

Paris-Union SD 95  
Agreement No.  
11-023-0950-25

**Monitoring Findings – FY 2020 4998-ER**

The grant recipient did not maintain adequate financial records in accordance with 2 CFR 200.302(b)(3). Expenditures were not recorded in separate general ledger accounts to account for the use of the grant funds. Expenditures were included with the general district expenditures. Per 2 CFR 200.302(b)(3), the LEA must have "records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation." The grant recipient must maintain adequate financial records capable of adequately identifying the source and application of grant funds in accordance with 2 CFR 200.302(b)(3).

The grant recipient did not submit accurate periodic expenditure reports. All federal expenditure reports must be submitted on a cumulative (i.e., year-to-date), cash basis accounting method (i.e., expenses are recognized when they are paid). The full amount of the grant allotment was reported on the first expenditure report submitted for reimbursement on May 21, 2020 and based on the amounts budgeted by function/object code. The full amount of the grant was paid on May 29, 2020. A budget amendment was submitted on February 16, 2021, moving funds to different functions and activity codes. A new expenditure report was submitted to agree to the amendment as of March 15, 2021. The invoices presented to support the use of funds had not been paid as of May 31, 2020, resulting in grant funds being received in advance of incurring the costs. Expenditures that were budgeted and reported as purchase services were mainly for supplies, and items budgeted as capital outlay items over \$500 each were supplies and purchased services items. It was noted in the approved budget that no supply items would cost over \$500 each, but water fountains costing \$1,087 each were purchased with grant funds. These items were purchased before the amended budget and expenditure report were submitted. The expenditures claimed as of the final expenditure report date appear to be allowable and reasonable expenditures to support the program intent; therefore, no questioned costs will be assessed. Expenditures claimed for reimbursement with grant funds should have been properly reflected in the budget and expenditure report within the correct function and object codes. The grant recipient must submit accurate periodic expenditure reports.

**Monitoring Notes – FY 2021 4998-E2 -Questioned Cost \$6,981**

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1000-300 - \$6,981 - The LEA purchased multi-year software subscriptions. After limiting the subscriptions to the fee paid for services during the grant period of March 13, 2020 - September 30, 2023, the full amount claimed was not supported. Grant funds may only be used for services between the grant start and end dates.

**Monitoring Findings - Questioned Cost \$12,100**

The grant recipient did not maintain adequate financial records in accordance with 2 CFR 200.302(b)(3): "Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation." During the review, it was found that expenditures were not properly posted to separate accounts in the financial records to support the amount reported on the expenditure reports. The grant recipient must maintain adequate financial records capable of adequately identifying the source and application of grant funds in accordance with 2 CFR 200.302(b)(3).

Expenditures paid from the grant were not allowable and/or did not support the program intent. It was noted that several multi-year software subscriptions were purchased. The cost of one of these subscription services was not calculated correctly for the grant period and was overstated as a prorated portion of the five-year subscription that extends beyond the grant period. It was not correctly subtracted from the total cost. The subscription fee may only be reimbursed for the grant period of March 13, 2020 - September 30, 2023. Per 2 CFR 200.403(h) "Cost must be incurred during the approved budget period." The grant recipient must develop and implement procedures to ensure that all grant expenditures are allowable and support the program intent.

The grant recipient did not submit accurate periodic expenditure reports. During testing, it was noted that an expenditure report was submitted as of October 31, 2021, for the full amount of the grant allotment based on the budgeted amount and not based on actual costs. This expenditure report was submitted prior to expenditures being paid and the funds were reimbursed on November 3, 2021. An additional expenditure report was submitted as of December 31, 2021, moving funds to new function and activity codes from their original functions that were reported and reimbursed per the amendment that was submitted May 12, 2022. Per the 2020 Fiscal Policies and Procedures Handbook, all federal expenditure reports must be submitted on a cumulative (i.e., year-to-date), cash basis accounting method (i.e., expenses are recognized when they are paid). Expenditures should only be claimed after an expenditure has been paid. The grant recipient must submit accurate periodic expenditure reports.

**Monitoring Notes – FY 2021 3705-00 - Questioned Cost \$109,999**

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General Note: The expenditure reports were not submitted on the cash basis based on actual costs. Expenditure reports were submitted based on the budgeted amount. An expenditure report was submitted as of September 30, 2020, for \$295,061, and the balance of the budgeted \$21,564 amount was submitted as of May 31, 2021.

1000-100 - (\$8,970) - It was found the wages were not correctly posted to the general ledger accounts for the staff who provided the grant services. The actual wages paid to the staff were more than the amount budgeted. The expenditure report was submitted based on the budget prior to all expenditures being paid. The additional \$8,970 in wages paid will be accepted.

1000-200 - (\$9,808) - The benefits paid were more than the budgeted benefits that were claimed before all benefits were paid. The additional benefit up to the allowable 10% variance over the total budgeted benefits will be accepted.

1000-300 - \$1,130 - The only expenditure posted to the general ledger was for the allocated cost of the copier lease. The cost of the copier was budgeted under 2300-300 but will be accepted here. The full amount claimed under 1000-300 could not be supported.

1000-400 - \$23,452 - The transactions posted to the general ledger included payments for Wonderworks for the third-grade classrooms. There were only \$534 in classroom supplies that were purchased and accounted for in the ledger account.

2210-100 - \$23,438 - The only wages posted to the general ledger were for a stipend of \$10,000 that was paid to an individual for reading program consulting services, per an email from the superintendent. This is not related to summer professional development time that was budgeted and approved. The amount claimed was not supported.

2210-200 - \$3,045 - There was no allowable benefit due to there not being any allowable wages.

2210-300 - \$20,000 - The professional development payments presented to support the amount claimed was for K - 8 training for the whole district and not for the pre-K staff. No expenditure for pre-K staff training was found.

2300-100 - \$30,000 - Per the budget, Mayo Middle School Principal Kyle Shay was to be paid as the administrator of the grant program at .5 FTE. Mr. Shay was paid a stipend of \$30,000 on July 7, 2020. This was in addition to his contract as the school principal. There is nothing in his contract or job description stating he is responsible for the pre-K center located at a different location than Mayo Middle School. This payment was directed via an email from the superintendent, with no other time and effort documents to support the payment.

2300-200 - \$3,897 - There was no allowable benefit due to there not being any allowable wages.

2300-300 - \$2,000 - This was budgeted for copier lease fee. This was posted to and accepted under 1000-300. No other expenditures were posted to the general ledger.

2550-300 - \$15,000 - The expenditures presented were for a special ed bus aide and a noon route bus aide. It was noted that all transportation costs were included on the transportation claim, which did not

note that the LEA had routes that were exclusive to pre-K and midday. No other supporting documentation could be provided to support the claimed amount.

3000-300 - \$6,815 - No expenditures were provided to support the amount claimed.

#### Monitoring Findings – FY 2021 3705-00 - Questioned Cost \$109,999

The grant recipient did not maintain adequate financial records in accordance with 2 CFR 200.302(b)(3): "Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation." During the review, it was found that several expenditures were not properly posted to the financial records and did not support the amount reported on the expenditure reports. This is a repeated finding from the FY 2019 monitoring review. The grant recipient must maintain adequate financial records capable of adequately identifying the source and application of grant funds in accordance with 2 CFR 200.302(b)(3).

Salaries, wages, and/or benefits paid from grant funds were not approved and/or accurate. During testing, it was noted that both wages and benefits for instructional staff under function and object codes 1000-100 and 1000-200 were understated on the final expenditure report. The wages and benefits also were not correctly reported in the general ledger to support the claimed amounts. Understated wages totaling \$8,970, and benefits totaling \$9,808 were allowed based on actual wages and benefits paid to the instructional staff to offset a portion of overstated claims in other function and object codes. Salaries and related benefits were claimed under function and object codes 2300-100 and 2300-200 totaling \$33,897, which were approved for administrator compensation for overseeing the preschool program activities and related benefits. A stipend totaling \$30,000 was paid to the principal of Mayo Middle School in July 2020, with no supporting documentation for the purpose of the payment. Compensation for supervisory personnel (including superintendents of schools, directors of education, supervisors of instruction in regular curriculum areas, and principals) falls within the category of expenses that would be incurred if a school were not participating in a federal-/state-funded program. This stipend would not be eligible for reimbursement unless additional administrative personnel are necessary and hired specifically for that purpose. The grant-covered classrooms are located in their own building; however, the principal is not located at that location. Per review, the extra duties related to the pre-K program were not included in the principal's contract or approved as extra duty pay that was approved by the board. In addition, expenditures for salaries and related benefits totaling \$26,483 were claimed under function and object codes 2210-100 and 2210-200, which were approved in the budget for summer professional development and PD benefits. Based on the general ledger and related support, the only expenditure paid under function and object code 2210-100 was a stipend for \$10,000 paid to a staff member as a consultant on a reading program. This does not appear to align with the Early Childhood grant intent, nor does it appear to be professional development services as approved in the budget. The grant recipient must develop and implement procedures to ensure that all salaries, wages, and/or benefits paid from grant funds are approved and/or accurate.

