

# NORTH HIGHLAND

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**FLORIDA  
DEPARTMENT  
OF EDUCATION**

*A Monitoring Effort*

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# AGENDA

September 14, 2023

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# OVERVIEW

## The purpose of the monitoring and the approach:

The Department's formal monitoring of the CARES, CRRSA and ARPA ESSER and GEER programs covered topics that were relevant to everyone, and some topics were covered in all three monitoring projects.

A **monitoring review** is a process used to identify areas of compliance, offer opportunities for technical assistance to help resolve non-compliance issues, and ensure that Federal funds are protected from clawback. **Proactive monitoring** goes beyond looking only at compliance issues and identifies ways to improve record retention and reporting.

Team North Highland took a collaborative approach, partnering closely with FDOE and establishing strong working relationships with LEAs to ensure an efficient, productive, and detailed monitoring process.

### The data collection of each monitoring project was multi-phased:

1. Requested policies and procedures and lists of expenditures, procurements, contracts, and/or inventory
2. Asked for details of programmatic efforts and details regarding selected expenditures, procurements, contracts, and/or inventory for more in depth evaluation





**AS A PAST AUDITOR, I WOULD LIKE TO  
THANK THE TEAM FOR A WELL  
PLANNED ENGAGEMENT AND  
COMMEND THE ENTIRE TEAM FOR  
THEIR QUICK RESPONSES AND  
ASSISTANCE THROUGH THE PROCESS.**

ESSER III LEA

# LEA PARTICIPANTS

Across the ESSER/GEER grant monitoring efforts

## MONITORING ROUNDS

**73 unique LEAs/Charter Schools participated in the three GEER and ESSER monitoring rounds**

**Six participated in more than one of monitoring round:**

- Four were in ESSER 1 and ESSER 2 – mostly found similar issues
- Two were in ESSER 1 and ESSER 3 – found different issues

**LEA reaction:**

- LEAs need time to make adjustments
- Many are willing to make adjustments when can
- Ensure clear training on expectations on policies and documentation to meet Federal requirements

## TIME PERIODS

**ESSER/GEER 1** – transactions from **June 1, 2020**, through June 30, 2022, including pre-award costs dating back to March 13, 2020.

**ESSER 2** – transactions from **May 1, 2021**, through June 30, 2022, including pre-award costs dating back to March 13, 2020.

**ESSER/GEER 3** – transactions from **March 1, 2022**, through February 28, 2023, including pre-award costs dating back to March 13, 2020

# MONITORING TRENDS

# TRENDS IN THE PRELIMINARY REPORT FINDINGS OF LEAS MONITORED

## CARES ESSER and GEER

### PROCUREMENT TREND

Noncompetitive procurements using state or multi-state contracts, piggyback contracts, sole source agreements, state board exemptions (included in Rule 6A-1.012), or their own procurement policies and procedures.

55%

of LEAs did not meet the circumstances noted in federal regulations needed for a noncompetitive procurement laid out in 2 CFR 200.320(c)

### EXPENDITURE DOCUMENTATION TREND

Insufficient documentation to substantiate all sampled expenditures, even after subsequent follow-ups.

31%

of LEAs could not comply with the request for sufficient documentation

### CONTRACTS TREND

Incomplete list of contracts when first requested – found contracts were missing by reviewing expenditure reports and samples that included high dollar expenditure totals.

34%

of LEAs were missing contracts on their contract lists

# TRENDS IN THE PRELIMINARY REPORT FINDINGS OF LEAS MONITORED

## CRRSA ESSER

### PROCUREMENT TREND

Noncompetitive procurements using state or multi-state contracts, piggyback contracts, or state board exemptions (included in Rule 6A-1.012).

20%

of LEAs did not meet the circumstances noted in federal regulations needed for a noncompetitive procurement laid out in 2 CFR 200.320(c)

### PROCUREMENT *SUB*-TREND

LEAs having noncompetitive procurement findings or observations related to using the Florida School Book Depository (FSBD)

12.5%

of LEAs could not comply with the request for sufficient documentation

### FEDERAL CONTRACT PROVISIONS TREND

Contracts or purchase orders did not contain covering the items included in Appendix II to 2 CFR Part 200

16.6%

of LEAs were missing contract provisions (inclusive of findings and observations)



# TRENDS IN THE PRELIMINARY REPORT FINDINGS OF LEAS MONITORED

ARP ESSER

## PROCUREMENT TREND

Noncompetitive procurements using state or multi-state contracts, piggyback contracts, or state board exemptions (included in Rule 6A-1.012).

