

**Ohio Department of Education CARES Act and ESSER Fund Internal Controls and Monitoring Protocols**  
Developed July 2020

**Requirements**

A. Internal Controls Plan Requirements

The SEA must submit to the Department, within 60 days of receiving ESSER funds, an internal control plan that:

1. Identifies the management structure for implementing the ESSER Fund grant, including the key personnel responsible for managing and monitoring subrecipients;
2. Identifies risks, both internal and subrecipient risks, associated with implementing the program based on past performance and identifies strategies for mitigating such risks; and
3. Describes how the Grantee will ensure the existence of primary 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.

B. Monitoring Plan Requirements

The SEA must submit to the Department, within 60 days of receiving ESSER funds, a subrecipient monitoring plan that addresses the Grantee's:

1. Revised risk assessment and ranks and prioritizes LEAs with consideration for new criteria identified as a result of receiving ESSER funds;
2. Development and implementation of revised monitoring protocols; and
3. Schedule for subrecipient monitoring, including both programmatic and fiscal issues, based upon the Grantee's revised risk assessment.

**General Statement**

To address the Elementary and Secondary School Emergency Relief Fund (ESSERF) grant award notification (specifically Attachment T: Grant Conditions), the Ohio Department of Education (Department) will follow established internal controls and monitoring procedures in accordance with the 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

All documents, materials and guidance information on the Department's implementation of the Coronavirus Aid, Relief, and Economic Security (CARES) Act and ESSERF are housed in the Department's Comprehensive Continuous Improve Plan (CCIP). The CCIP is a unified grants application and verification system that consists of several applications including a planning tool, funding application, payment request system, final expenditure reports and document repository (library). The CCIP Document Library may be found at the following link:

<https://ccip.ode.state.oh.us/documentlibrary/default.aspx?ccipSessionKey=637315366534518305>.

Within the CCIP Document Library contains important documents outlining the Department's internal controls, compliance monitoring process, and general assurances. The General Assurances may be found at the following link:

<https://ccip.ode.state.oh.us/documentlibrary/ViewDocument.aspx?DocumentKey=83791>

The ESSERF local educational agency (LEA) application is hard coded into the CCIP for the LEAs to submit and provide specific information. A blank copy of the application is also found in the CCIP Document Library at the following link: [Ohio LEA ESSER Funding Application](#)

The Department makes regular updates to guidance information related to the CARES Act and ESSER Fund. The Department provides webinars and training materials specific to the ESSER Fund. This information may be found in a dedicated CARES folder in the Document Library at the following link: <https://ccip.ode.state.oh.us/documentlibrary/ViewDocument.aspx?DocumentKey=84192>

The Department also has a dedicated website for grants management that provide key information on established quality controls and effective fiscal management. The website may be found at the following link: <http://education.ohio.gov/Topics/Finance-and-Funding/Grants-Administration>

**A. Internal Controls and Grant Management Process**

Over the years, the Department has developed and implemented an internal control structure to ensure all grants meet federal and state grant requirements. These controls include both application and monitoring controls processes and extend into the grant management process. As noted above, these general internal controls are applicable to Department’s administration and implementation of the CARES Act and ESSER Fund. Furthermore, the Department is adding the actions below specific to the CARES Act and ESSER Fund internal controls and grants management process:

1. Management Structure:

Representatives from all Centers and staff from across the agency are contributing to the implementation and overall success of Ohio’s CARES Act programming. Below are key individuals on the management team who are leading parts of Department’s Federal CARES Act processes.