Personnel paid from the grant did not have the required certification. During testing, it was noted that some of the staff who provided services and were paid with grant funds did not hold the required certifications. Among those noted were a full-time teacher who only held a Substitute certification and

paraprofessional staff who held no certification or had not applied for certification until FY 2023. All staff serving students must hold the proper certification at the time they are providing services that are to be paid with grant funds. Per the grant application, the district certified that staff held the proper certification. The grant recipient must ensure that all personnel paid from grant funds have the required certification.

Expenditures paid from the grant were not allowable and/or did not support the program intent. The district claimed the budgeted amount of \$24,000 under function and object code 1000-400; however, \$20,684 of the expenditures included in the grant general ledger and supported with documentation were related to supplies for third grade classes. In addition, the district claimed the budgeted amount of \$20,000 under function and object code 2210-300; however, the only expenditures included in the general ledger and supported with documentation were related to kindergarten through eighth grade teacher trainings. Expenditures totaling \$11,990 and paid to a transportation contractor were included in the district's grant general ledger and claimed for reimbursement under function and object code 2550-300; however, district personnel stated that all expenditures paid to the contractor were included on the district's transportation claim for reimbursement. These cannot be claimed twice. The grant recipient must develop and implement procedures to ensure that all grant expenditures are allowable and support the program intent.

The grant recipient did not submit accurate periodic expenditure reports. During testing, it was noted that an expenditure report was submitted as of September 30, 2020, for 93% of the total grant allotment, which was based on the budgeted amount and not based on actual costs. An additional expenditure report was submitted as of March 30, 2021, for the balance of the funds per the budget. Per the 2020 Fiscal Policies and Procedures Handbook, all expenditure reports must be submitted on a cumulative (i.e., year-to-date), cash basis accounting method (i.e., expenses are recognized when they are paid). Amounts claimed on the expenditure reports were not supported by source documents due to the fact that there were no expenditures in some of the function/object codes that had been budgeted or expenditures had not actually been incurred when compared to the grant. The grant recipient must submit accurate periodic expenditure reports.

The questioned costs associated with this finding are as noted below:

Function/Object Code	Description of Finding	(Overstatement)	
1000/300	Overstated Instruction - Purchased Services	(1,130)	
1000/400	Overstated Instruction - Supplies & Materials	(2,768)	
2300/300	Overstated General Admin. - Purchased Services	(2,000)	
2550/300	Overstated Pupil Transportation - Purchased Services	(3,010)	
3000/300	Overstated Community Services - Purchased Services	(6,815)	
Net Effect		(15,723)	

**Monitoring Notes – FY 2021 3705-01 - Questioned Cost \$36,561**

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General Note: An expenditure report was submitted as of September 30, 2020, for \$187,248. The balance of the grant, \$2,761, was reported on an expenditure report as of March 8, 2021. The expenditure report was submitted based on the budget and not on the cash basis after expenditures were paid.

2210-100 - \$4,027 - No wages were presented to support the amount claimed for professional development.

2210-300 - \$3,566 - No expenditures were posted to the general ledger or presented to support the claimed amount. The amount claimed was based on the budget, not actual expenditures.

2300-300 - \$2,000 - There were no transactions posted to the general ledger to support the claimed amount. The only item budgeted was the annual Baby Talk renewal. This payment was found to be posted to the 3000-300 account and claimed under function 3000. It will be accepted as posted.

3000-100 - (1,951) - The actual cost of the wages paid to staff and supported by payroll reports was more than the amount claimed on the expenditure report. The claimed amount was based on the budgeted amount, not the actual amount. The additional wages of \$1,951 will be accepted to offset other expenditures that were not supported.

3000-200 - \$6,320 - The benefits reported on the expenditure report were based on the amount budgeted. The budget included health insurance benefits for two staff members. It was found that only one of the staff members received the health insurance benefit, resulting in the expenditure report overstating the cost of benefits.

3000-300 - \$14,719 - The transactions posted to the general ledger included payment to Verizon for the district-provided hotspots and payment for trash service for the district office. These transactions are not related to the grant program services. The remaining expenditures that were related to the grant did not support the full amount reported on the expenditure report.

3000-400 - \$5,119 - The transactions listed in the general ledger were less than the amount reported on the expenditure report. The payment for the annual Baby Talk membership was included in the posted transactions. The Baby Talk membership was budgeted and approved under 2300-300 and will be accepted under this function as posted to the general ledger.

3000-400 - \$2,761 - There were no transactions posted to the general ledger to support the claimed amount.

**Monitoring Findings – FY 2021 3705-01 - Questioned Cost \$36,561**

The grant recipient did not maintain adequate financial records in accordance with 2 CFR 200.302(b)(3): "Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation." During the review, it was found that several expenditures were not properly posted to the financial records and did not support the amount reported on the expenditure reports. This is a repeated finding from the FY 2019 monitoring review. The grant recipient must maintain adequate

financial records capable of adequately identifying the source and application of grant funds in accordance with 2 CFR 200.302(b)(3).

Salaries, wages, and/or benefits paid from grant funds were not approved and/or accurate. It was noted that claimed wages for the home visit staff were understated by \$1,951 and that staff benefits claimed were overstated by \$6,320 on the final expenditure report when compared to the general ledger. Wages and benefits were allowed based on actual wages and benefits paid to the home visit staff. Wages totaling \$4,027 were claimed on the expenditure report under function and object code 2210-100 for professional development; however, there were no wages posted to the general ledger or other documentation to support the amount claimed. The grant recipient must develop and implement procedures to ensure that all salaries, wages, and/or benefits paid from grant funds are approved and/or accurate.

The grant recipient did not submit accurate periodic expenditure reports. During testing, it was noted that an expenditure report was submitted as of September 30, 2020, for 99% of the total grant allotment, which was based on the budgeted amount, not based on actual costs. An additional expenditure report was submitted as of March 8, 2021, for the balance of the funds per the budget. Per the 2020 Fiscal Policies and Procedures Handbook, all expenditure reports must be submitted on a cumulative (i.e., year-to-date), cash basis accounting method (i.e., expenses are recognized when they are paid). Amounts reported on the expenditure report could not be supported by source documents due to the fact that there were no expenditures in some of the function/object codes that had been budgeted and that had not actually been incurred when compared to the grant-specific general ledger. In addition to the claimed amounts that were not supported by the grant-specific general ledger or subsidiary ledgers, it appears that the district claimed expenditures that were not related to the grant or not allowable, such as hotspot data service fees that were not related to the grant and trash service fees that were not allowable. The grant recipient must submit accurate periodic expenditure reports.

The questioned costs associated with this finding are as noted below:

Function/Object		
Code	Description of Finding	(Overstatement)
2210/300	Overstated Improvement of Instruction - Purchased Services	(3,566)
2300/300	Overstated General Admin. - Purchased Services	(2,000)
3000/300	Overstated Community Services - Purchased Services (including exp. not related to grant or unallowable)	(14,719)
3000/400	Overstated Community Services - Supplies & Materials	(5,119)
3000/500	Overstated Community Services - Capital Outlay	(2,761)
Net Effect		(28,165)

## **Monitoring Notes – FY 2021 3705-PE - Questioned Cost \$96,530**

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It was found that the expenditure report was submitted based on the budgeted amounts, not on the actual costs posted to the general ledger reports. It was also determined during the review that the wages and benefits for the staff who provided the services for FY 2021 were not properly coded and posted to the correct general ledger accounts. Wages and benefits that could be supported will be accepted as allowable and will be used to offset other expenditures that were not supported. The detail general ledger transaction report provided was used to support the amounts listed on the final expenditure report for the purchase services and supplies. The following differences or unallowable transactions were found and are listed by function/object code.

1000-100 - (\$28,773) - Per the payroll reports provided, the following wages were paid to staff providing services in the classrooms served by the grant: teachers - \$105,019.66; paraprofessionals - \$54,855.72; and substitutes - \$12,576.33. A total of \$143,859 in wages was reported on the final expenditure report. The actual cost was \$172,632, which is \$28,773 more than claimed on the expenditure report. This cost also was not properly posted to the grant general ledger accounts.

1000-200 - \$1,742 - The full amount of the benefits claimed was not supported by detailed payroll reports, including benefits. The budgeted benefits included health insurance for four staff members. Only three staff members received health insurance benefits. Benefits costs were accepted based on the amount that could be supported. This resulted in the benefits being overstated by \$1,742.

1000-300 - \$2,109 - No transactions were posted to the general ledger to support the use of funds.

