



**THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF
THE STATE OF NEW YORK**

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June 7, 2019

Mr. Matthew Bystrak
Superintendent
West Seneca Central School District
675 Potters Road
West Seneca, NY 14224

Dear Superintendent, Bystrak:

This letter serves as the New York State Education Department findings report for the 2017-18 Individual with Disabilities Education Act (IDEA) grant program based on a fiscal monitoring desk review and field visit for West Seneca School District.

On September 25, 2019 your district was notified by email that it was selected for subrecipient monitoring for the 2017-18 IDEA grant year to assess the district's fiscal compliance with the Federal Uniform Grant Guidance that regulates all federal grant awards.

The preliminary desk review of documentation submitted by the district was conducted in January pursuant to the following Federal Uniform Grant Guidance (UGG) regulations:

1. Procurement Standards (*2 CFR §200.113, §200.318, §200.321, §200.326/Appendix II Contract Provisions*).
2. Subpart E Cost Principles for Compensation Personal Services - Standards of Documentation of Personnel Expense (*2 CFR §200.430*).
3. Standards for Financial and Program Management specifically written procedures for determining the allowability of costs in accordance with Subpart E-Cost Principles (*2 CFR §200.302(b)(7)*).

4. Standards for Financial and Program Management Expenditures for Equipment and High-Risk Items (2 CFR §200.302, §200.313).

I came to your district for an monitoring field visit on May 13, 2019 to meet with district staff to discuss the 2017-18 IDEA grant fiscal monitoring review. I met with you, Ms. Janice Lewandowski, Ms. Stacey Norton and Mr. Andrew Wnek. I appreciate each of you carving out valuable time in your schedules to meet and actively participate in the monitoring review meeting and conversations.

We discussed the 2017-18 IDEA grant fiscal preliminary documentation review, U.S. Department of Education adoption in 2015 of amended Uniform Grant Guidance regulations that mandate that subrecipients of federal awards have specific written policies and procedures, and the rationale and criteria for districts being designated as either low-risk or high risk for future IDEA grant monitoring and auditing purposes. I also provided guidance and recommendations for your district to establish and utilize an IDEA Grant Uniform Grant Guidance Manual as a resource to minimize non-compliance risk factors.

The 2017-18 IDEA grant monitoring review included a compliance assessment of two of the required six Uniform Grant Guidance requirements for specific written policies and procedures. Based upon the preliminary desk review and subsequent monitoring field visit meeting, the documentary evidence indicate that the district has not sufficiently complied with the Uniform Grant Guidance written policies and procedures requirements. Therefore, the district should complete a concurrent review of the current Uniform Grant Guidance regulatory requirements and the district's current written policies and procedures for federal awards.

The specific findings for the IDEA grant 2017-18 fiscal monitoring review which were discussed during the field visit with the district's staff are noted below:

Internal Control - Procurement Standards

Finding Criteria: 2 CFR §200.318 c 1,2 **Conflict of Interest.** The Non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.

2 CFR §200.112 Conflict of Interest Mandatory Disclosure. The Federal awarding agency must establish conflict of interest policies for Federal awards. The non-Federal entity must disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy.

Finding Description: District's documentation submitted for review did not include written conflict of interest policy provision or regulations. Subsequent to the field visit monitoring meeting the district submitted additional documentation which include

conflict of interest policy provision along with Code of Ethics. However, the FY 2017-18 policy does not meet compliance with 200.318.

Recommendation: The district amend conflict of interest policy and include Mandatory Disclosure compliance requirement within district regulations to ensure compliance with 200.318 and 200.112. Additionally, district should complete comprehensive review of district's written procurement/purchasing policy and procedures to ensure compliance with current requirements of Uniform Grant Guidance.

Finding Criteria: **§2 CFR 200.326 Appendix II Contract Provisions:** (B) All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement. (H) Debarment and Suspension (Executive Orders 12549 and 12689) - A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

Finding Description: District's procurement policy and procedures submitted for review did not include written procedures or supporting documentation to meet compliance requirement for Uniform Grant Guidance Appendix II Contract provisions.

Recommendation: The District should establish written procedures that ensure compliance with Uniform Grant Guidance Appendix II Contract Provisions 2 CFR §200.326.

Finding Criteria: **2 CFR §200.321** Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.

Finding Description: District's procurement documentation submitted for review did not have any written provision or procedure for compliance with federal requirement 2 CFR §200.321.

Recommendation: The District should establish written procedures to ensure the District meets the compliance requirements of §200.321

Internal Control - Standards for Financial and Program Management specifically written procedures for determining the allowability of costs in accordance with Subpart E-Cost Principles

Finding Criteria: **2 CFR §200.302 (b)(7)** Written procedures for determining the allowability of costs in accordance with Subpart E - Cost Principles.

Finding Description: District submitted documentation for its written procedures for allowability of Subpart E cost principles. However, documentation did not address all applicable allowable cost subpart E cost principles considerations, including but not limited to, appropriate citation of pertinent Uniform Grant Guidance regulations and required

supporting documentation for each IDEA grant budgetary expenditure to ensure compliance with §200.302 (b)(7).

Recommendation: District should revise written procedures to include sufficient reference, regulatory source citation with required supporting documentation details to ensure all Uniform Grant Guidance compliance requirements for each of the IDEA grant budgetary accounts are included to ensure compliance with 2 CFR §200.302 (b)(7). Written procedures such as required per 2 CFR Part 200 by 200.302 (b)(7) are not a reiteration of the federal requirements or the policies or goals. Rather, procedures are the steps that are necessary to be in compliance with the federal requirement.

Internal Control - Subpart E Cost Principles for Compensation Personal Services-Standards of Documentation of Personnel Expense

Finding Criteria: 2 CFR §200.430 Standards of Documentation of Personnel Expenses. Personnel salary and benefits charges made against the Federal awards must be based on records that accurately reflect the work performed with required periodic supporting documentation.

Finding Description: District submitted IDEA grant staff time and effort documentation. However, multiple objective staff time and effort documentation must: a) reflect an after the fact distribution of the actual activity of each employee,(b) account for the total activity for which each employee is compensated,(c) be prepared at least monthly and must coincide with one or more pay periods, and (d) be signed by the employee.

Recommendation: The District should review and update procedures and documentation for standards of documentation of personnel expenses to ensure compliance with §200.430 and §200.302 (b)(7).

The Department requests that you submit a written corrective action plan within 45 days addressing the findings found in the monitoring review report. This plan should provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. If the district does not agree with the findings or believe corrective action is not required, then the corrective action plan should include an explanation and specific reasons. Please submit the corrective action plan to IDEAMONITORING@nysed.gov.

As discussed during the field visit meeting, the district should submit a copy of its IDEA Grant Uniform Grant Guidance manual to IDEAMONITORING@nysed.gov by November 30, 2019.

If you have any questions, please contact me by email (Otis.jones@nysed.gov).

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