CARES Act Management Structure			
Role	Name	Title	Contact Information
CARES Act Executive Sponsor	Chris Woolard	Senior Executive Director, Center for Performance and Impact	Christopher.woolard@education.ohio.gov
ESSER Fund Manager	Jeremy Marks	Director, Office of Federal Programs	Jeremy.marks@education.ohio.gov
Legal Counsel	Immy Singh	Chief Legal Counsel	Immy.singh@education.ohio.gov
Fiscal Manager	Aaron Rausch	Senior Financial Manager, Office of Budget and School Funding	Aaron.rausch@education.ohio.gov
Grant Manager	Brian Jones	Senior Financial Manager, Office of Grants Administration	Brian.jones@education.ohio.gov
ESSER Records Coordinator(s)	Choon Kambara	Program Administrator, Office of Federal Programs	ChoonSung.Kambara@education.ohio.gov
	Marsha Ward	Project Management Specialist in the Implementation Unit	Marsha.ward@education.ohio.gov
Subrecipient Allocation Lead	Jim Comeaux	Assistant Director, Office of Federal Programs	James.comeaux@education.ohio.gov

Program and Compliance Support	Diane Neal	Assistant Director, Office of Federal Programs	Diane.Neal@education.ohio.gov
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## 2. Risk Identification and Mitigation

The Department understands that an important part of implementing new grants requires significant planning and risk identification. Since 2013 the department began utilizing a risk assessment process to identify high risk grantees for each federal grant. The CARES Act and ESSER Fund grant will be added to this process. With any new grant, there are inherent challenges that the department must address such as communication and collaboration (both internally and externally) especially when information is not available as quickly as subrecipients would like. The Department identified known and potential risks associated with the ESSERF below:

### Known and Potential Risks

- *The desire to provide emergency funds quickly to subrecipients while ensuring compliance*
- *Understanding all aspects of the law and regulations associated with a broad-based grant*
- *Receiving guidance from the USED and interpreting such guidance in a timely manner*
- *Communicating internally and externally on a large and broad-based grant*
- *Building and developing necessary enhancements with the existing Comprehensive Continuous Improvement Plan (CCIP) e-grant system to support grant implementation*
- *Different timelines and deadlines for parts of the CARES Act/ESSER Fund*
- *Applying the New and Significant Expanded LEAs provisions to the new grant*
- *Process for determining LEAs that have closed or are suspended while balancing the need to ensure funding is allocated and spent appropriately and in a reasonable and necessary manner*
- *Nonpublic Equitable Services indecision*

The key to risk mitigation includes a sound internal controls process which the Department has developed for all programming. The Department’s utilizes existing systems such as the CCIP, Nonpublic Data System and Compliance System to mitigate risks in administering and operating the ESSER Fund. Annually, these systems and the validations are tested by the Ohio Auditor of State’s office to ensure they are performing as described. Parts of the Department’s risk mitigation summary is below:

### Risk Mitigation

- *Program Staff work closely with subgrantees with application questions and submission*
- *Applications (with budget) submitted into the CCIP, by LEA Executive leadership, go through a series of validations before submitted by the LEA (also establishes Substantially Approved date);*
- *Applications received by the CCIP go through a two-tier review process (consultant and manager review and approvals)*
- *LEAs submit cash requests, document total expenses by fund and object code, through the CCIP, which validates the expenses to the approved budget.*
- *Final Expenditure Reports (FERs) are submitted at the end of the grant period to closeout the grant*
- *Periodically during the fiscal year Cash requests are selected for review.*
- *A sample of the FERs are selected for review*

- *Subrecipient Monitoring, both fiscal and programmatic, selects a sample of grantees based on risk assessment*

When implementing grant programs, the Department utilizes a comprehensive process that involves collaboration across centers and offices. These centers and offices are supported by grants administration and management teams, communications and an implementation team. Below are the general steps that were undertaken with the ESSER Fund:

General Grants Workflow

<i>Systems and Process for Administering Grants</i>
<i>Developing guidance</i>
<i>Process for responding to questions</i>
<i>Developing and submitting application to USED</i>
<i>Receiving award from USED</i>
<i>Developing Application to LEAs</i>
<i>Communicating to LEAs</i>
<i>Providing trainings to Subrecipients</i>
<i>Reviewing and Approving LEA Applications</i>
<i>Developing award letter and submission to LEAs</i>
<i>Review invoices received and processing payment</i>
<i>Developing monitoring protocols embedded into annual comprehensive reviews</i>
<i>Establishing monitoring schedule</i>
<i>Document and inventory management (O Drive and Email Portal)</i>
<i>Quarterly Reporting</i>
<i>Returning Unclaimed Funds to US Treasury</i>

The Department has check points and validations throughout the grant process, including staff responsibilities and enhancements made to the technology systems used. The Department staff and subrecipients must address these validations within the CCIP prior to any approval of an application or request for and release of federal resources.

Non-Public Equitable Services

*The Department’s unique Nonpublic Data System (NPDS) supports the LEAs in their responsibility to provide equitable services under the CARES Act. This system verifies data and the consultation requirements for LEAs and participating nonpublic schools. The Department’s process of supporting LEAs in the equitable services has been a challenge during the national disagreement regarding nonpublic equitable services under the CARES Act. The Department minimized this risk with continuous communication and guidance materials. The Department also required districts to reserve both the low-income approach and the enrollment approach to ensure that sufficient service amounts were available regardless of the ultimate decision.*

3. Records to support fiscal reviews and audits

The Department maintains records and documentation consistent with record retention requirements. The CARES Act and ESSER Fund documentation necessary to support fiscal reviews, including audits and improper payment assessments is captured in various systems and formats depending on the subject. For

instance, the CCIP captures all subrecipient application and payment information such as project cash requests (PCRs) and final expenditure reports (FERs). In the comprehensive compliance and monitoring system, documentation and evidence to support appropriate uses of funds is maintained. Furthermore, appropriate documentation to support the Department’s management decisions and policies supporting the grant program are maintained electronically in O Drive and SharePoint.

**2. Monitoring Plan and Process**

**1. Risk Assessment**

LEAs receive an ESSER Fund allocation based on the prescribed Title I formula. The Department uses the existing data and captures other data necessary as it relates to nonpublic equitable services to determine allocation amounts. Prior to any LEA receiving an award and receiving access to the federal resources, the Department ensures that the LEA has submitted a completed application including a detailed budget, connections to allowable uses and providing written verification that they will comply with all assurances and grant conditions. In addition, as noted in risk factors on the internal controls description, the Department ensures the closed and suspended charter schools do not have access to the full amounts of funds until appropriate justification is rendered.

The Ohio Department of Education has a consolidated monitoring process involving significant cross-office coordination and collaboration. Ohio’s consolidated Compliance Monitoring format ranks and prioritizes LEAs and provides tiered supports based on the grant program and those with the greatest need. For State Fiscal Year 2021, the Department’s Office of Federal Programs has revised the risk factors used to prioritize LEAs for compliance desk reviews and on-site monitoring.

*ESSER Risk Factors*

*In addition to the 17 risk factors we use for the consolidated ESEA grants, we added additional ESSER risk factors, outlined below:*

*ESSER Fund allocation amount for LEA is:*

<i>Risk Factor Evaluation Criteria</i>	<i>Assigned Risk Factor Points</i>
Greater than \$400,000	10
Between \$200,000 and \$400,000	5
Less than \$200,000	0

*The district budgeted an equitable service amount:*

<i>Risk Factor Evaluation Criteria</i>	<i>Assigned Risk Factor Points</i>
That differs from the total enrollment method of equitable service calculation	10
Equal to the estimated amount based on total enrollment of participating non-public school students within the district only, OR the district does not have any in-district nonpublic schools	0

*The LEA has an equitable service amount:*

<i>Risk Factor Evaluation Criteria</i>	<i>Assigned Risk Factor Points</i>
Greater than 15 percent of the district allocation	10
Between 10 percent and 15 percent of the district allocation	5
Less than 10 percent of the district allocation	0

*By August 6<sup>th</sup>, 2020, the district submitted Project Cash Requests for:*