1000-400 - (\$4,303) - One set of creative curriculums was listed in the budget under this function and activity code. The transactions listed in the general ledger totaling \$7,453.30 did not include creative curriculum. The supply items that were listed were related to the grant program and are allowable program supplies. It was found that instructional supplies were listed and approved in the budget under 2210-400 for a total of \$20,000. The supplies posted to instructional supplies 1000-400 will be accepted as posted. The \$4,303 over the amount budgeted and reported on the expenditure report (\$3,150) will be accepted to offset other expenditures not supported.

2210-100 - \$22,599 - Erika Hollis, a full-time instructional coach, and professional development for program staff during the summer were approved in the budget. It was found that the wages for Ms. Hollis were not properly posted to the grant general ledger account. Only a small portion of her wages was posted to the account. The full amount of her wages for the grant-related services was accepted based on the payroll report that was provided. It was found that other wages/stipend payments were posted to the grant account. These wages were paid to staff for services not related to the grant. This included payments on June 1, 2021, directed via an email request for "registration pay and civil rights reporting coordinator" to Megan Carrol, principal of Carolyn Wenz Elementary School, and "registration pay" to Kyle Shay, principal of Mayo Middle School. There was no documentation to support that these services were related to the grant program, and they were not approved in the budget. Wages were also paid March 30, 2021, and posted to the account in the amount of \$13,956.53 per an email directive to 36 staff members for what was noted as "Summer work." There were no timesheets to support that the work was done or related to professional development. Per Dr. Jeremy Larson, this was pay for work to be done, not work completed at the time of pay. The wages reported on the final expenditure report were overstated and not supported by grant related wages.



2210-200 - (\$9,593) - The benefits for the instructional coach were accepted per the payroll benefit reports. It was noted that the budget did not include the cost of health insurance for this position. The total benefits paid for this position were \$9,593 more than the amount reported on the final expenditure report. This additional amount will be allowed since it was supported by payroll and benefit reports.

2210-400 - \$20,000 - Classroom supplies were noted in the budget and approved in this function/activity code. No additional transactions for classroom supplies were posted to the general ledger other than the transactions that were reviewed and accepted under 1000-400. The full amount is unsupported as being spent on grant-related supplies.

2300-100 - \$30,000 - Per the budget, administrator compensation at .45 FTE was approved. It was also noted, "This school building only houses preschool in the building" for this grant. It was found that the full-day classroom served by this grant is in the Memorial Elementary building, which serves PreK - second grade. Megan Carroll, principal of Carolyn Wenz Elementary School, was paid a \$30,000 stipend on July 7, 2020, the first week of the grant year. The pre-K classroom is in the Memorial Elementary School building. This stipend is not included in her contract and is not a portion of her wages. There is no mention of her provided services to the pre-K program in her contract. Dr. Larson is the principal at the Memorial Elementary.

2300-200 - \$3,897 - Benefits are not allowable as the wages were not allowable.

2300-300 - \$5,000 - There were no transactions posted to the general ledger to support the amount claimed.

2540-500 \$25,000 - The transactions posted to the general ledger to support the use of funds for playground equipment were for items that were installed at Carolyn Wenz Elementary School or the half-day Preschool for All program center location and not at the Memorial Elementary School building, where the full-day pre-K program is located. These expenditures were not grant-related purchases.

2550-300 - \$15,000 - The students who ride the bus ride the regular route bus. The full cost of the bus services was reported on the transportation reimbursement claim. No additional transportation costs were incurred to support the use of these funds.

2560-400 - \$6,003 - The only expenditures posted to the general ledger to support the use of funds were general food costs for all the centers. All students receive free breakfast and lunch through a food grant. Per Dr. Larson, no additional snacks were purchased for the pre-K classroom. None of the expenditures presented were grant-related.

3000-100 - (\$679) - Per the payroll report, the amount provided for the parent/family educator, Abbie Higginbotham, was a little more than the amount reported on the final expenditure report. The additional amount supported by payroll will be accepted to offset other costs not supported.

3000-200 - (\$1,441) - Per the payroll benefit report, the amount provided for benefits for the parent/family educator, Ms. Higginbotham, were a little more than the amount reported on the final expenditure report. The additional benefits supported by payroll benefit reports will be accepted to offset other costs not supported.

3000-300 - \$6,969 - The only expenditure posted to the general ledger was a deposit for a speaker who would provide training to all district staff in October 2021. This cost is not related to the grant for a parent/family activity or workshop. Amount reported on the expenditure report was not supported.

3000-400 \$3,000 - There were no transactions posted to the general ledger to support the amount claimed.

#### Monitoring Findings – FY 2021 3705-PE - Questioned Cost \$96,530

The grant recipient did not maintain adequate financial records in accordance with 2 CFR 200.302(b)(3): "Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation." During the review, it was found that several expenditures were not properly posted to the financial records and did not support the amount reported on the expenditure reports. This is a repeated finding from the FY 2019 monitoring review. The grant recipient must maintain adequate financial records capable of adequately identifying the source and application of grant funds in accordance with 2 CFR 200.302(b)(3).

Salaries, wages, and/or benefits paid from grant funds were not approved and/or accurate. It was noted that claimed wages for instructional staff under function and object code 1000-100 were understated and instructional staff benefits claimed under function and object code 1000-200 were overstated on the final expenditure report when compared to the general ledger and payroll support. The wages and benefits were not correctly reported in the general ledger to support the claimed amount. Wages and benefits were allowed based on actual wages and benefits paid to the instructional staff. The district overstated allowable wages under function and object code 2210-100, as the grant general ledger did not support the amount claimed. Grant funds were approved in the budget for "summer professional development"; however, the claimed wages included stipends paid to staff that were paid on March 30, 2021, and the email support stated that the pay was related to summer work as directed by the superintendent and not related to pre-K professional development. In addition, stipends were paid to the principals of Carolyn Wenz Elementary School and Mayo Middle School in June 2021 for registration services and pay for the civil rights reporting coordinator that do not appear to be grant related. A stipend and related benefits were paid to the principal of Carolyn Wenz Elementary School in July 2020, with no supporting documentation for the purpose of the payment. Compensation for supervisory personnel (including superintendents of schools, directors of education, supervisors of instruction in regular curriculum areas, and principals) falls within the category of expenses that would be incurred if a school was not participating in a federal-/state-funded program. This would not be eligible for reimbursement unless additional administrative personnel are necessary and hired specifically for that purpose. Payment of wages to a principal is not allowable under the grant unless they are the principal of a preschool-only center. The wages and benefits paid for the parent and family coordinator position were also understated on the expenditure report, which were adjusted and allowed to help offset a portion of the overstated claims in other function and object codes. The net questioned costs associated with the errors total \$17,752. The grant recipient must develop and implement procedures to ensure that all salaries, wages, and/or benefits paid from grant funds are approved and/or accurate.

Personnel paid from the grant did not have the required certification. During testing, it was noted that some of the staff who provided services and were paid with grant funds did not hold the required certifications. Among those noted were a paraprofessional and multiple substitute staff. All staff serving grant students must hold the proper certification at the time they are providing services to be paid with grant funds. Per the district’s grant application, it was certified that staff held the proper certification. The grant recipient must ensure that all personnel paid from grant funds have the required certification.

The grant recipient did not submit accurate periodic expenditure reports. During testing, it was noted that an expenditure report was submitted as of September 30, 2020, for 94% of the total grant allotment, which was based on the budgeted amounts and not based on actual costs. Per the 2020 Fiscal Policies and Procedures Handbook, all expenditure reports must be submitted on a cumulative (i.e., year-to-date), cash basis accounting method (i.e., expenses are recognized when they are paid). Amounts claimed on the expenditure reports were not supported by source documents due to the fact that there were no expenditures in some of the function/object codes that were budgeted, or expenditures had not actually been incurred when compared to the grant-specific general ledger. In addition to the claimed amounts that were not supported by the grant-specific general ledger or subsidiary ledgers, it appears that the district claimed expenditures that were not related to the grant or not allowable, such as playground equipment that was not located at the pre-K center and transportation costs, cafeteria purchases, and educational conference speakers that were not specific to the pre-K students or program. The district also claimed expenditures that were budgeted in certain function and object codes in the incorrect function and object codes on the expenditure reports, creating both understatements and overstatements within various function and object codes. The expenditures that appeared allowable and supportive of the program intent were accepted and allowed to offset a portion of the questioned costs in other function and object codes. The grant recipient must submit accurate periodic expenditure reports.

