The CARES Act requires State Education Agencies (SEAs) to oversee ESSER fund spending. Within 60 days of receiving ESSER funds, the SEA must submit an Internal Control and Subrecipient Monitoring Plan to ensure funds are used for allowable purposes in accordance with cash management principles.

**III i(a)(b)(c)**

**Management Structure/Internal Risks/Audits**

The NDDPI has created a management structure for implementing the ESSER fund grant that will ensure the necessary oversight and proper implementation of the ESSER fund program.

To effectively manage the ESSER funds, the North Dakota Department of Public Instruction (NDDPI) established an ESSER team consisting of five experienced department staff:

* ESSER Lead – Laurie Matzke: Laurie Matzke is the Assistant Superintendent in the NDDPI. Laurie oversees federal programming in the department. She will be the key personnel responsible for submitting reports and other key information to the USED, as well as approving claims and quarterly reports for local educational agencies.
* Fiscal Lead – Jamie Mertz: Jamie Mertz is the director for the Office of Fiscal Management in the NDDPI. Jamie will oversee the financial management, internal controls, and the auditing process for the ESSER funds.
* WebGrants Lead – Rebecca Pollert: Rebecca Pollert is an assistant director in the Office of Fiscal Management. LEAs will use the department’s grants management system, WebGrants, to claim reimbursement of their ESSER dollars and complete their quarterly reports. Rebecca will oversee the claims within WebGrants, as well as provide guidance and technical assistance on the grants management system.
* Non-public School Lead – Ann Ellefson: Ann Ellefson is the director of Academic Support. She will provide guidance and technical assistance to non-public school personnel and monitor LEAs on the equitable services provision. She will work closely with our state ombudsman on non-public school issues.
* ESSER Support – Lisa Johnson: Lisa Johnson is a program manager in the department and will provide support in all areas pertaining to the management of the ESSER funds. She will review reimbursement claims, quarterly reports, and other ESSER documents, ensuring that multiple staff have reviewed and monitored LEA documents for compliance with the federal requirements.

NDDPI has strong internal controls that ensure the accuracy and reliability of the management of financial and programmatic information, and identify risks, both internal and subrecipient risks, associated with implementing the program based on past performance, and identify strategies for mitigating such risks. There are clearly written operating fiscal and procurement policies in place, which provide clarity and instruction to those involved in the grant management process. The NDDPI leadership recognizes the importance of sound internal controls and risk management practices for the governance of taxpayer funds. Every two years, NDDPI conducts a formal review of its internal risks, which is reviewed by external auditors.

All controls that are in place for our other federal grant programs would apply to ESSER funds as well. Annually, we complete risk assessments of subrecipients. The ESSER program would be included in those assessments. Subrecipients identified as high risk receive increased monitoring.

The NDDPI has strong documentation necessary to support fiscal reviews, including audits (single audit and audits by the Office of the Inspector General) and improper payment assessments, as requested by the Department or the Department’s contractor. All subrecipient grant payments are made from the State’s WebGrants system. This system retains all information pertaining to payments. All other payments information is stored in the State’s accounting system. All of this information is available for review for an extended period of time based on the State’s record retention policy.

**III ii - Subrecipient Monitoring Plan**

The NDDPI has developed a comprehensive subrecipient monitoring plan that will ensure significant oversight of the LEA ESSER funds to ensure they are being used as approved and on allowable activities.

A risk assessment for all federal grant subrecipients is performed with each new grant and for formula grants at a minimum annually, during the grant award process. Risk factors include, but are not limited to:

* Prior Experience/Performance
* New Personnel
* Prior Monitoring Findings
* Late Reporting
* Data Submission Errors
* Grant Award Amount
* Audit Findings
* Lapsed Funds
* Maintenance of Effort Violations

The risk assessment is performed by state agency staff. If a grant recipient is found to be high risk, the grant may have additional conditions imposed on the award up to and including:

* Requiring submission of an accounting ledger with every request for funds for state agency review
* Requiring additional program compliance monitoring
* State may establish additional prior approvals (i.e., prior approval on expenditures)
* State agency staff may perform a desk audit of the financial activity of the grant recipient
* Requiring the non-federal entity to obtain management assistance or technical assistance

The NDDPI completes the annual risk assessment process/checklist for all public LEAs annually during the summer. The NDDPI will be updating our risk assessment process to include the ESSER dollars. The new criteria will be used to rank and prioritize which LEAs are a higher risk and subsequently will have additional conditions imposed on their award.

