Colorado Department of Education

ESSER 60-Day Report

Internal Controls and Monitoring

Colorado’s Internal Control and Subrecipient Monitoring Plan to ensure that funds are used for allowable purposes in accordance with cash management principles.

The Colorado Department of Education (CDE) is using its ESEA internal control and subrecipient monitoring systems for monitoring of ESSER. The Office of ESEA Programs, in partnership with the Grants Fiscal Management Office, are responsible for managing and monitoring subrecipients, to ensure compliance with statutory and regulatory requirements, using the same processes and protocols for [internal controls](http://www.cde.state.co.us/cdefisgrant/federalattachments) and monitoring of ESEA.

An application for ESSER funds has been developed that allows CDE to review and approve use of ESSER funds and programs separately from other funding streams. Training and technical assistance has been provided to LEAs on allowable uses and intent of ESSER funds, as well as documentation necessary for audits and monitoring by CDE or other applicable agencies, including but not limited to USDE and OIG. Each LEA application includes assurances to comply with all statutory and regulatory requirements under the CARES Act and other associated federal regulations (e.g., CFR, cash management cost principles, etc.).

CDE will use the existing [ESEA Process and Protocols](https://www.cde.state.co.us/fedprograms/eseaprogrammonitoringreqandprotocols) it uses to monitor programs under the [State’s ESSA Plan](https://www.cde.state.co.us/fedprograms/co-consolidatedstateplan-final-websitepdf). The USDE-approved, three-tiered approach to monitoring within CDE’s System of Performance Management (SPM) begins with an application review to ensure use of funds are in alignment with allowable activities as well as ongoing technical assistance to support LEA understanding of statutory and regulatory requirements. The tiered-based approach to monitoring is determined by annually assessing each LEA’s performance-based and fiscal risk factors to determine the level and timeline of monitoring for the LEA.

ESEA risk factor analyses will be expanded to include criteria aligned with the ESSER section of the CARES Act, paying particular attention to the amount of ESSER funds received by the LEA. Other risk factors for assessing risk include, but are not limited to past single audits or monitoring results, data reporting, frequency of requesting and drawing down funds, or concerns with turnover in LEA staff. The process also relies upon LEA academic performance and the number and types of schools identified for support and improvement under ESSA. LEAs with the largest allocations and greatest identified risks are prioritized for more intensive levels of monitoring.

The monitoring process began on June 1, 2020, with review of each LEA’s proposed uses of funds to ensure that budgeted items are reasonable, necessary, allocable, and related to continuity of services during COVID-19 school closures or resuming normal operations. The application for funds will remain open until December 31, 2020 and CDE will continue to review and approval proposed uses of funds.

* + If activity narratives describe unallowable activities, or do not adequately describe activities, the LEA will be required to modify the budget line item.

CDE will continue to review and approve budgeted expenditures, after initial approval, as LEA needs and priorities change throughout the 2020-2021 school year, using the Post-Award Revision Process.

During the 2021-2022 school year, LEAs’ implementation of approved activities will be monitored through desk monitoring, if the LEA is assessed to have low risk in the risk analysis, or phone/in-person monitoring if the LEA is determined to be in the high risk category.

* + Program monitoring will begin in 2021-2022
  + Fiscal audit and monitoring will begin in 2022-2023 after LEAs have expended funds

The monitoring process and protocols will be revised to include indicators to allow CDE to collect evidence to demonstrate the effective implementation of ESSER-funded activities, how said activities align with COVID-19 related needs, and how funds/programs have been used to meet identified needs. In preparation for monitoring activities, CDE is and will continue to provide guidance, technical assistance, and training on federal requirements associated with ESSER funds and the ESSER section of the CARES Act.