The net questioned costs associated with this finding are as noted below:

Function/Object Code	Description of Finding	Understatement (Overstatement)
1000/300	Overstated Instruction - Purchased Services	(2,109)
1000/400	Understated Instruction - Supplies & Materials	4,303
2210/400	Overstated Improvement of Instruction - Supplies & Materials	(20,000)
2300/300	Overstated General Administration - Purchased Services	(5,000)
2540/500	Overstated Operations & Maint. - Capital Outlay (Equipment not located at Pre-K center)	(25,000)
2550/300	Overstated Pupil Transportation - Purchased Services (Not a specific Pre-K route)	(15,000)
2560/400	Overstated Food Service - Supplies & Materials (Claimed invoices are related to regular education cafeteria purchases)	(6,003)
3000/300	Overstated Community Services - Purchased Services (Claimed speaker fees for PD offered to all district staff)	(6,969)
3000/400	Overstated Community Services - Supplies & Materials	(3,000)
<b>Net Effect</b>		<b>(78,778)</b>

## **Monitoring Notes – FY 2021 4620 - Questioned Cost \$276,250**

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1000-100 - \$65,000 - The full amount of wages claimed is in question. Payments posted to the general ledger account on February 3, 2021, were stipends to two principals and two district office staff per an email request from the superintendent. No other supporting documentation was provided for the payments. Wages were not added to the budget for approval until the second amendment was submitted May 25, 2021. Additional stipends were paid to two other staff on June 1, 2022, per an email request from the superintendent. No other documentation or support for services was provided in the file to support the basis of the payment or time that services were provided.

1000-400 - \$211,250 - The only invoice presented to support the claimed amount was for 900 Chromebooks. This was claimed under the ESSER I grant and was accepted there. Per the superintendent, these Chromebooks were not for special education services and no other supplies were purchased to support the amount superintendent

## **Monitoring Findings - Questioned Cost \$276,250**

The grant recipient did not maintain adequate financial records in accordance with 2 CFR 200.302(b)(3): "Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation." During the review, it was found that expenditures were not properly posted to separate accounts in the financial records and did not support the amount reported on the expenditure reports. The grant recipient must maintain adequate financial records capable of adequately identifying the source and application of grant funds in accordance with 2 CFR 200.302(b)(3).

Salaries, wages, and/or benefits paid from grant funds were not approved and/or accurate. The wages for adaptive physical education were not added to the grant budget until May 25, 2021. Wages had not been included in the budget prior to that date. Grantees that submit a state or federal budget amendment between the project begin and end dates are not allowed to begin an activity or obligate or expend funds prior to the date of receipt by ISBE (provided that the scope or intent of the approved project has not changed). If the scope or intent of a project significantly changes through an amendment, ISBE programmatic approval should be obtained prior to the obligation of funds for the new activities. Some of the payments that were provided to support for the amount claimed for adaptive PE were stipends paid to staff prior to May 25, 2021, and other payments were paid to administrative office staff and employees with other job responsibilities; however, the district could not provide proper time and effort documents to support the basis of the payment or time of service provided. The grant recipient must develop and implement procedures to ensure that all salaries, wages, and/or benefits paid from grant funds are approved and/or accurate.

Expenditures paid from the grant were not allowable and/or did not support the program intent. The purchase of budgeted Chromebooks was also paid for with ESSER I grant funds. These Chromebooks were purchased for all district students, and not specifically for the special ed program students. As a result, the LEA requested reimbursement for the same invoice under two different grants. The payment was accepted under the ESSER I grant and is questioned as unallowable under the 4620- IDEA grant. The

grant recipient must develop and implement procedures to ensure that all grant expenditures are allowable and support the program intent.

The grant recipient did not submit accurate periodic expenditure reports. During testing, it was noted that an expenditure report was submitted as of October 15, 2020, for the full amount of the approved budgeted amount at that time based on the budgeted amount, not based on actual costs. The balance of additional funds allotted was claimed on the expenditure report as of March 30, 2021, for the balance of the funds per the budget. An amendment was then done on May 25, 2021, to budget funds in new functions and activity codes. An additional expenditure report was needed to move funds to the new function and activity codes from the previously claimed function and activity codes because the funds had already been reimbursed. Per the 2020 Fiscal Policies and Procedures Handbook, all federal expenditure reports must be submitted on a cumulative (i.e., year-to-date), cash basis accounting method (i.e., expenses are recognized when they are paid). The grant recipient must submit accurate periodic expenditure reports.

### **Monitoring Notes FY 2021 Title I - Questioned Cost \$47,491**

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1000-200 - \$16,554 - The benefits claimed for reimbursement were not supported by actual expenditures. The only wages that were allowable were the wages paid to the paraprofessional staff as approved in the budget. The benefits posted to the general ledger and paid for these staff members were less than the amount claimed.

1000-300 - (\$1,000) - It was found that payments for a potentially allowable software subscription fee in the amount of \$14,652 were posted to the 1000-400 supply expense account. Per the budget, purchase services are limited to a maximum of \$4,200 as only \$3,200 of purchase services that was budgeted was claimed on the expenditure report. An additional \$1,000 of the software fee that was posted to supplies will be accepted and will offset other expenditure that were not supported.

1000-400 - \$24,737 - The general ledger account for supplies included \$14,652 in software subscriptions. These are not supply items and may only be claimed as purchase services. The allowable purchase services are limited to the budgeted amount variance, which was adjusted under 1000-300 as noted. Additional unallowable expenditures that were not related to the grant services or were for instructional supplies were posted to the accounts. These items included supplies for the high school, sports, art classes, music or band programs, and nurse supplies. After deducting these items from the total transaction posted to the general ledger, the total supplies claimed were not supported.

2210-100 - \$7,200 - Budget was approved to pay to support professional development for substitutes. No payments for substitutes were found. Wages were posted to the general ledger, but none of the payments were found to be for substitutes or staff time for attending professional development. All time paid was for future services to be provided or stipends for staff and were not related to the grant.

### **Monitoring Findings FY 2021 Title I - Questioned Cost \$47,491**

The grant recipient did not maintain adequate financial records in accordance with 2 CFR 200.302(b)(3): "Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation." During the review, it was found that several expenditures were not properly posted to the financial records and did not support the amount reported on the expenditure reports. This is a repeated finding from the FY 2019 monitoring review. The grant recipient must maintain adequate financial records capable of adequately identifying the source and application of grant funds in accordance with 2 CFR 200.302(b)(3).

Salaries, wages, and/or benefits paid from grant funds were not approved and/or accurate. Wages that were not related to the grant services were posted to the grant general ledger accounts and claimed on the expenditure reports for reimbursement. Grant funds under function and object code 2210-100 were approved in the budget for "subs to assist with professional development"; however, the general ledger account included stipends paid to staff on March 30, 2021, with the email support stating that the pay was related to summer work as directed by the superintendent and not related to sub pay for professional development. In addition, supporting documentation was not provided to verify that listed general ledger expenditures were related to substitute pay or were related to professional development supporting the Title I program. The amount claimed for staff benefits under function and object code

1000-200 exceeded the actual cost of the benefits on the allowable wages claimed. The total benefits claimed on the expenditure report were not supported within the general ledger, and a portion of the claimed benefits were related to wages that were not allowable. The grant recipient must develop and implement procedures to ensure that all salaries, wages, and/or benefits paid from grant funds are approved and/or accurate.

Expenditures paid from the grant were not allowable and/or did not support the program intent. Expenditures not related to grant services were posted to the grant general ledger accounts and claimed on the expenditure reports. Some of these items were related to supplies for the high school, sports, art programs, band and music programs, and nurse supplies. These supplies are not related to the core courses of math and language arts and reading, which are the focus of the Title I grant. After adjustments and allowable offsets within budget variance rules, the net questioned costs associated with this finding total \$23,737. The grant recipient must develop and implement procedures to ensure that all grant expenditures are allowable and support the program intent.

The grant recipient did not submit accurate periodic expenditure reports. During testing it was noted that an expenditure report was submitted as of September 30, 2020, for the full amount of the approved budgeted amount at that time based on the budgeted amounts, not based on actual costs. The balance of additional funds allotted were claimed on the expenditure report as of March 24, 2021, per the approved budget amendment, not actual cost on the cash basis. Per the 2020 Fiscal Policies and Procedures Handbook, all federal expenditure reports must be submitted on a cumulative (i.e., year-to-date), cash basis accounting method (i.e., expenses are recognized when they are paid). Expenditures should only be reported after an expenditure has been paid. Amounts reported on the expenditure report for reimbursement could not be supported by source documents due to the fact that no expenditures in some of the function/object codes that had been budgeted had occurred. The grant recipient must submit accurate periodic expenditure reports.

#### Monitoring Findings FY 2021 Title I - Questioned Cost \$47,491

The grant recipient did not maintain adequate financial records in accordance with 2 CFR 200.302(b)(3): "Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation." During the review, it was found that several expenditures were not properly posted to the financial records and did not support the amount reported on the expenditure reports. This is a repeated finding from the FY 2019 monitoring review. The grant recipient must maintain adequate financial records capable of adequately identifying the source and application of grant funds in accordance with 2 CFR 200.302(b)(3).