Listed below are the methods the NDDPI will utilize to monitor the ESSER funds for compliance:

1. Use the NDDPI grants management system, WebGrants, for collecting reimbursement and oversight purposes

WebGrants manages grants through the complete grant cycle, from application through closeout. The system allows recipients to utilize one platform for the life of their grant. Grant recipients can apply for funding opportunities, claim funds, submit reports, and communicate with the grant program managers in one system. All historical information and system activities are available for recipients to refer back to or even print copies at any time. WebGrants time/date stamps all activities and the user who is associated with the created or edited system function. The system allows NDDPI to post grant opportunities, review applications, award grant funds, and monitor programs. It is a single stop for all associated activities and document repository for everything associated with a particular grant in the system.

1. Have LEAs submit their ledger of expenditures with all reimbursement claims to verify allowability

The department’s grants management system, WebGrants, will require all LEAs to upload a copy of their local accounting ledger and copies of supporting documentation (i.e. invoices/receipts) each time they submit a reimbursement claim. This will allow NDDPI staff to monitor and review expenditures to ensure the allowability of all activities and purchases made with ESSER funds.

1. Desk reviews of equitable services information

North Dakota has a specific Non-Public Schools Monitoring Plan to ensure funds are used for allowable purposes and providing services that are equitable. This monitoring plan will be conducted as a desk audit through the department’s WebGrants system.

The department of public instruction will create an ESSER Fund Non-Public Schools Monitoring Checklist which LEAs will be required to complete and submit via the North Dakota WebGrants system.

The Department of Public Instruction ESSER Fund team and the North Dakota Ombudsman will collaborate to review the submitted information and provide technical assistance to the LEA. Following the desk audit, the LEA will have 30 days to submit additional documentation, evidence or response to issues noted. If the audit has a finding of non-compliance, a plan for correcting the issue is required and may involve additional individualized technical assistance.

The monitoring checklist will be designed to identify areas where technical assistance may be needed or to include documentation to support compliance with requirements. Information that will be built into the Monitoring Checklist include:

* Equitable services amounts
* Timely and meaningful consultation
* Contracted services
* Affirmation of consultation
* Equitable services to students and teachers in non-public schools located with the LEA
* LEA control of funds
* LEA title to materials, equipment, and property
* Services provided by LEA or through contract

1. Review quarterly reports to ensure allowability of expenditures

The CARES Act requires Local Education Agencies (LEAs) that receive ESSER funds to report certain information about their spending on a quarterly basis.

As required in Section 15011(b)(2), the NDDPI will require recipients of CARES Act funds to report:

* The total amount of funds received
* The amount spent or obligated for each project or activity
* A detailed list of all projects or activities supported with CARES Act funds (including name, description and estimated number of jobs created or retained (where applicable)), and
* Detailed information on subcontracts and subgrantees, including FFATA data elements, as prescribed by OMB

The NDDPI has created a quarterly report, similar to the one LEAs submitted for the AARA funds in 2009. This report will be built within the WebGrants system once we receive final details from the USED. The first quarterly report will be due on August 11, 2020. The quarterly reports will allow NDDPI staff to monitor and review expenditures on a quarterly basis to ensure LEAs are using the ESSER funds on allowable activities.

The NDDPI Office of Fiscal Management has also created and provided LEAs with accounting codes to specifically track their local ESSER dollars. This will allow LEAs to track the ESSER funds separately and to easily report on the use of these dollars.

The NDDPI believes that we have established a strong, comprehensive plan to monitor and provide oversight over the ESSER funds to ensure they are used for allowable, reasonable, and necessary costs.