**West Virginia Department of Education**

**Internal Controls Documents**

**Submitted to the U.S. Department of Education**

**In Support for the**

**Elementary and Secondary Schools Emergency Relief Funding (ESSERF)**

Contents:

Procedures for Accounts Payable – pages 2-3

Procedures for Cash Drawdowns – page 4

Procedures for Fund Requests from LEAs and Non-LEAs – page 5

Procedures for Reviewing Sub-recipient Audits – pages 6-7

Procedures for Sub-recipient Grant-making – pages 8-9

Updated 11/18/2020

**WV Department of Education – Agency Wide**

**Procedures for Accounts Payable**

1. Upon receipt of commodities, the initiating office must verify goods received, note such on the receiving report (RC), and forward the receiving report to the Office of Internal Operations. They must also enter an RC document in WV OASIS.
2. Upon receipt of invoice, the Office Internal Operations staff prepares each invoice for the payment approval process. A receiving report is matched to the invoice. Verification is then noted on the invoice using a stamp.
3. Generally, account information for expenditure purposes is derived from a purchase order number referenced from the invoice. For invoices not referencing a purchase order number, the office ordering the goods/services is contacted and the purchase order number is requested. If the purchase order number cannot be located in WV OASIS, then another purchase order must be completed and submitted to the Office of Internal Operations.
4. For invoices with smaller dollar amounts, the State of WV Purchasing Card is the preferred method of payment. Upon receiving a valid invoice, purchase order and receiving report, the vendor is contacted and given a VISA credit card number. Upon verifying the vendor’s charge on the subsequent month’s bank statement, the charge is reconciled and cleared from the Internal Operations staff’s credit card.
5. For vendors who have lost charge card privileges, or for invoices with a large dollar amount, the invoice is processed by the Accounts Payable Accountant with the intent of issuing a paper check to the vendor. Proof of receipt of goods and an agreement are attached to stipend payments.
6. Some documents receive special handling. These types of transactions include; state-wide or agency-wide contracts and contracts issued by the Purchasing Division. The WVDE Office of Internal Operations must reference the contract on the invoice. These types of documents are sent to the contract section of the Auditor’s Office where additional comparisons are performed between each item and the contract. Other types of special handling include a check that is to be returned to the WVDE for mailing. When this occurs, a special request form is filled out, signed by the Senior Officer in Office of Internal Operations, and then sent over with the original invoice for payment. An email must be sent to the auditor’s office informing them the document is to be special handled. This form must be approved before the document can be processed.
7. All supporting documentation are forwarded to Coordinators within the Office of Internal Operations for approval.
8. After the Auditor’s Office approval and if sufficient cash is in the respective accounts, the WV OASIS system causes a check to be issued by the Treasurer’s Office.
9. Checks generated by the Treasurer’s Office are issued and mailed or wired directly to the vendor the first business day after their approval by the Treasurer’s Office. In rare instances (i.e. vendor address changes, or when vendors require documentation be enclosed with the payment) checks can be returned to the Agency in order that they may be manually mailed to the vendors. If so, they must be marked with a special handle and the previous procedures are followed. A special handle form must be completed before the document is processed and it must be approved by the auditor’s office before it can be processed.

**WV Department of Education – Agency Wide**

**Procedures for Cash Drawdowns**

1. As payment documents are approved in the WV OASIS system, they are accrued in various accounts. Internal Operations staff coordinator (Brandy Humphrey) determine cash needs from a WV OASIS GRNT-020 business intelligence report and will request funding to match the amounts supported by the respective transactions.
2. The Internal operations staff coordinator then accesses the U.S. Department of Education (USDE) G5 system to request a drawdown of funds in the amount that is equal to the balance on the WV OASIS GRNT-020 business intelligence report. During the review of the individual funds, if one program/grant ID has an excess balance and another program/grant ID has an insufficient balance, then the balance is adjusted accordingly within G5.gov and WV OASIS by the internal operations coordinator.
3. During this time, a deposit (CR) is prepared in WV OASIS and is reviewed and approved in WV OASIS by another coordinator within the office of internal operations.
4. The automatic clearinghouse payment (ACH) is received and approved in the WV Treasurer’s Office the day after the deposit is prepared. WV OASIS system updates and the cash is reflected in the system cash balances.
5. Cash reconciliations (on a fund level) are performed by Brandy Humphrey (Coordinator) monthly to assure that proper coding is utilized on the transactions and to make sure the specific funds remain in balance.

