**1. Identify the management structure for implementing ESSER funds, including the key personnel responsible for managing and monitoring subrecipients.**

The New York State Education Department’s (NYSED or “the Department”) Office of ESSA-Funded Programs will be responsible for the administration of New York State’s ESSER funds.

In consultation with the Department’s Chief Financial Officer, the Office of ESSA-Funded Programs has determined an allocation amount for each Local Education Agency (LEA) to be awarded ESSER funds based on each eligible LEA’s relative Title I Part A allocation in the 2019-2020 school year. Each LEA awarded an ESSER allocation will be required to submit to NYSED a completed “CARES Act Combined Funding Application” through NYSED’s secure online business portal. NYSED is requiring each LEA awarded an ESSER allocation to submit an application, including a program narrative, budget, and budget narrative, in order to receive funds under this program. All application materials must be signed and submitted by the Chief Administrative Officer (or a properly authorized designee) and sent to the Office of ESSA-Funded Programs for review and approval.

All application materials, including budgets and budget narratives, will be reviewed by ESSA-Funded Program staff for allowability and consistency with the requirements of the CARES Act pertaining to ESSER funds; the relevant Terms and Conditions listed in Attachment T of NYS’ ESSER Grant Award Notification; the relevant assurances in New York State’s Certification and Agreement for Funding under the Education Stabilization Fund Program, Elementary and Secondary School Emergency Relief Fund; and the terms of the U.S. Department of Education’s July 1, 2020 Interim Final Rule CARES Act Programs; Services to Students and Teachers in Non-Public Schools. Staff completing reviews will be provided with training provided by the Assistant Commissioner for the Office of Accountability and the Director of the Office of ESSA-Funded Programs prior to conducting reviews. Upon receiving programmatic approval, application materials will be forwarded to NYSED’s Grants Finance Unit for final processing and initial payment of 20% of the grant allocation. To ensure continuity, budget amendments submitted during the project period will be reviewed and approved by the same program staff that conducted initial reviews of an LEA’s initial application.

In addition to the programmatic and fiscal monitoring activities conducted during the application review processes, the Office of ESSA-Funded Programs will conduct follow-up monitoring with all LEAs that receive funds under this program.

1. **Identify risks, both internal risks and subrecipient risks, associated with implementing the program and strategies for mitigating such risks.**

The New York State Education Department will monitor each LEA’s use of ESSER funds to ensure compliance with all applicable Federal requirements, including but not limited to ensuring that funds are used in a manner that is consistent with section 18003 of the CARES Act for allowable purposes, and with 2 CFR §200.303 under the Uniform Grants Guidance.

*Internal Risks and Mitigation*

The Department has identified several internal risks associated with implementing the ESSER program. Such risks include: (1) inconsistent pre-award review of applications, (2) delays in administering funds to LEAs, and (3) inconsistent post-award subrecipient monitoring of LEA expenditures. In order to mitigate these risks, NYSED will engage in the following respective actions: (1) consultation and training with Brustein and Manasevit, PLLC and the Council of Chief State School Officers (CCSSO) on the requirements of the CARES Act, (2) development of issuance timeline and secure online application process to facilitate efficient dispersal of funds, (3) development of a uniform application review protocol accompanied with training for staff reviewers to norm the application review process, and (4) development of a uniform post-award monitoring protocol accompanied with training for monitors.

*Sub-recipient Risks and Mitigation*

The Department has also identified sub-recipient risks, such as non-compliance with LEA-level requirements outlined in the CARES Act, improper and/or late completion of LEA applications for funding, use of ESSER funds for unallowable purposes, and failure to maintain and provide primary documentation for fiscal review and audits. In order to mitigate these risks, NYSED will engage in the following respective actions: (1) provide training and technical assistance to LEAs on subrecipient requirements, the use of the secure online application, and on retaining primary documentation through technical assistance webinars, (2) developing and disseminating a designated mailbox, (3) developing review processes and protocols for uniform SEA review of LEA applications, and (4) communicating and collaborating with the Grants Finance Unit to ensure uniform direction and guidance is provided across Department offices.

1. **Describe how the grantee will ensure the existence of primary documentation necessary to support fiscal reviews, including audits (single audits and audits by the Office of the Inspector General) and Improper Payment Assessments, as requested by the Department or the Department’s contractor.**

The New York State Education Department will ensure the existence of primary documentation necessary to substantiate ESSER payments in review, for purposes of conducting Improper Payments assessments (i.e., a payment selected for testing for purposes of the Improper Payments assessment). NYSED will also ensure access to such documents in a timely manner, as requested.