42%

of LEAs did not meet the circumstances noted in federal regulations needed for a noncompetitive procurement laid out in 2 CFR 200.320(c) (inclusive of findings and observations)

## FEDERAL CONTRACT PROVISIONS TREND

Contracts or purchase orders did not contain covering the items included in Appendix II to 2 CFR Part 200

23%

of LEAs were missing contract provisions (inclusive of findings and observations)

**“WHAT WOULD YOU DO?”  
ACTIVITY**

# BACKGROUND - MONITORING OF: ALLOWABLE EXPENDITURES

## Example from CRRSA monitoring

- In general, items must Reasonable, Allowable, Necessary & Allocable
- Allowable Expenditures – sampling to determine whether expenditures match approved budget for each grant
- Includes Charter School expenditures

**Monitoring period:** expenditures from May 1, 2021, through June 30, 2022, including pre-award costs dating back to March 13, 2020.

# BACKGROUND - MONITORING OF: CHARTER SCHOOL REIMBURSEMENTS

## Example from CRRSA monitoring

ESSER II required districts to provide proportionate allocations to charter schools to assist with their expenditures.

Provide an itemized list of actual charter school expenditures to test for compliance:

- Verify that the expenditures attributed to the Charter School Reimbursements Grant were "reasonable, allowable, necessary, and allocable according to the CRRSA Act."
- Verify timely and accurately reimburse charter schools for allowable expenditures in accordance with s. 1003.22(17)(c), Florida Statutes. (Timely means 30 days from completed reimbursement request.)

**Monitoring period:** expenditures from May 1, 2021, through June 30, 2022, including pre-award costs dating back to March 13, 2020.

# BACKGROUND - MONITORING OF: PROCUREMENT/CONTRACTS

## Example from CRRSA monitoring

Verify the LEA met each of the following standards in procuring goods and services:

- The LEA's own policies and procedures.
- State procurement requirements, in accordance with Rule 6A-1.012, Florida Administrative Code. (Districts Only)
- Federal procurement methods and thresholds as established in the Uniform Grant Guidance, specifically 2 CFR ss. 200.318 through 200.327.
  - < \$10,000 for micro-purchases
  - < \$250,000 for simplified acquisition
  - > \$250,000 competitive procurement, unless federal exemption applies

Verify contracts contained required provisions in accordance with Appendix II to 2 CFR part 200 of the Uniform Grant Guidance

**Monitoring period:** from sub-award date through June 30, 2022.

# BACKGROUND - MONITORING OF: CONSTRUCTION LABOR WAGES

## Example from CRRSA monitoring

Will review contracts over \$2,000 for construction, alterations, or repair of public buildings or public works.

Davis-Bacon Act – to ensure that laborers and mechanics are paid no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area.

- LEAs were to ensure "that the prevailing wage rate clauses were included in the contract or subcontract."
- LEAs were to collect weekly copies of the payroll for the work to prove such wage compliance.

**Monitoring period:** from sub-award date through June 30, 2022.

# BACKGROUND: PROCUREMENT/CONTRACTS CHART

Provide a list of all contracts incurred using ESSER II funds. Include: vendor or contractor name, amount, contract period, which program the contract is related to, the contract type, associated invoices/POs

**Procurement Listing**

Procedure: Complete the following table for all procurements of goods and services that required quotes and/or contracts utilized in ESSER II grants.

Contracted Party / Vendor Name	Total Contract Amount	Contract Period	Contract Number	Associated Invoice Number(s)	Associated PO Number(s)	ESSER II Program	Contract Type (Construction, Educational Materials, Services, etc.)	Method of Procurement

Screenshot Of "Procurement Listing Template – ESSER II":

# WHAT WOULD YOU DO? ACTIVITY

Example Case Studies – discuss how you would handle the information found, is it a finding or observation?

## FEDERAL CONTRACT PROVISIONS SCENARIO

- O** a) It was found that the LEA did not have all of the contract provisions items included from Appendix II to 2 CFR Part 200. Of additional note, the LEA Board approved the contract on May 15, but the grant award date was May 20. What is your determination?
- F** b) It was found that a series of purchase orders were used instead of a contract with a company providing some services with an LEA. There were no contract provisions included or referenced from Appendix II to 2 CFR Part 200 in the purchase orders. What is your determination?

## PROCUREMENT SCENARIO

- O** a) An LEA used a state contract and a Florida State Board exemption for a procurement totaling \$12,836 that was board approved on August 15, 2021, which was before the grant award date of October 13, 2021. What is your determination?
- F** b) An LEA utilized a "piggyback" contract established by another school district that totaled \$351,620. The LEA's board approval date occurred on November 4, 2022, which was after the LEA grant award date of March 9, 2022. It was found that the pricing of the purchase did not tie up to the original RFP bid pricing sheet for each item provided by the vendor. What is your determination?