<i>Risk Factor Evaluation Criteria</i>	<i>Assigned Risk Factor Points</i>
Above 85 percent of the allocation	10
Between 75 and 85 percent of the allocation	5
Less than 75 percent of the allocation	0

*\*\*\*ODE leaves open the possibility for changes to the risk factors in subsequent fiscal years based on sub-recipient data and oversight.*

2. Revised monitoring protocols:

Point values from the revised risk assessment will be aggregated for each LEA receiving ESSER Funds. The Office of Federal Programs, Operations Team will compile the data into a prioritized list of LEAs. Those with the highest level of risk will receive on-site reviews, while those with a moderate level of risk will receive desk reviews. LEAs at a lower level of risk will receive self-surveys.

On-site reviews consist of an on-site visit to an LEA from a team of Department program specialists. The team reviews all supporting fiscal and programmatic documentation, interviews LEA administrators and other relevant staff members, and reports to the LEA on its findings. The on-site review process also involves a system of progressive sanctions and ongoing support for LEAs that are not found to be in compliance.

Desk reviews consist of over-the-phone interviews and comprehensive document review of supporting fiscal and programmatic ESSER documentation. Desk reviews also involve progressive sanctions and ongoing support for LEAs that are not found to be in compliance.

Self-surveys involve an online survey completed by the LEA. The LEA must review a set of questions specific to the ESSER activities it conducted and certify that the funds were used according to all grant assurances and conditions.

In addition to the review from the Department's Office of Federal Programs, additional offices will conduct an ESSER Compliance Review if the allowable activities chosen are typically reviewed by that office within the Compliance system. For example, if an LEA chose a use of funds allowable under the Individuals with Disabilities Education Act, the Department's Office for Exceptional Children would conduct a compliance review of the ESSER activities allowable under that act.

3. Schedule for subrecipient monitoring, including both programmatic and fiscal issues, based upon the Grantee's revised risk assessment:

The Department conducts consolidated monitoring each state fiscal year. ESSER will be reviewed as a part of the State Fiscal Year 2021 consolidated monitoring process. ESSER will subsequently be reviewed each State Fiscal Year for the duration of the Period of Availability of the ESSER grant. The Office of Federal Programs, and other relevant offices, will conduct a review of both programmatic and fiscal issues in the process described above. The timeframe for Ohio’s consolidated monitoring process is highlighted here:

<ul style="list-style-type: none"> <li>Ohio Department of Education completes risk assessments for all relevant programs and grants, and Local Education Agencies are prioritized for on-site reviews, desk reviews, and self-surveys based on level of risk.</li> <li>Compliance modules are loaded into Ohio’s Compliance Monitoring system.</li> <li>A monitoring team lead is selected from among the office Program Specialists participating in the review.</li> </ul>	Late Summer
<ul style="list-style-type: none"> <li>Local Education Agencies are notified of monitoring reviews that will be conducted and level of review.</li> <li>Ohio Department of Education compliance monitoring teams collaborate to prepare for all relevant reviews.</li> </ul>	Fall
<ul style="list-style-type: none"> <li>Ohio Department of Education schedules monitoring reviews with Local Education Agencies and prepares all necessary steps for on-site visits.</li> </ul>	Winter
<ul style="list-style-type: none"> <li>Ohio Department of Education conducts consolidated on-site reviews and desk reviews in collaboration with Local Education Agencies.</li> <li>Local Education Agencies complete survey questions within the required compliance modules.</li> </ul>	Winter/ Spring
<ul style="list-style-type: none"> <li>Technical Assistance and Issues/Findings are provided to Local Education Agencies.</li> <li>Progressive sanctions are enacted when necessary and additional supports are provided as needed.</li> </ul>	Spring/ Early Summer

In addition to our Consolidated Monitoring review process, the Ohio Department of Education will complete all required ESSER quarterly, annual, and final reports as required by the US Department.