groups or events are **not allowable with federal funds**.
 - ⊙ Invoices must be complete and detailed with deliverables.
 - ⊙ Fundraising with federal funds is unallowable.
 - ⊙ Parent functions are not allowable. Parent training events are allowable.

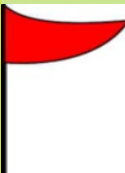
EQUIPMENT



OIG found some equipment usage policies not being followed and some equipment purchases that seemed excessive: (ex: 8 flip-video cameras for one school; technology that allowed access to certain websites when the acceptable use policy did not allow the access.)

- ⊙ Purchases must be reasonable and necessary.
- ⊙ LEA/State policies must be enforced.

TITLE I PERSONNEL EXPENDITURES



OIG found inadequate Time and Effort Records in several LEAs.

- ◎ Semi-annual Certifications: OMB Circular A-87, Appendix B, 8.h.(3)
- ◎ Time and Effort/PARS: OMB Circular A-87, Appendix B, 8.h.(4)

MSDE ENHANCED MONITORING

- ◎ **Expenses/Encumbrances**
 - ◎ **Parent Involvement-District Level**
 - ◎ **Parent Involvement-School Level**
 - ◎ **School Allocations**
 - ◎ **Others as the need arises**

HANDY REFERENCES

- ◆ OMB Circular A-87:

http://www.whitehouse.gov/omb/circulars_a087_2004#attb

- ◆ Title I Fiscal Issues Non-Regulatory Guidance

<http://www.ed.gov/programs/titleiparta/fiscalguid.doc>

- ◆ Education Department General Administrative Regulations (EDGAR):

http://www.access.gpo.gov/nara/cfr/waisidx_04/34cfr80_04.html