## DAVIS-BACON SCENARIO -OR- CHARTER SCHOOL REIMBURSEMENT SCENARIO

- F** a) An LEA had a contract for \$10K with a 8 person company to do some repairs and replacement construction work to a number of their schools. The only backup documentation provided was the contract. The contract was approved on July 9, but the grant award date was Sept 1. What is your determination?
- F** b) A charter school requested of it's LEA a reimbursement for 9 different items valued at \$85K in late Sept 2022. It was found that a reimbursement did not occur to the charter school until March 2023 for \$35K. Documentation showed that the LEA told the charter school they needed more documentation in Feb 2023 for the expenditures. The documentation provided by the charter school only covered a portion of what was originally requested. What is your determination?



**PREPARING FOR FUTURE  
GRANT PROGRAMS:  
THINGS TO REMEMBER**

# HOW TO ADDRESS?

## Corrective Actions / Things you need to know

### PROCUREMENT

Required supporting documentation differ by type of contract

State-term and Piggyback contracts are acceptable only if follow acceptable requirements

Competitive bidding required per Federal procurement methods and thresholds as established in the Uniform Grant Guidance, specifically 2 CFR ss. 200.318 through 200.327

- < \$10,000 for micro-purchases
- < \$250,000 for simplified acquisition
- > \$250,000 competitive procurement,

Unless a federal exemption applies...Noncompetitive procurement can only be awarded if one or more of the following circumstances in 2 CFR 200.320(c) apply:

- The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold;
- The item is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation;
- The Federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the non-Federal entity; or
- After solicitation of a number of sources, competition is determined inadequate.

### PIGGYBACK CONTRACTS

Based on limited federal guidance and the federal regulations, for purposes of our monitoring, we determined a “piggyback” **would be permissible** if:

- The original contract was competitively procured in compliance with the federal regulations;
- The original contract allowed for piggybacking;
- The entity using the piggyback becomes a party to the original contract; and
- No material terms of the original contract are changed, including for example, scope of work, pricing, and total cost.

*NOTE: We cannot guarantee that an auditor or the U.S. Department of Education will accept this argument.*

Some situations involving attempted piggybacks that **were not** accepted:

- Where the underlying procurement was not fully competitive. For example:
  - Where the original entity did not make a selection, but just entered into a “contract” with all responsive entities.
  - Where the original competition did not yield a set price, but resulted in essentially multiple vendors with multiple price lists
  - Catalog pricing
- Where the district using the piggyback did not become a party to the original, underlying contract.
- Where the scope of work or terms were changed or added.

# HOW TO ADDRESS?

## Corrective Actions / Things you need to know

### CONTRACT PROVISIONS

Must have the required provisions in accordance with Appendix II to 2 CFR part 200 of the Uniform Grant Guidance

Contracts, Bids, and POs all count as contracts and must have or reference the provisions

### INVENTORY

Must do inventory annually or more frequently

Include items over \$5K value and for “small, attractive items with a value less than \$5K”

Must keep a record of the inventory in accordance with 2 CFR 200.313(d)(1)

Must follow the LEA’s policies

### PROGRAMMATIC

Must follow the expectations of the program – eg: conducting pre- and post-assessments

If using formulas to determine need of employees, must provide that information and detail to show that following the policy

# HOW TO ADDRESS?

## Corrective Actions / Things you need to know

### DAVIS-BACON

Davis-Bacon required for all prime construction, alteration, or repair contracts over \$2K

Must have the required provisions in accordance with Appendix II to 2 CFR part 200 of the Uniform Grant Guidance

Contracts, Bids, and POs all count as contracts and must have or reference the provisions

Contractor must keep certified payroll reports for the term of the contract. The payrolls must be provided to the LEA with the invoice(s). The LEA must keep the payrolls in their records

### EXPENDITURES

Timely Keep the correct documentation – the invoice and proof of payment that the contract was paid

Ensure that the expenditure matches the approved budget – in dollar limit and for purpose

Have a system-based report of expenditures

### CHARTER SCHOOL REIMBURSEMENTS

Timely – to be reimbursed within 30 days of submission

LEA's responsibility to communicate clearly with the Charter School on documentation needs

Advanced payments are strictly prohibited – reimbursements with proper documentation only

Funds are not to be kept in an interest-bearing account

# Q & A

# NORTH HIGHLAND

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**THANK YOU**

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# APPENDIX

# REVISED PIGGYBACK CONTRACT INFORMATION

Our position on piggybacks and state term contracts is being refined after having several discussions with districts and reviewing various examples.