Salaries, wages, and/or benefits paid from grant funds were not approved and/or accurate. Wages that were not related to the grant services were posted to the grant general ledger accounts and claimed on the expenditure reports for reimbursement. Grant funds under function and object code 2210-100 were approved in the budget for "subs to assist with professional development"; however, the general ledger account included stipends paid to staff on March 30, 2021, with the email support stating that the pay was related to summer work as directed by the superintendent and not related to sub pay for professional development. In addition, supporting documentation was not provided to verify that listed general ledger expenditures were related to substitute pay or were related to professional development

supporting the Title I program. The amount claimed for staff benefits under function and object code 1000-200 exceeded the actual cost of the benefits on the allowable wages claimed. The total benefits claimed on the expenditure report were not supported within the general ledger, and a portion of the claimed benefits were related to wages that were not allowable. The grant recipient must develop and implement procedures to ensure that all salaries, wages, and/or benefits paid from grant funds are approved and/or accurate.

Expenditures paid from the grant were not allowable and/or did not support the program intent. Expenditures not related to grant services were posted to the grant general ledger accounts and claimed on the expenditure reports. Some of these items were related to supplies for the high school, sports, art programs, band and music programs, and nurse supplies. These supplies are not related to the core courses of math and language arts and reading, which are the focus of the Title I grant. After adjustments and allowable offsets within budget variance rules, the net questioned costs associated with this finding total \$23,737. The grant recipient must develop and implement procedures to ensure that all grant expenditures are allowable and support the program intent.

The grant recipient did not submit accurate periodic expenditure reports. During testing it was noted that an expenditure report was submitted as of September 30, 2020, for the full amount of the approved budgeted amount at that time based on the budgeted amounts, not based on actual costs. The balance of additional funds allotted were claimed on the expenditure report as of March 24, 2021, per the approved budget amendment, not actual cost on the cash basis. Per the 2020 Fiscal Policies and Procedures Handbook, all federal expenditure reports must be submitted on a cumulative (i.e., year-to-date), cash basis accounting method (i.e., expenses are recognized when they are paid). Expenditures should only be reported after an expenditure has been paid. Amounts reported on the expenditure report for reimbursement could not be supported by source documents due to the fact that no expenditures in some of the function/object codes that had been budgeted had occurred. The grant recipient must submit accurate periodic expenditure reports.

#### Monitoring Findings FY 2021 Title I - Questioned Cost \$47,491

The grant recipient did not maintain adequate financial records in accordance with 2 CFR 200.302(b)(3): "Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation." During the review, it was found that several expenditures were not properly posted to the financial records and did not support the amount reported on the expenditure reports. This is a repeated finding from the FY 2019 monitoring review. The grant recipient must maintain adequate financial records capable of adequately identifying the source and application of grant funds in accordance with 2 CFR 200.302(b)(3).

Salaries, wages, and/or benefits paid from grant funds were not approved and/or accurate. Wages that were not related to the grant services were posted to the grant general ledger accounts and claimed on the expenditure reports for reimbursement. Grant funds under function and object code 2210-100 were approved in the budget for "subs to assist with professional development"; however, the general ledger account included stipends paid to staff on March 30, 2021, with the email support stating that the pay was related to summer work as directed by the superintendent and not related to sub pay for professional development. In addition, supporting documentation was not provided to verify that listed



general ledger expenditures were related to substitute pay or were related to professional development supporting the Title I program. The amount claimed for staff benefits under function and object code 1000-200 exceeded the actual cost of the benefits on the allowable wages claimed. The total benefits claimed on the expenditure report were not supported within the general ledger, and a portion of the claimed benefits were related to wages that were not allowable. The grant recipient must develop and implement procedures to ensure that all salaries, wages, and/or benefits paid from grant funds are approved and/or accurate.

Expenditures paid from the grant were not allowable and/or did not support the program intent. Expenditures not related to grant services were posted to the grant general ledger accounts and claimed on the expenditure reports. Some of these items were related to supplies for the high school, sports, art programs, band and music programs, and nurse supplies. These supplies are not related to the core courses of math and language arts and reading, which are the focus of the Title I grant. After adjustments and allowable offsets within budget variance rules, the net questioned costs associated with this finding total \$23,737. The grant recipient must develop and implement procedures to ensure that all grant expenditures are allowable and support the program intent.

The grant recipient did not submit accurate periodic expenditure reports. During testing it was noted that an expenditure report was submitted as of September 30, 2020, for the full amount of the approved budgeted amount at that time based on the budgeted amounts, not based on actual costs. The balance of additional funds allotted were claimed on the expenditure report as of March 24, 2021, per the approved budget amendment, not actual cost on the cash basis. Per the 2020 Fiscal Policies and Procedures Handbook, all federal expenditure reports must be submitted on a cumulative (i.e., year-to-date), cash basis accounting method (i.e., expenses are recognized when they are paid). Expenditures should only be reported after an expenditure has been paid. Amounts reported on the expenditure report for reimbursement could not be supported by source documents due to the fact that no expenditures in some of the function/object codes that had been budgeted had occurred. The grant recipient must submit accurate periodic expenditure reports.

## **Monitoring Notes FY 2021 Title II - Questioned Cost \$13,015**

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1000-200 - \$1,149 - The full amount of the wages paid to the classroom size reduction teacher were not paid for by the grant funds. The benefits must be limited to the benefits paid on the staff wages claimed and paid for with grant funds.

2210-300 - \$11,866 - None of the transactions posted to the general ledger were related to professional development activities that were budgeted. The transactions were related to other district software subscription fees not related to the grant services.

## **Monitoring Findings FY 2021 Title II - Questioned Cost \$13,015**

The grant recipient did not maintain adequate financial records in accordance with 2 CFR 200.302(b)(3): "Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation." During the review, it was found that several expenditures were not properly posted to the financial records and did not support the amount reported on the expenditure reports. This is a repeated finding from the FY 2019 monitoring review. The grant recipient must maintain adequate financial records capable of adequately identifying the source and application of grant funds in accordance with 2 CFR 200.302(b)(3).

Salaries, wages, and/or benefits paid from grant funds were not approved and/or accurate. The amount claimed for employee benefits exceeded the actual cost of the benefits on the wages claimed. The full amount of the teachers' wages was not paid for with the grant funds. Only the benefits related to the claimed wages may be paid for with the grant funds. Per the payroll and benefits report, the benefits were overstated on the expenditure report. The grant recipient must develop and implement procedures to ensure that all salaries, wages, and/or benefits paid from grant funds are approved and/or accurate.

Expenditures paid from the grant were not allowable and/or did not support the program intent. Expenditures for district software subscriptions that were not related to professional development services, as approved in the grant budget, were posted to the grant general ledger accounts, and claimed on the expenditure reports. Per the district's grant general ledger and related invoice support, the expenditures claimed under function and object code 2210-300 were for school messenger subscriptions; an eDynamic electives subscription for engineering and design, biotechnology, and forensic science; and an online interaction management system that are not related to professional development within the general education curriculum. Per 2 CFR 200.403, expenditures must be necessary and reasonable for the performance of the grant and be adequately documented, and the cost must be incurred during the approved budget period. The district must submit a budget amendment for approval prior to claiming expenditures that substantially deviate from the approved budget. The grant recipient must develop and implement procedures to ensure that all grant expenditures are allowable and support the program intent.

The grant recipient did not submit accurate periodic expenditure reports. During testing, it was noted that an expenditure report was submitted as of September 30, 2020, for the full amount of the approved budgeted amount at that time based on the budgeted amounts, not based on actual costs.

The balance of additional funds allotted were claimed on the expenditure report as of March 24, 2021, per the approved budget amendment, not actual cost on the cash basis. Per the 2020 Fiscal Policies and Procedures Handbook, all federal expenditure reports must be submitted on a cumulative (i.e., year-to-date), cash basis accounting method (i.e., expenses are recognized when they are paid). Expenditures should only be reported after an expenditure has been paid. The grant recipient must submit accurate periodic expenditure reports.

**Monitoring Notes – FY 2022 3705-00 Questioned Cost \$104,794**

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1000-100 - \$61,126 - Wages were claimed based on the amount budgeted. The actual wages for staff providing services were less than the amount claimed. The budget included the wages for two additional staff members, but they did not provide services to the grant classrooms. It also was found that some of the staff who did provide services did not have the required certification for the position they held for FY 2022. The wages for the staff who did provide services were accepted based on actual wages paid.

1000-200 - \$12,846 - Benefits were claimed based on the amount budgeted. Actual benefits per the payroll benefits report for the staff who did provided services were less than the amount claimed. Benefits are limited to the supported amount.

1000-300 - \$1,702 - Expenditures posted to the general ledger included a fee for the districtwide website design and mileage paid the kindergarten special ed teacher. These expenditures are not grant-related and or allowable. The cost for the copier is allowable and budgeted. This cost that was posted to the general ledger is accepted.

1000-400 - \$65 - The only expenditure posted to the general ledger was for supplies ordered by a middle school teacher. These items were not for the pre-K classroom and are therefore not allowable.