**WV Department of Education – Agency Wide**

**Procedures for Fund Requests from LEAs and Non-LEAs**

1. Local Education Agency (LEA) Chief Financial Officers (CFO) request federal funds electronically (via the S2 request process) from the West Virginia Department of Education as funds are expended/ needed. The district CFO will send, along with the funding request, an expenditure report supporting the revenues and expenditures being requested for the date period specified on the request.

1. WVDE Office of Internal Operations will then review the expenditure report to determine if the funding matches the request. If the request does not match the expenditure report, an email will be sent to the county CFO requesting documentation be corrected to match the payment request.
2. When all requests have matching expenditure reports, payment can be completed by the Office of Internal Operations. See detailed steps in Procedures for Sub-recipient Grant-making.
3. At the end of each fiscal year a business intelligence report is run for federal and state grants. This report will list the vendor, grant award number and budget amount as well as total disbursements to the vendor from the West Virginia Department of Education (WVDE). To determine how much the county has spent for each program, the Project Financial Report is run using these parameters: individual county, Project Code and Fiscal year. This report indicates how the county board budgeted and expended their funds. The county CFO will list the budget by a series of codes to show which programs the funds were spent in and what line items it was spent on. This series of codes can be found in the Chart of Accounts maintained by the Office of School Finance. The budget is determined by the purpose listed on the grant award that was issued by the WVDE.
4. For non-LEAs, a 13-60-10 request form is submitted to draw-down/request state and/or federal funds. If the requests are for reimbursement of expenditures, then the non-LEA will submit a report detailing the expenditure, vendor, and date of expenditure. The report is reviewed to determine if the expenditure items are within program requirements or conditions that were attached to the grant award.

**WV Department of Education – Agency Wide**

**Procedures for Reviewing Sub-recipient Audits**

1. The Office of School Finance is responsible for ensuring that an annual audit is performed for every county board of education, educational service cooperative (ESC) and multi-county vocational center (MCVC). Sub-recipients must comply with the review requirements of the Single Audit Act and the Office of Management and Budget (OMB) 2.CFR.200 Subpart F. The Coordinators of School Finance are also responsible for ensuring that follow-up action is initiated for all findings presented in audit reports of county boards of education, ESCs and MCVCs to ensure that the findings are resolved (corrective action plan determined to be adequate and considered closed) within six months after the issuance of the audit report.
2. The audit reports of county boards of education, ESCs and MCVCs are routed to the Coordinator of School Finance to be logged on the Sub-recipient Audit Status Report. Audit reports of other WVDE sub-recipients are directly routed to the appropriate federal program administrator within the WVDE. Any noted findings are resolved within six months from the date the audit report is received by WVDE in accordance with OMB 2.CFR.200 Subpart F.
3. A Sub-recipient Audit Status Report is maintained each year to reflect the date the audit was received at WVDE, notation that it has been received by the Federal Audit Clearinghouse, whether any findings are reported and, if so, whether they are financial statement findings or identify the specific federal program the finding affected, the date that a request for corrective action was sent (if applicable) and the date the audit was considered resolved (closed).
4. All corrective action plans received are evaluated for adequacy. If the audit report indicates any federal program findings, a notification is provided to the WVDE federal program administrator responsible for the affected program to make them aware of the issue. Program administrators are responsible for monitoring the resolution of any findings noted with their specific programs and determining the adequacy of the corrective action plan provided in the audit report. Financial statement findings are monitored by the Office of School Finance. If the corrective action plan detailed in the audit report is not sufficient for a particular federal program or financial statement finding, the auditee is contacted for additional corrective action which will be implemented to resolve the finding. Once it has been determined that a sufficient corrective action is in place, a notification letter is issued to the auditee closing the audit file for that fiscal year.
5. If the audit report does not indicate any findings, a letter is issued to the auditee indicating such and closing the audit file for that fiscal year.
6. All audit reports must be completed by March 31 (nine months after the end of the fiscal year). Extensions may be granted by USDE upon request from the audit firm at least 30 days prior to the due date.
7. The audit reports and correspondence related to these procedures for county boards of education, ESCs and MCVCs are retained on file in the Office of School Finance for a period of three (3) years.