## FOR PIGGYBACKS

We are accepting them as meeting the federal requirements *if*:

- The original contract was fully competitively procured, a vendor was selected and the price determined;
- The original contract authorizes the piggyback;
- The LEA becomes a party to the original contract; and
- There is no change of material provisions/terms, including price

## FOR STATE-TERM CONTRACTS

I have found some scenarios that appear to meet the criteria:

- Where the state-term contract is itself an “alternative source contract,” by definition, the original contract must have been fully competitively procured, so as long as there is no material change, the use can be approved;
- Even where the state-term contract does not meet the full competition, if there are several vendors with established prices, these can arguably meet the requirement for quotes under a simplified acquisition threshold. (Ideally, if using as a quote, the LEA should keep records of what the pricing would be from at least two vendors, but if the record is available, I would not make the lack of concurrent records a finding, but perhaps an observation.)



# EXAMPLE: INITIAL INFORMATION REQUEST

## Example from CRRSA monitoring

- LEAs have been sent an **Initial Data Information Request Listing** that includes the requested documentation itemized in this chart.
- Each LEA will have a separate Suralink engagement to upload their documents.
- Documentation for these 12 request areas must be **uploaded via Suralink by 1/13/2023**.

PROCUREMENT	INITIAL REQUESTED DOCUMENTATION	DUE DATE
	LEA Procurement Policy and Procedures	1/13/2023
	Procurement Listing (spreadsheet template provided)	1/13/2023
INVENTORY MANAGEMENT	INITIAL REQUESTED DOCUMENTATION	DUE DATE
	Inventory Management Policies and Procedures	1/13/2023
	Initial Inventory Listing (spreadsheet template provided)	1/13/2023
ESSER II – FINANCIAL MANAGEMENT	INITIAL REQUESTED DOCUMENTATION	DUE DATE
	1241A Expenditure Report	1/13/2023
	1241B Expenditure Report	1/13/2023
	1241C Expenditure Report	1/13/2023
	1241D Expenditure Report	1/13/2023
	1241E Expenditure Report	1/13/2023
	1241H Expenditure Report	1/13/2023
	1241P Expenditure Report	1/13/2023
	1241V Expenditure Report	1/13/2023

# EXAMPLE: SUBSEQUENT DATA REQUEST LISTING

## Example from CRRSA monitoring

- After the initial procurement, inventory, and expenditure listings have been provided by the LEA, **samples of contracts, inventory items, and expenditures will be selected** for further compliance reviews.
- The LEA will be requested to provide additional supporting documentation for the sampled procurements, inventory items, and expenditures.
- Additional documentation will be requested in Suralink as referenced in the chart to the right.
- All requested monitoring documentation is to be **uploaded via Suralink no later than 2/20/2023**.

DAVIS BACON – CONTRACT PROVISIONS AND LABOR STANDARDS	ADDITIONAL REQUESTED DOCUMENTATION (Construction Sample)	DUE DATE
	Requests: Executed contracts between the LEA and the vendor Contractor or subcontractor required certified payroll reports for each week in which work was performed	2/20/2023
PROCUREMENT	ADDITIONAL REQUESTED DOCUMENTATION (Procurement Sample)	DUE DATE
	Requests: Procurement supporting documentation based upon the method of procurement indicated in the Procurement Listing provided	2/20/2023
INVENTORY MANAGEMENT	ADDITIONAL REQUESTED DOCUMENTATION (Additional Inventory Detail Request)	DUE DATE
	Requests: For selected inventory items, complete the additional inventory management template provided	2/20/2023
ESSER II – ADVANCE LUMP SUM EXPENDITURES, OTHER PROGRAM EXPENDITURES, CHARTER SCHOOL REIMBURSEMENTS	ADDITIONAL REQUESTED DOCUMENTATION (Expenditure Sample)	DUE DATE
	For each item on the Expenditure list, and as applicable, we will need the following: 1. Invoice and/or receipt 2. Cancelled check (with signatures and/or depository information stamped) 3. Bank statements showing transaction clearing bank 4. Wire transfer documentation 5. Timesheets and payroll reports that show payment (Only for payroll expenditures sampled)	2/20/2023
CONTINUING TO COMPENSATE EMPLOYEES AND CONTRACTORS	ADDITIONAL REQUESTED DOCUMENTATION	DUE DATE
	Continuing to Compensate Employees & Contractors (Narrative)	2/20/2023
ESSER II – PROGRAMMATIC REQUIREMENTS	ADDITIONAL REQUESTED DOCUMENTATION	DUE DATE
	Non-Enrollment Assistance (Narrative)	2/20/2023
	Academic Acceleration (Narrative)	2/20/2023
	Academic Acceleration (Supporting Documentation) Requests: Please provide any schedules, assessment tracking, logs, or other documentation used to keep track of the assessments given to participating students and the corresponding results provided to relevant teachers and/or administrators.	2/20/2023