2210-300 - \$18,865 - The only transaction posted to the general ledger was for a STEM grant-writing fee. This is not related to the grant services and is not an allowable cost.

2550-300 - \$10,190 - The claimed cost of transportation could not be supported by the contractor invoices. It also was found that the LEA had reported all transportation costs on the district transportation claim. The claim does not list any students being transported on an exclusive route.

**Monitoring Findings – FY 2022 3705-00 - Questioned Cost \$104,794**

The grant recipient did not maintain adequate financial records in accordance with 2 CFR 200.302(b)(3): "Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation." During the review, it was found that several expenditures were not properly posted to the financial records and did not support the amount reported on the expenditure reports. This is a repeated finding from the FY 2019 and FY 2021 monitoring reviews. The grant recipient must maintain adequate financial records capable of adequately identifying the source and application of grant funds in accordance with 2 CFR 200.302(b)(3).

Salaries, wages, and/or benefits paid from grant funds were not approved and/or accurate. During testing, it was noted that both wages and benefits claimed for instructional staff were overstated on the final expenditure report. The wages and benefits also were not correctly reported in the general ledger to support the claimed amount. Wages and benefits were allowed based on actual wages and benefits paid to the instructional staff who provided services to the Preschool for All grant based on the employee earnings, Tax, Deductions, and benefits report provided by the district. This is a repeated finding from the FY 2021 monitoring review. The grant recipient must develop and implement procedures to ensure that all salaries, wages, and/or benefits paid from grant funds are approved and/or accurate.

Personnel paid from the grant did not have the required certification. During testing, It was noted that some of the staff who provided services and were paid with grant funds did not hold the required certifications. Among those noted included a full-time teacher who only held a Substitute certification and paraprofessional staff who held no certification or had not applied for certification until FY 2023. All staff serving grant students must hold the proper certification at the time they are providing services to be paid with grant funds. Per the district's grant application, it was certified that staff held the proper certification. This is a repeated finding from the FY 2021 monitoring review. The grant recipient must ensure that all personnel paid from grant funds have the required certification.

Expenditures paid from the grant were not allowable and/or did not support the program intent. Expenditures noted included professional development services for staff that are not working with pre-K students, STEM grant consultation fees, school messenger software, and custom website design services for the entire district, and transportation services that were not supported. Expenditure must be related to the grant-served classrooms, students, staff, and be supported by source documents. The grant recipient must develop and implement procedures to ensure that all grant expenditures are allowable and support the program intent.

**Monitoring Notes – FY 2022 3705-01 - Questioned Cost - \$28,841**

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2210-300 - \$3,845 - The only expenditure posted to the general ledger and claimed was for new district time and attendance software. This is not related to the grant. The budget was for a conference fee. No professional development or conference fee expenditures were provided.

2300-300 - \$6,600 - The LEA budgeted for the annual Baby Talk fee. This fee was posted to and claimed under 3000-300. The only transaction posted to the general ledger to support the amount claimed was the implementation fee for new district software. The annual fee for Baby Talk was accepted under 3000-300, where it was claimed.

3000-100 - (\$4,221) - The wages claimed were based on the wages budgeted, not actual. The actual wages paid for staff who provided services was \$4,221 more than the amount claimed. The additional amount will be accepted as this was supported by payroll reports.

3000-200 - (\$843) - The actual benefits paid were more than the amount budgeted and reported on the final expenditure report. The additional \$843 will be accepted.

3000-300 - \$23,460 - The full amount of purchase services claimed could not be supported. The transactions posted to the general ledger were more than the amount reported but included the copier lease fee for all district copiers, district Verizon hotspot service fees, and AED training fee related to another grant that the grant recipient had received. Of these, only the copier lease for the grant program copier is allowable. Mileage costs and cell phone reimbursements were paid at a flat rate. This cost was accepted but must be supported by mileage logs in the future. This was an issue that was addressed during the FY 2019 grant review but was not yet corrected. The LEA did provide some mileage reports that were put together to support the amounts paid, but they were not presented as support at the time of payments. Mileage should only be reimbursed for the miles traveled each month for grant services at a rate per mile, not at the flat \$200 per month that was listed in the budget as an estimated cost per month.

**Monitoring Findings – FY 2022 3705-01 - Questioned Cost - \$28,841**

The grant recipient did not maintain adequate financial records in accordance with 2 CFR 200.302(b)(3): "Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation." During the review, it was found that several expenditures were not properly posted to the financial records and did not support the amount reported on the expenditure reports. This is a repeated finding from the FY 2019 and FY 2021 monitoring reviews. The grant recipient must maintain adequate financial records capable of adequately identifying the source and application of grant funds in accordance with 2 CFR 200.302(b)(3).

Salaries, wages, and/or benefits paid from grant funds were not approved and/or accurate. During testing, it was noted that both wages and benefits claimed for the home visit staff were understated on the final expenditure report. Wages and benefits were allowed based on actual wages and benefits paid to the home visit staff, and the additional expenditures over the original claimed amount are allowed to help offset a portion of the questioned costs in other function and object budget cells. This is a repeated finding from the FY 2021 monitoring review. The grant recipient must develop and implement

procedures to ensure that all salaries, wages, and/or benefits paid from grant funds are approved and/or accurate.

Expenditures paid from the grant were not allowable and/or did not support the program intent. Expenditures for purchased services that were posted to the general ledger and claimed on the expenditure report were not related to the grant intent. Expenditures noted included subscription fees for district time and attendance software, district software implementation fees for the time and attendance software, districtwide copier lease, districtwide hotspot service fees, and services related to other grant programs. Expenditures must be related to the grant-served families and staff. Per 2 CFR 200.403, expenditures must be necessary and reasonable for the performance of the grant and be adequately documented, and the cost must be incurred during the approved budget period. The grant recipient must develop and implement procedures to ensure that all grant expenditures are allowable and support the program intent.

**Monitoring Notes – FY 2022 3705-PE -Questioned Cost \$180,371**

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1000-100 - (\$19,921) - It was found that the wages for the staff who worked as the teachers and para staff in the grant classrooms were not properly coded in the payroll system. As a result of this error, not all wages were posted to the general ledger. All supported wages up to the allowable variance over the total wages budgeted will be accepted. The additional wages over the amount reported on the expenditure report are \$19,921. Note that the LEA claimed expenditures based on the budget and not actual expenditures or amounts posted to the general ledger.

1000-200 - \$5,799 - The total benefits reported on the expenditure report was based on the budgeted amount. The actual benefits paid for the staff who provided services were less than the amount claimed. All supported benefits were accepted.

1000-400 - \$34,450- The detail expenditures included the purchase of a five-year subscription for a cloud-based creative curriculum for seven classrooms for \$17,500. Only one year of the subscription fee for the three classrooms covered by the grant are allowable. The fee is \$500 per year per class for a total of \$1,500. The balance of the fee is not allowable under the grant as it is for services after the end of the grant period. Other supplies listed in the detail general ledger were ordered by staff other than the staff providing grant services. Several items were ordered by the IT director. Only items purchased for the grant classrooms are allowable.

2210-100 - \$2,054 - The budget was for summer professional development time. No wages related to summer professional development time for any of the grant staff were found.

2210-200 - \$267 - There were no allowable wages that could be considered to be benefits.

2210-300 - \$15,870 - The professional development services that were posted to the general ledger and claimed were for districtwide services for all staff, not grant-related staff. None of the expenditures was allowable.

2210-400 - \$86,435 - Over \$100,000 in supplies were purchased from Amazon in June 2022 and posted to the general ledger account. These items were purchased by several district staff members. There is no way to determine which items are related to the grant. The items were also ordered after the end of the school year, so no students would benefit from the item for the FY 2022 school year. The grant did not provide a summer school program. All purchases are in question.

2540-500 - \$34,934 - It was found that the district purchased playground equipment that was installed next to the special ed and half-day Preschool for All classroom buildings. It was not installed at the Memorial Elementary School building, where the grant-served classrooms are located.

3000-200 - (\$1,456) - The actual benefits approved in the budget for the parent educator position were for more than claimed. The additional IMRF and FICA amounts paid that were over the amount claimed are being accepted.

3000-300 - \$22,000 - The only expenditure claimed was for virtual parent workshops that were offered as part of the Beyond the Bell program to all parents in the district. This was not only provided to the grant-served families. This is not an allowable expenditure.



## Monitoring Findings – FY 2022 3705-PE - Questioned Cost \$180,372

The grant recipient did not maintain adequate financial records in accordance with 2 CFR 200.302(b)(3): "Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation." During the review, it was found that several expenditures were not properly posted to the financial records and did not support the amount reported on the expenditure reports. This is a repeated finding from the FY 2019 and FY 2021 monitoring reviews. The grant recipient must maintain adequate financial records capable of adequately identifying the source and application of grant funds in accordance with 2 CFR 200.302(b)(3).