All LEA projects must operate under the jurisdiction of the local board of education or other appropriate governing body and are subject to at least the same degree of accountability as all other expenditures of the local agency. The local board of education or other appropriate governing body will be responsible for the proper disbursement of, and accounting for, project funds. LEAs must have a proper financial management system in place and establish and maintain appropriate and effective internal controls. In addition, written agency policy concerning wages, mileage and travel allowances, overtime compensation, or fringe benefits, as well as State rules pertaining to competitive bidding, safety regulations, and inventory control must be followed. Written procedures are also required for cash management that minimizes the time elapsing between the drawdown and disbursement of funds. Similarly, supporting or source documents are required for all grant related transactions entered into the local agency's recordkeeping system. Source documents that authorize the disbursement of grant funds consist of purchase orders, contracts, time and effort records, delivery receipts, vendor invoices, travel documentation and payment documents, including check stubs. LEAs are required to provide NYSED with the assurance that such documentation will be maintained and available for review during monitoring.

**4. Describe a subrecipient monitoring plan that addresses the Grantee’s:**

* **risk assessment and ranks and prioritizes LEAs with consideration for new criteria identified as a result of receiving ESSER funds;**
* **development and implementation of revised monitoring protocols; and**
* **schedule for subrecipient monitoring, including both programmatic and fiscal issues, based upon the Grantee’s received risk assessment.**

NYSED has developed and implemented monitoring protocols and created a schedule for subrecipient monitoring that includes both programmatic and fiscal indicators. The monitoring operates on a risk-based system. This system may take into account the total allocation and items noted in the LEAs application/budget. The Department’s monitoring activities occur in two phases: (1) Pre-Award and (2) Post-Award monitoring.

*Pre-Award Monitoring (March 2020 – July 2020):*

NYSED will utilize the secure online business portal (already in use for distribution of Federal funds under ESSA) for the LEA ESSER application submission to NYSED. The secure online portal allows LEAs to upload materials for review by program staff and allows NYSED staff to ensure that an LEA’s use of funds is consistent with approved applications, budgets, and budget amendments.

The Office of ESSA Funded Programs will develop a review protocol that requires LEAs to submit applications with verified enrollment data, non-public school participation data, budget (Form FS-10) and budget narrative forms for approval. Application approval, final processing and initial payment of 20% of the grant allocation will occur after LEA applications meet Federal and state regulations and requirements pertaining to ESSER funds. While NYSED’s primary purpose is to ensure funds are delivered as efficiently as possible to LEAs, ESSA Funded Program Office staff will collaborate closely with LEA staff to ensure the application and budget is aligned with ESSER uses of funds and other statutory requirements.

A closely controlled cash management process is part of pre-award monitoring. The applicant agency submits the completed application and a Proposed Budget for a Federal or State Project (Form FS-10) to the respective NYSED program administrator.  ESSA Funded Program staff review the grant application/budget for allowable costs and notifies the LEA of approval or disapproval of the application/budget. Approval of the FS-10 (or FS-10-A if applicable) budget is documented by signature of the NYSED staff person on the FS-10.

*Post-Award Monitoring (September 2020 – September 2022):*

To draw down funds after the initial 20% of the allocation, LEAs will be required to submit Form FS-25/ Request for Funds for a Federal or State Project. The amount of funds requested at any one time may only include actual expenditures to date plus, in some cases, anticipated expenditures for the next month. Once project activities are completed and all expenditures have been made, the LEA will be required to submit an original and one copy of the FS10-F/Final Expenditure Report. Grants Finance and/or program staff will review the final expenditure report against the approved budget, determine the final approved total of project expenditures, and reimburse any funds owed to the local agency.

In addition to the programmatic and fiscal monitoring activities conducted during the data collection and application review processes, the Office of ESSA Funded Programs will conduct follow-up monitoring with LEAs that receive funds under the ESSER program. NYSED will deploy a review protocol to collect and review programmatic and fiscal documents from awarded LEAs. Such a review protocol will include indicators requiring LEAs to provide evidence of allowability and primary documentation demonstrating accordance with cash management principles and the Uniform Guidance and 2 CFR §200.331 and private school participation, as applicable.

As needed, the Office of ESSA Funded Programs will leverage existing on-site monitoring protocols that are used for LEAs with an elevated risk of non-compliance to follow up with any LEAs that are non-responsive or for which additional information is needed. In all cases, NYSED will take appropriate enforcement actions if it determines that an LEA’s use of funds does not meet the requirements of the program.