# EXAMPLE: PROCUREMENT SUPPORT DETAILS

## Example from CRRSA monitoring

- The LEA will provide its procurement policies and procedures, procurement listing, and supporting documentation for the sampled procurements chosen.
- The procurement requests included in this referenced chart will be provided in Suralink to LEAs for the sampled procurements of goods or services.
- **Each request will be dependent on the method of procurement indicated in the procurement listing.**

CONTRACTS - QUOTED - VENDOR NAME (PROC - #)	ADDITIONAL REQUESTED DOCUMENTATION
	Procurement Sample - VENDOR NAME (PROC - #)
	Copies of quotes received
CONTRACTS - COMPETITIVELY BID - VENDOR NAME (PROC - #)	ADDITIONAL REQUESTED DOCUMENTATION
	Procurement Sample - VENDOR NAME (PROC - #)
	Proof of public request for bids or proposals
	Bid or RFP packet and addendum (original)
	Bid or Proposal tabulation/summary
	Copies of bids or proposals received
	Notice of award
	Notice of acceptance
	Notice to proceed or LEA approval
	Cost/price analysis
	Independent Cost Estimate Calculation (prior to bid)
	Profit Negotiation
	Explanation if lowest bid not accepted
	SAM.gov verification or Debarment Certification of vendors by the LEA
	Signed contracts
	Any amendments
	Any bid rejections
	Bid opening documents (i.e., sign-in sheet, minutes)
	School Board minutes documenting action on bid or proposal awarded
MATERIALS - QUOTED - VENDOR NAME (PROC - #)	ADDITIONAL REQUESTED DOCUMENTATION
	Procurement Sample - VENDOR NAME (PROC - #)
	Copies of quotes received
MATERIALS - COMPETITIVELY BID - VENDOR NAME (PROC - #)	ADDITIONAL REQUESTED DOCUMENTATION
	Procurement Sample - VENDOR NAME (PROC - #)
	Proof of public request for bids
	Bid or RFP packet and addendum (original)
	Bid tabulation/summary
	Copies of bids and proposals received
	Signed contracts
	Notice to proceed or LEA approval
	SAM.gov verification or Debarment Certification of vendors by the LEA

SOLE SOURCE PROCUREMENT - VENDOR NAME (PROC - #)	ADDITIONAL REQUESTED DOCUMENTATION
	Procurement Sample - VENDOR NAME (PROC - #)
	School Board Agenda or Approval of Procurement
	Expenditure Support
	Sole Source Letter or Memorandum from Vendor if available
	Formal Memorandum from LEA
EMERGENCY OR EXIGENCY PROCUREMENT - VENDOR NAME (PROC - #)	ADDITIONAL REQUESTED DOCUMENTATION
	Procurement Sample - VENDOR NAME (PROC - #)
	School Board Agenda or Approval of Emergency Procurement
	Expenditure Support
	Formal Memorandum from LEA
STATE OR MULTI-STATE CONTRACT PROCUREMENT - VENDOR NAME (PROC - #)	ADDITIONAL REQUESTED DOCUMENTATION
	Procurement Sample - VENDOR NAME (PROC - #)
	School Board Agenda or Approval
	Expenditure Support
	Copy of State and Multi-State Contract
	State and Multi-State Contract Source
PIGGYBACK CONTRACT - VENDOR NAME (PROC - #)	ADDITIONAL REQUESTED DOCUMENTATION
	Procurement Sample - VENDOR NAME (PROC - #)
	School Board Agenda or Approval
	Expenditure Support
	Copy of Piggyback Contract
	Piggyback Contract Source
	All procurement supporting documentation
FLORIDA STATE BOARD EXEMPTIONS UTILIZED - VENDOR NAME (PROC - #)	ADDITIONAL REQUESTED DOCUMENTATION
	Procurement Sample - VENDOR NAME (PROC - #)
	School Board Agenda or Approval of Emergency Procurement
	Expenditure Support
	Formal Memorandum from LEA
LEA'S PROCUREMENT POLICY EXEMPTION - VENDOR NAME (PROC - #)	ADDITIONAL REQUESTED DOCUMENTATION
	Procurement Sample - VENDOR NAME (PROC - #)
	School Board Agenda or Approval of Emergency Procurement
	Expenditure Support
	Formal Memorandum from LEA