Salaries, wages, and/or benefits paid from grant funds were not approved and/or accurate. During testing, it was noted that wages for instructional staff were understated, and instructional staff benefits were overstated on the final expenditure report. The wages and benefits were not correctly reported in the general ledger to support the claimed amount. Wages and benefits were allowed based on actual wages and benefits paid to the instructional staff. A stipend paid the principal of Mayo Middle School in October 2021 with no supporting documentation for the purpose of the payment was included in the general ledger. Compensation for supervisory personnel (including superintendents of schools, directors of education, supervisors of instruction in regular curriculum areas, and principals) falls within the category of expenses that would be incurred if a school were not participating in a federal-/state-funded program. This would not be eligible for reimbursement unless additional administrative personnel are necessary and hired specifically for that purpose. Payment of wages to a principal is not allowable under the grant unless they are the principal of a preschool-only center. Wages and benefits were claimed for summer professional development staff; however, the only expenditures included in the grant general ledger were for the time period of July 2021 through June 2022 for a portion of the regular school year salary for the instructional coach that was not included in the budget during the current grant period. The benefits paid for the parent and family coordinator position were also understated on the expenditure report. The additional supported wages and benefits will be accepted to offset a portion of the claimed wages and benefits that were not supported. This is a repeated finding from the FY 2021 review. The grant recipient must develop and implement procedures to ensure that all salaries, wages, and/or benefits paid from grant funds are approved and/or accurate.

Personnel paid from the grant did not have the required certification. It was found that staff who provided services and were paid with grant funds did not hold the required certifications. This included various substitute staff and a paraprofessional who did not obtain certification until August 23, 2022, after the grant year was over. All staff serving grant students must hold the proper certification at the time they are providing services to be paid with grant funds. Per the grant application, the district certified that staff held the proper certification. This is a repeated finding from the FY 2021 monitoring review. The grant recipient must ensure that all personnel paid from grant funds have the required certification.

Expenditures paid from the grant were not allowable and/or did not support the program intent. Expenditures for purchased services, supplies, and capital outlay that were posted to the general ledger and claimed on the expenditure report were not related to the grant services provided. This included transactions posted to the general ledger for a multi-year software subscription; districtwide

professional development services; a large number of items purchased from Amazon by district staff other than grant staff at the end of the grant year in June 2022; playground equipment that was not located at the grant-served school location; and multi-year software subscriptions, of which only \$1,500 of \$17,500 is attributable to the grant during the grant period. Per 2 CFR200.403, expenditures must be necessary and reasonable for the performance of the grant and be adequately documented, and the cost must be incurred during the approved budget period. The grant recipient must develop and implement procedures to ensure that all grant expenditures are allowable and support the program intent.

**Monitoring Notes – FY 2022 4421 - Questioned Cost \$405,447**

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1000-100 - \$266,184 - Wages were paid to staff prior to providing services. Services listed on the additional work logs were for future services to be provided for possible grant services, professional development time, or classroom curriculum development time. Only services provided as of the date of payment for grant-related services may be paid for with grant funds. All other payments are considered to be unallowable. It also was noted that the budget indicated that staff providing services would be certified, but it was found that most of the staff providing services after school were not currently certified teachers.

1000-200 - \$62,597 - Benefits were limited to the calculated FICA and Medicare tax on the allowable wages accepted under 1000-100. Many of the staff were not teachers or paraprofessionals, so only a limited number of staff qualify for TRS or IMRF benefits. An extensive amount of time would be required to determine if any of these benefits were paid and allowable on the accepted wages. All insurance benefits should be the responsibility of the district as these are additional after-school services outside the regular contract if they were district staff. The LEA only budgeted 9% for TRS and the FY 2021 rate of 10.41% for Federal TRS, for a total of 19.41%. This would have applied if all staff providing services were certified district teachers as noted in the budget.

1000-400 - \$16,011 - Supply items posted to the general ledger included items for the district sports and band programs. They also include food, clothing, eighth grade class trip expenditures, and software. Grant funds may not be used to purchase clothing or food other than for family events. The eighth-grade class trip was not related to the grant, and there was no approval in the budget to purchase software (which is also not a supply). The items purchased from Amazon were accepted, but there was no way to verify the items were for grant services.

2210-100 - \$14,000 - Two staff were paid a stipend of \$7,000 each and that was posted to the grant. It was noted in the payroll file that the stipends were paid for MTSS coordinator services. This is not a grant-related service. This position is related to the IL-EMPOWER grant. These wages are unallowable. Only the wages for the professional development staff member that was posted to this general ledger account are allowable.

2210-200 - \$2,587 - Benefits are limited to the FICA and Medicare on the allowable wages under 2210-100.

2620-300 - \$3,351 - None of the expenditures posted to the general ledger are related to evaluation services. No payment for evaluation services was found.

3000-400 - \$40,283 - The only parent or family events that can be supported and documented are the online monthly training programs that are offered on the district's Beyond the Bell webpage. No other information has been provided to support the need or use of these items for parent or family events. All items were purchased from Amazon in February and March. The listing also includes sports equipment that was purchased in June. These sports items have no direct connection to parent/family events or program services. A listing of parent events was requested, but not provided.

**Monitoring Findings – FY 2022 – 4421 - Questioned Cost \$405,447**

The grant recipient did not maintain adequate financial records in accordance with 2 CFR 200.302(b)(3): "Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation." During the review, it was found that several expenditures were not properly posted to the financial records and did not support the amount reported on the expenditure reports. The grant recipient must maintain adequate financial records capable of adequately identifying the source and application of grant funds in accordance with 2 CFR 200.302(b)(3).

Salaries, wages, and/or benefits paid from grant funds were not approved and/or accurate. It was found that payments made to staff for future services were posted to the grant expenditure accounts and claimed for reimbursement. All wages claimed must be for services provided as of the date paid. Per the time and effort documents for these future services, many of the services were not related to the grant program intent. Stipends paid to staff for services related to other grants were posted to the 21st Century grant general ledger account and claimed. The full-time salary for one district staff member, who provided a variety of district services, was also included in the general ledger postings. The district was unable to provide time and effort documentation to support that the services provided were related to 21st Century grant services. The wages, stipends, salaries, and related benefits for the future services and other services not related to the grant are not allowable. The grant recipient must develop and implement procedures to ensure that all salaries, wages, and/or benefits paid from grant funds are approved and/or accurate.

Expenditures paid from the grant were not allowable and/or did not support the program intent. Expenditures for supplies that were not related to the grant or were not approved in the grant budget were posted to the general ledger and presented to support the amounts claimed. These expenditures included items for the district regular education classrooms, software, eighth grade trip, band, clothing, food, and district sports. A reimbursement for evaluation services was requested on the expenditure report, but no payments for this service were provided. Per 2 CFR 200.403, expenditures must be necessary and reasonable for the performance of the grant and be adequately documented, and the costs must be incurred during the approved budget period. The grant recipient must develop and implement procedures to ensure that all grant expenditures are allowable and support the program intent.

The grant recipient did not submit accurate periodic expenditure reports. During testing, it was noted that an expenditure report was submitted as of April 26, 2022, for the full amount of the approved budgeted amount, not based on actual costs. Per the 2020 Fiscal Policies and Procedures Handbook, all expenditure reports must be submitted on a cumulative (i.e., year-to-date), cash basis accounting method (i.e., expenses are recognized when they are paid). The expenditure report was not submitted on the cash basis for reimbursement and was not supported by the transactions posted to the general ledger. The grant recipient must submit accurate periodic expenditure reports.

### **Monitoring Notes – FY 2022 4620 - Questioned Cost \$81,480**

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1000-100 - \$30,095 - Wages were added to the budget amendment that was submitted November 30, 2021. Only the wages paid from that date forward may be claimed under the grant. The wages for the teacher that were posted to the general ledger account were limited to the wages from November 30, 2021 - June 30, 2022. Additional stipends were paid to five staff for adaptive PE services provided to six students per an email request from the superintendent in the file on March 11, 2022. The budget was approved for adaptive PE salary, not stipends. No time and effort documents were found in the file to support the stipends or the basis for paying \$1,000 per student to teaching staff and \$500 per student to a principal.

1000-400 - 51,385 - The transactions posted the general ledger account for supplies included an Apex credit recovery software subscription, books ordered for Title I services, five-year subscription for Reading Wonders, and books. There were several orders from Amazon that were placed for “Beyond the Bell”, regular classroom teachers, the IT director, and maintenance staff with no support that the items were directly related to special ed classroom services. Only the furniture items purchased from Quill and placed in the special ed classrooms were found to support the grant intent.

