

# Purpose

This Monitoring Plan is in response to the Attachment T: Grant Conditions within the GAN for the Elementary and Secondary School Emergency Relief Fund (ESSER). Include are responses to III.i.a, III.i.b, III.i.c, III.ii.a, III.ii.b, and III.ii.c of that attachment.

# Internal Control Plan (III.i.a, III.i.b, III.i.c)

**Internal Structure for Implementing the ESSER Fund Grant**

The Minnesota Department of Education internal structure supports comprehensive oversight and internal controls. The Deputy Commissioner of Education provides direction to a leadership team, comprised of an Assistant Commissioner, the Chief Financial Officer, the Director of Agency Finance, an IT Project Manager, a Supervisor of Federal Programs, and a Grant Program Specialist. This team coordinates all implementation and monitoring to ensure internal controls and appropriate use of funds.

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**Risk Identification & Mitigation**

1. Risk: Use of funds for costs which are not consistent with the purpose of the award and its eligible, allowable categories. Mitigation: included in subrecipient monitoring plan.
2. Risk: Use of funds for expenditures incurred prior to the period of availability (March 13, 2020). Mitigation: included in subrecipient monitoring plan and internal controls on allowable dates for requested reimbursements.
3. Risk: Failure to provide sufficient opportunity for all eligible nonpublic schools to participate and receive assistance that address eligible needs while maintaining direct LEA administrative control of the funds (exercising prior approval and not reimbursing or otherwise making payment to the nonpublic) in compliance with the statute’s equitable services requirements. Mitigation: LEAs are required to complete consultation with nonpublic schools prior to submission of their application and verify this in their application. Nonpublic school expenditures will be monitored in accordance with the subrecipient monitoring plan.

**Primary Documentation**

The Minnesota Department of Education utilizes a grant management system to ensure the primary documentation of approved plans and budgets are reviewed, approved, and retained. The staff responsible for reviewing grant applications are trained and supported by a Grant Program Specialist to ensure inter-rater reliability on approval. This system interfaces with the State of Minnesota’s payment processing system which requires the submission of allowable cost codes upon request of reimbursement. These requests will be reviewed monthly to ensure no improper payments are processed. All audits will be maintained in a secure filing system.

# Subrecipient Monitoring Plan (III.ii.a, III.ii.b, III.ii.c)

Risk assessment includes programmatic and fiscal criteria, most of which are initially assessed during the application stage.

Programmatic criteria include:

* Applicant plan alignment with allowable uses of ESSER funds.
* Applicant plan alignment with identified priorities, especially for the allocations out of the state’s 9.5% reserved funds. The identified priorities are:
	+ Supplementing GEER priorities such as summer school programming.
	+ Providing mental health services, including those that are culturally specific.
	+ Meeting the specific needs of students from historically underserved populations.
* Inclusion of varied perspectives, including (where appropriate) tribal representatives, in plan creation and amendments.
* Alignment of intended uses of funds with current understanding of best practices.
* Adaptation of plans to emerging circumstances and changing needs.

Fiscal criteria include:

* Accurate calculation and distribution of equitable shares of funding to nonpublic schools.
* Alignment of expenditures with allowable uses.
* Alignment of expenditures with identified priorities.
* Rate of expenditures, especially for subrecipients with large grants.

Additional criteria may be developed as implementation continues. These criteria will be based on the values of equity, engagement, effectiveness, and alignment (considering both allowability and priority).

Application review can result in applications being:

* approved without concern
* approved with a warning flag that can raise the priority for monitoring an approved plan
* sent back to the applicant for revision and resubmission
* denied.

Reviewers receive guidance to aid in gauging which option to choose. The application itself is limited to allowable uses in identified priorities.

After approval, expenditures by all subrecipients will be subject to automated monitoring at least once every two weeks. Unexpected or unusual expenditures—those that may violate one or more of the identified criteria—will be flagged for manual review.

Throughout the life cycle of the grant, subrecipients will be selected for desk review using both programmatic and fiscal criteria. The selection will be informed by the flagging processes during application as well as automated expenditure monitoring. Those subrecipients flagged at either point will be reviewed at a higher rate than unflagged districts, and subrecipients flagged at both points will be reviewed at a higher rate than those flagged at only one point. Desk reviews will be conducted at least quarterly during the first year of implementation. The schedule of review may be adjusted for future years depending on what is learned during the first year, as well as the percentage of funds remaining. (For example, if 80% of funds are spent during the first year, the rate of monitoring during subsequent years may be reduced.)

The program specialist responsible for monitoring these funds will collaborate with monitors for other state and federal programs. When monitoring of another program indicates a higher risk for this program, the subrecipient’s priority level may be elevated.