

Department of Grant Compliance and Administration Monitoring Plan for the CARES Act, ESSER and GEER Grant Funds

1. PURPOSE OF MONITORING PLAN

The purpose of the CARES Act ESSER and GEER monitoring work plan is to define the expectations of the Grants Administration (GA) and Federal Fiscal Monitoring (FFM) Divisions relative to the oversight and monitoring of grants in accordance regulatory and statutory monitoring requirements during the federal fiscal years 2020 and 2021. The monitoring plan details how the divisions will assist in carrying out certain oversight responsibilities of monitoring subrecipients receiving ESSER or GEER grant funds.

2. REGULATORY MONITORING REQUIREMENT

Federal Requirements

- Pursuant to Title 2 of the Code of Federal Regulations (CFR) 200.331(d), the Texas Education Agency (TEA) monitors the activities of subrecipients as necessary to ensure that federal grant awards are used for authorized purposes, in compliance with federal statutes, regulations, and terms and conditions of the subaward. Monitoring is also conducted to ensure that subrecipients achieve performance goals.
- Pursuant to 2 CFR 200.331(b) TEA evaluates each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring
- Pursuant to 2 CFR Part 200, Appendix XI, TEA is required to monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements. The agency's subrecipient monitoring must cover each program, function or activity.
- Pursuant to 34 CFR 76.770, TEA is required to uphold its administrative responsibilities by ensuring that subrecipients are in compliance with applicable statutes and regulations.

Statutory Authority:

- Pursuant to Texas Education Code (TEC) §7.021(b)(1), in conjunction with TEC §7.028(a)(1) and §7.028(a)(2), TEA is authorized to monitor compliance with requirements that apply to a process or program and the related use of funds to ensure compliance with federal law and regulations and financial accountability, including compliance with grant requirements.
- TEC §44.008(e) grants the commissioner of education access to all vouchers, receipts, district fiscal and financial records, and other school records that the commissioner considers necessary and appropriate.

3. MISSION

Financial monitoring activities will include grant application reviews, desk reviews and onsite reviews, if deemed necessary. Auditors will ensure that CARES Act grant funds are utilized to maximize project goals and objectives and to identify and prevent wasteful spending. FFM staff will plan to complete reviews, in state fiscal years 2021 and 2022 (FFY 2020 and 2021), of funds awarded to subrecipients including school districts, charter schools and educational service centers.

Programmatic monitoring activities will include random validations of eligibility and targeted programmatic data requirements.

4. FUNCTIONS

The GA division staff's primary focus will be to conduct grant application reviews for allowability of costs. The grant application will attach the preprinted list of requested allowable activities aligned to the ESSER and GEER guidance document. Any activity entered as "other," not previously approved, and questionable to TEA staff may be forwarded to the USDE program office for a determination of allowability.

The FFM division staff's primary focus will be to conduct desk reviews of CARES Act grants awarded to subrecipients. The completion of the activities discussed below will contribute towards satisfying the division's monitoring responsibility. Although the types of activities discussed below will be the primary focus of the division, the division is not limited to these activities and may conduct other work at the direction of the division's director and pursuant to immediate and changing circumstances.

The program office will conduct random validations of various eligibility and program requirements to include, but not limited to, provisions of equitable services, LEA program activities, and allowable uses of funds.

5. OBJECTIVES

For the purpose of this work plan, the FFM division's monitoring activities will address one or more of the following objectives.

1. Provide ongoing oversight and monitoring of CARES Act grant funded awards.
2. Ensure that subrecipients adhere to the fiscal, program and other requirements applicable for the use of CARES Act grant funds.
3. Ensure that subrecipients maintain financial, program and other records to accurately and completely account for the obligation, receipt, expenditure, and use of CARES Act funded grants.
4. Review expenditures of grant funds for improper payments to prevent fraud, waste, and abuse of CARES Act funds.
5. Review grant expenditure costs not allowed under the program guidelines and ensure that claims for reimbursements are not submitted to other funding sources.

Although an audit may be broad in scope, auditors will endeavor to focus each audit on specific issues.

6. MONITORING METHODOLOGY

Through monitoring activities, division staff will ensure that subrecipients maintain compliance with applicable fiscal requirements of federal grants to meet project goals. By applying a risk assessment methodology to select the appropriate subrecipients for monitoring, the agency can identify subrecipients that are at risk of not complying with federal statutes and terms and conditions of applicable grants, which may ultimately result in federal funds being used for unauthorized purposes.

7. ASSESSMENT OF RISK AT THE SUBRECIPIENT LEVEL

Annual Federal Fiscal Risk Assessment

As a pass-through entity, TEA awards federal grant funds to eligible subrecipients, including local educational agencies (school districts and open-enrollment charter schools). The responsibilities of pass-through entities are given in Title 2 of the Code of Federal Regulations, Part 200.331, which requires TEA to “evaluate each subrecipient’s risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.”

The risk assessment criteria include indicators and weights derived from multiple sources. Each subrecipient is allotted points based upon these criteria, and assigned a risk level of high, medium, or low based on the total number of points allotted.

Criteria Used in Risk Assessment for 2020-2021

The following are the criteria used to determine the risk level of school districts and charter schools for the 2020–2021 school year:

- The subrecipient did not submit the required annual financial and compliance report (AFR), including the single-audit report, to TEA by the required due date or did not submit an AFR.
- The subrecipient did not submit the required annual financial and compliance report (AFR), including the single-audit report, to the Federal Audit Clearinghouse by the required due date or did not submit an AFR.
- The independent auditor who prepared the subrecipient’s AFR, including the single-audit report, did not express an unqualified opinion.
- The subrecipient was not required to have a single audit conducted under 2 CFR 200 Appendix XI - Compliance Supplement because it did not meet the federal grant spending threshold.
- The subrecipient’s independent auditor identified in the single-audit report at least one of the following: (1) an instance of material noncompliance; (2) material weaknesses internal controls; (3) questioned costs of federal funds; (4) a finding that was also a finding in the prior year.
- The subrecipient has a large amount of federal expenditures compared to total operating costs.
- The subrecipient has been referred by other agency divisions for significant issues or deficiencies that may affect its use of federal grant funds or its implementation of federal grant programs.
- The subrecipient has not been monitored recently by the Federal Fiscal Monitoring Division.
- The subrecipient has not drawn down federal funds by January of the current school year for one or more of the following federal grants: Title I, Part A—Improving Basic Programs; Carl D. Perkins; IDEA-B—Formula.
- The subrecipient has lapsed funds for at least one of the following ESSA grants:
 - Title I, Part A—Improving Basic Programs
 - Title I, Part C—Migrant
 - Title I, Part D—Subpart 2

- Title II, Part A—Teacher and Principal Training and Recruiting
 - Title III, Part A—LEP
- The subrecipient has lapsed IDEA-B—Formula funds.
- The subrecipient has carried over excessive amounts of funds for one or more of the following federal grants:
 - Title I, Part A—Improving Basic Programs
 - Title I, Part C—Migrant
 - Title I, Part D—Subpart 2
 - Title II, Part A—Teacher and Principal Training and Recruiting
 - Title III, Part A—LEP
 - IDEA-B—Formula