**WV Department of Education – Agency Wide**

**Procedures for Sub-recipient Grant-making**

1. The grant process is started by WVDE staff within a program office identifying a need or a project eligible for funding. The program office determines appropriate use and develops any necessary guidelines in preparation of a grant award. A listing of these awards is compiled and submitted to Internal Operations on either a quarterly spreadsheet or a one-time payment/Federal spreadsheet.
   1. The information provided in the spreadsheets is as follows:
      1. Vendor Name
      2. Vendor Address
      3. Accounting Information (Fund, Appropriation, Unit, Program, Program Period)
      4. Project Code
      5. Amount of Grant
      6. Service Dates/Operating Period
      7. Liquidation Date
2. Internal Operations reviews information to ensure financial coding and dates are correct.
   1. If information is valid, Internal Operations creates a grant award (GRTAWD) in WV OASIS.
   2. If information is incorrect, the incorrect information is corrected on the spreadsheet and then the GRTAWD is created in WV OASIS.
3. After the GRTAWD is created in WV OASIS, Internal Operations adds the newly generated grant award number to the spreadsheet and returns the spreadsheet to the originating office.
4. The originating office is then responsible for uploading the grants into the E-grant system and identifying and sending them for approvals.
5. The originating office then tracks the approvals.
   1. Once all approvals have been completed the originating office:
      1. Creates the grant award in the eGrant system.
      2. Checks to ensure all information on the grant award is correct.
      3. If the grant recipient is a LEA, the program office “exposes” the grant for electronic signature by recipient within the eGrant system.
      4. If the grant recipient is a Non-LEA, the program office sends a printed copy of the grant to recipient for physical signature.
6. When the grant has been returned signed from the recipient, the Office of Internal Operations completes the following:
   1. If the grant is for a LEA, and a one-time state payment, additional language is added to the signed grant award and the grant is sent to the originating office for approval as evidenced by the program staff’s signature.
   2. If the grant is for a Non-LEA, the signed grant award is attached to the GRTAWD in WV OASIS.
   3. If the grant is for a LEA and is a Federal grant, the signed grant award is attached to the GRTAWD in WV OASIS.
   4. If the grant is for a LEA and is a quarterly state payment, the grant is attached to the GRTAWD in WV OASIS.
7. Payment, completed by the Office of Internal Operations, can only occur after:
   1. For a one-time state payment for an LEA that is an ADVANCE - the originating office returns the signed and dated grant award.
   2. For a one-time state payment for an LEA that is a REIMBURSEMENT - the originating office returns the signed and dated grant award along with any backup documentation (as required by the WV State Auditor’s Office).
   3. For a grant that is paid out quarterly - the Office of Internal Operations updates information on a spreadsheet and creates IN documents within WV OASIS for the respective quarter.
   4. For a Federal grant that is for a LEA - the LEA must submit an S2 request (via email) with all appropriate information and any required supporting documentation.
   5. For a grant that is for a Non-LEA – regardless of source of funds, the vendor must submit a 13-60-10 (request for funding) form that must be validated by the originating office as evidenced by their signature.
8. Once the criteria listed in number 7 is met, the Office of Internal Operations creates an IN document (in WV OASIS) for payment.
9. Each night, a batch job runs in WV OASIS and the PRM document is generated and is sent to the Auditor’s Office for approval.
10. The Office of Internal Operations checks to ensure none of the PRMs are rejected by the Auditor’s Office.
    1. If anything is rejected, the Office of Internal Operations:
       1. Corrects the error if possible.
       2. (For an LEA) - contacts recipient if it is an error requiring them to correct.
       3. (For a Non-LEA) - contacts the originating office who is responsible for contacting the vendor to initiate a vendor correction.