

**New York State
Monitoring Plan and Protocols
For the State Fiscal Stabilization
Education and Other Government
Services Fund**



Summary

This is New York State's monitoring plan for recipients of the State Fiscal Stabilization Fund (SFSF) Education Fund and Other Government Services Fund of the American Recovery and Reinvestment Act (ARRA).

New York State received approximately \$2.5 billion in funding through the State Fiscal Stabilization Fund (SFSF) Education Stabilization Fund (ESF) and \$549 million through the SFSF Other Government Services (OGS) Fund. These funds were used primarily to restore funding for elementary and secondary education primary education formulas, restore funding for the State's community colleges, and provide funding for other essential State programs.

New York State is committed to ensuring that these funds will be spent efficiently and transparently, consistent with the goals of the American Recovery and Reinvestment Act (ARRA). The agencies responsible for administering and monitoring these funds have developed comprehensive monitoring systems and protocols consistent with the U.S. Department of Education's guidance and ARRA requirements. These agencies also possess robust internal control and existing financial monitoring systems that will be used to supplement the additional ARRA monitoring requirements.

Agency monitoring activities will assess compliance with appropriate laws, regulations, and the provisions of contracts or grant agreements. Monitoring will document the funding of jobs retained and created and the implementation of programs to advance reforms. The agencies' plans also include data collection, monitoring protocols, planned reporting, communication policies and procedures, data verification and quality assurance, desk review, on-site visits and audits.

Agencies responsible for monitoring have apprised sub-recipients of their responsibilities to ensure that these funds are used consistent with the purposes designated by the ARRA and State and Federal guidance. The State has taken measures to ensure those local educational agencies (LEAs) and the public Institutes of Higher Education (IHEs) that will receive a majority of these funds also have robust internal control systems. In addition, sub-recipients have been made aware that they may be audited by the State and/or Federal agencies. The State Education Department, for example, has identified school districts to conduct on-site reviews and will perform audits on selected school districts based on risk assessments.

The State Fiscal Stabilization Funds have been programmed for the Fiscal Year (FY), School Year (SY) and Academic Fiscal Year (AFY) 2009-10 and 2010-11. While the 2010-11 Executive Budget that was released in January 2010 allocates all remaining SFSF funds for the 2010-11 year, the final total allocation amounts may depend on the State Enacted Budget.

The attached State Monitoring Plan is made up of five components, including a plan developed by the State Education Department (NYSED), the agency responsible for administering a majority of the programs funded by SFSF. Three additional components have been developed by the New York State Division of the Budget, which has been charged with monitoring SFSF funds allocated to the State University of New York (SUNY) community colleges, the City University of New York (CUNY) community colleges and the Higher Education Services Corporation (HESC). The fifth component has been developed by the New York State Division of Housing and Community Renewal (DHCR). The following table shows the agencies administering programs that funds were used to support and the agencies responsible for monitoring.

| Education Stabilization Fund | | | |
|--|--|--|--|
| State Agency Responsible for Administration | State Agency Responsible for Monitoring | Programs Funded/Use of Funds | Total Amount Programmed (\$ in millions)* |
| State Education Department (NYSED) | State Education Department (NYSED) | Restoration of Funding for Elementary and Secondary Education to Local Education Agencies (LEAs) | \$2,341.11 |
| State University of New York (SUNY) | Division of the Budget (DOB) | Restoration of Public Institute of Higher Education (IHE) Funding | \$91.47 |
| City University of New York (CUNY) | Division of the Budget (DOB) | Restoration of Public Institute of Higher Education (IHE) Funding | \$35.98 |
| Total | | | \$2,468.56 |