### **Monitoring Findings – FY 2022 4620 - Questioned Cost \$81,480**

The grant recipient did not maintain adequate financial records in accordance with 2 CFR 200.302(b)(3): "Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation." During the review, it was found that expenditures were not properly posted to separate accounts in the financial records and did not support the amount reported on the expenditure reports. This is a repeated finding from FY 2021 monitoring review. The grant recipient must maintain adequate financial records capable of adequately identifying the source and application of grant funds in accordance with 2 CFR 200.302(b)(3).

Salaries, wages, and/or benefits paid from grant funds were not approved and/or accurate. The wages for adaptive PE and paraprofessional staff services were not added to the grant budget until November 30, 2021. Wages had not been included in the budget prior to November 30, 2021. Grantees that submit a state or federal budget amendment between the project begin and end dates are not allowed to begin an activity or obligate or expend funds prior to the date of receipt by ISBE (provided that the scope or intent of the approved project has not changed). If the scope or intent of a project significantly changes through an amendment, ISBE programmatic approval should be obtained prior to the obligation of funds for the new activities. The wages that were paid and posted to the general ledger for a special ed teacher prior to November 30, 2021, are not allowable. The general ledger also included stipends that were paid to staff, including a principal, per an email directive from the superintendent for payment, with no other time and effort documents to support the services provided. These stipends are not allowable without proper supporting documentation of services provided that are in addition to the salaried services that should already be provided to students. This is a repeated finding from the FY 2021 monitoring review. The grant recipient must develop and implement procedures to ensure that all salaries, wages, and/or benefits paid from grant funds are approved and/or accurate.

Expenditures paid from the grant were not allowable and/or did not support the program intent. Transactions for the purchase of software subscriptions, including a five-year subscription, and supplies for the general student population were posted to the grant general ledger account and included in the claimed amounts. These items were either not allowable expenditures or not for special education program services. Per 2 CFR 200.403, expenditures must be necessary and reasonable for the performance of the grant and be adequately documented, and the costs must be incurred during the approved budget period. The grant recipient must develop and implement procedures to ensure that all grant expenditures are allowable and support the program intent.

**FY 2022 - Title I - Monitoring Notes - Questioned Cost \$203,397**

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The following questioned costs were found, based on the transactions posted to the Title I general ledger accounts and presented to support the use of grant funds. These amounts were not supported by grant-related services or supplies as presented in the general ledger report.

1000-300 - \$42,138 - There was a total of \$136,324 in transactions posted to the grant general ledger account. These transactions included contracts for grant management fees, research agreements, building maintenance supplies, and an online education conference that was offered to other school districts. These items are not instructional purchase services or allowable services under the grant. The general ledger transactions also included \$11,576 in professional development fees that should have been posted under 2210-300. These PD fees are allowable and could have been claimed under 2210-300. An additional \$17,109 of these transactions were found to be grant-related instructional purchase services. A total of \$70,573 was claimed on the expenditure report for reimbursement. This amount was not supported in full, with allowable expenditures resulting in a questioned cost of \$42,138.

1000-400 - \$111,377 - The budgeted amount of \$121,890 in supplies was claimed for reimbursement. The total transactions listed in the general ledger were only \$28,247. The transactions posted to the general ledger included items that were not related to instructional supplies. The transactions included a five-year subscription for assessment software, FY 2023 software license, a duplicate payment for math books, and the fee for a professional development speaker. The balance of allowable supplies listed was only \$10,513.

2210-300 - \$44,682 - The transaction listed in the general ledger included a payment to a research company for an FY 2022 project. This was not included in the budget or related to professional development services that were approved in the budget. Some of the PD transactions were posted in the general ledger under 1000-300 instructional purchase services and were accepted as claimed in that function.

3000-400 - \$5,200 - The only transaction posted to the general ledger was for a portion of the district's software subscription fee. There were no supplies related to parent engagement services that were budgeted.

**FY 2022 - Title I - Monitoring Findings - Questioned Cost \$203,397**

The grant recipient did not maintain adequate financial records in accordance with 2 CFR 200.302(b)(3): "Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation." During the review, it was found that several expenditures were not properly posted to the financial records and did not support the amount reported on the expenditure reports. This is a repeated finding from the FY 2019 and FY 2021 monitoring reviews. The grant recipient must maintain adequate financial records capable of adequately identifying the source and application of grant funds in accordance with 2 CFR 200.302(b)(3).

Expenditures paid from the grant were not allowable and/or did not support the program intent. Expenditures for purchased services and supplies that were posted to the general ledger and claimed on the expenditure report were not related to the grant intent. Expenditures noted include grant consulting

fees that were not approved in the budget; service agreements for custom research queue contracts, a portion of which was outside the grant period; online education conference offered to other districts; duplicate payment of an invoice; building maintenance supplies; future year software license fee; and district office software licenses. Most of the supplies and purchased services are not related to the core courses of math, reading, and language arts that are the focus of the Title I grant or were for services that were not between the grant start and end dates. Per 2 CFR 200.403, expenditures must be necessary and reasonable for the performance of the grant and be adequately documented, and the cost must be incurred during the approved budget period. The grant recipient must develop and implement procedures to ensure that all grant expenditures are allowable and support the program intent.



## **FY22 - Title II - Monitoring Notes - Questioned Cost \$4,452**

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2210-300 - \$4,452 - The total of the transactions posted to the general ledger was more than the budgeted amount that was claimed. These transactions included payment for the district human resources software subscription, online parent workshops, and the production of a movie. These items are not related to the approved professional development services. The full amount claimed was not supported.

## **FY 2022 - Title II - Monitoring Findings - Questioned Cost \$4,452**

The grant recipient did not maintain adequate financial records in accordance with 2 CFR 200.302(b)(3): "Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation." During the review, it was found that several expenditures were not properly posted to the financial records and did not support the amount reported on the expenditure reports. This is a repeated finding from the FY 2019 and FY 2021 monitoring reviews. The grant recipient must maintain adequate financial records capable of adequately identifying the source and application of grant funds in accordance with 2 CFR 200.302(b)(3).

Expenditures paid from the grant were not allowable and/or did not support the program intent. Expenditures that were not related to grant services were posted to the grant general ledger accounts and claimed on the expenditure reports. This included transactions for the district human resources software subscription, online parent workshops, and the production of a movie. These transactions are not related to the approved professional development services as approved in the grant budget. Per 2 CFR 200.403, expenditures must be necessary and reasonable for the performance of the grant and be adequately documented, and the cost must be incurred during the approved budget period. The grant recipient must develop and implement procedures to ensure that all grant expenditures are allowable and support the program intent.

## Procurement Policy

The grant recipient appeared to circumvent established internal controls, policies, and procedures for the procurement of goods and services. It was found that not all contracts over \$25,000 were presented to the board for approval as required in the board procurement policy. It was also found that quotes may not have been obtained or kept on file from more than one vendor for orders costing over \$10,000. One of the tested contracts over \$25,000 had bid opening on June 11<sup>th</sup>, 2021, with the contract signed on June 14<sup>th</sup>, 2021, for approval and paid on June 15<sup>th</sup>, 2021, for the full amount of the bid. The invoice had terms of net 30 with no request for a deposit or payment in full before services were provided. The invoice presented for payment did not specify the services and or product to be received or a timeline for providing services. Only one bid was on file and no bid opening notes were provided for review. There was also no bid specification on file for the project. The bid was not presented to the board for approval per the board minutes. It appears this happened with multiple contracts over \$25,000. When conducting procurements for goods and services, the grant recipient must adhere to established internal controls, policies, and procedures.

## Equipment Policy

The grant recipient did not maintain property records that adequately documented entity equipment in accordance with 2 CFR 200.313(d)(1). The inventory listings of capital equipment items purchased with grant funds were not complete and did not include all of the following required information. Property records must be maintained and include a description of the property; a serial number or other identification number; the source of funding for the property (including the FAIN); who holds title; the acquisition date; cost of the property; percentage of federal participation in the project; costs for the federal award under which the property was acquired; the location; use and condition of the property; and any ultimate disposition data, including the date of disposal and sale price of the property. This is a repeated finding from the FY 2019 monitoring review. The grant recipient must maintain property records that adequately document entity equipment and contain, at a minimum, the elements required under 2 CFR 200.313(d)(1).

The grant recipient failed to perform a physical inventory of equipment, including a reconciliation to existing records, at least once every two years in accordance with 2 CFR 200.313(d)(2). There was no indication that a full physical inventory of the items purchased with grant funds has been completed. At a minimum, the grant recipient must conduct a physical inventory of equipment, including a reconciliation to existing records, at least once every two years in accordance with 2 CFR 200.313(d)(2).

All equipment purchases were not approved. It was found during the monitoring review of the grant expenditures that equipment items costing \$5,000 or more were encumbered and purchased using grant funds without prior approval in the grant budgets. Per 2 CFR 200.313(a) (2), property cannot be encumbered without approval of the federal awarding agency or pass-through entity. The grant recipient must obtain approval for equipment purchases.