| Other Government Services Fund | | | |
|---|--|--|--|
| State Agency Responsible for Administration | State Agency Responsible for Monitoring | Programs Funded/Use of Funds | Total Amount Programmed (\$ in millions)* |
| State Education Department (NYSED) | State Education Department (NYSED) | <ul style="list-style-type: none"> • Preschool Special Education \$326.32 • Teacher Centers \$35.00 • Educational TV and Radio \$11.17 • Roosevelt Academic Grant \$6.00 • Teacher Mentor-Intern Program \$4.00 • Math and Science High Schools \$2.76 • Syracuse Say Yes to Education Pilot \$0.70 | |
| Higher Education Services Corporation (HESC) | Division of the Budget (DOB) | Tuition Assistance Program (TAP) | \$103.76 |
| State University of New York (SUNY) | Division of the Budget (DOB) | Restoration of Public Institute of Higher Education (IHE) Funding | \$27.11 |
| City University of New York (CUNY) | Division of the Budget (DOB) | Restoration of Public Institute of Higher Education (IHE) Funding | \$10.53 |
| Department of Housing and Community Renewal (DHCR) | Department of Housing and Community Renewal (DHCR) | Foreclosure Prevention Program | \$21.88 |
| Total | | | \$549.24 |
| *These amounts were included in the 2010-11 Executive Budget and are subject to change pending enactment of the 2010-11 State Budget. | | | |

**New York State Education
Department Monitoring**

New York State Education Department Monitoring

Overview

The New York State Education Department (NYSED) is implementing a comprehensive monitoring plan for State Fiscal Stabilization Funds (SFSF) provided under the American Recovery and Reinvestment Act of 2009. Monitoring activities will assess compliance with appropriate laws, regulations, and the provisions of contracts or grant agreements. Further, monitoring will ensure that grantees and other recipients of SFSF funds have the internal controls necessary to prevent fraud, waste and abuse, identify potential or existing problem areas, and identify areas where additional technical assistance is warranted. Monitoring will document the funding of jobs retained and created and the implementation of programs to advance reforms. The plan includes data collection, monitoring protocols, planned reports, communicating policies and procedures, data verification and quality assurance, the use of other NYSED existing systems, a desk review process, audits, and plans for monitoring SFSF--Other Government Services grants.

Data Collection

The monitoring primarily consists of two parts. The first part concerns data collection. All school districts were required to make assurances that they would comply with all ARRA requirements as part of the application process. NYSED will ask selected school districts to provide in advance written supporting documentation including district records regarding Education Stabilization Fund (ESF) supported programs, ESF quarterly reports required by Section 1512 of the Recovery Act, schedule worksheets of ARRA expenditures, accounting records, vendor invoices and contracts, and a questionnaire that requests verifiable compliance with major program requirements. NYSED also requires each LEA Chief School Administrator to certify that funds will be used consistent with the approved budget and ARRA requirements. Included in this monitoring plan is a series of attachments that provide documentation of NYSEDs data collection efforts.

- Letter to school districts (Attachment 1a)
- Instructions for Completing the ARRA - State Fiscal Stabilization Funds Monitoring Building and District Worksheets (Attachment 1b)
- Schedule for ARRA - State Fiscal Stabilization Funds Allowable Activities Expenditures Building Worksheet (Attachment 1c)
- Schedule for ARRA - State Fiscal Stabilization Funds Allowable Activities Expenditures District Worksheet (Attachment 1d)
- Segregation of Funds Statement (Attachment 1e)
- Chief Administrator's Certification (Attachment 1f)

Monitoring Protocols and Planned Reports

The second part of the monitoring process will be a site visit to examine the implementation of the program. The visit will include interviews with school district staff and the review of relevant materials. Following the monitoring visit, NYSED staff will share with school districts the results of monitoring findings allowing 30 days for school districts to provide a response. School districts must respond to any required actions in the next quarterly reporting or application period. NYSED staff will incorporate district comments in a final report to be mailed to the school Superintendent and retained in NYSED's files. Attachment 2a is the on-site monitoring visit protocols for monitoring Education Stabilization Funds and Attachment 2b is the protocol for monitoring Other Government Services (OGS) Funds.

Policies and Procedures

The New York State Education Department has communicated policies and procedures to ARRA recipients of grants that flow through NYSED in a series of field memos, information posted at the Department's ARRA website (<http://usny.nysed.gov/arra>), webcasts and other on-line information sessions and trainings. Guidance was created on allowable expenditures consistent with federal and State law. Guidance on quarterly reporting required by Section 1512 of the American Reinvestment and Recovery Act was also provided to all sub-recipients.

NYSED officials shared updated guidance on ARRA requirements that included alerting school districts that they would need to report job estimates in guidance memos released on February 27, March 9, March 31, April 1, April 2, April 10, April 22, June 3, June 23, and June 29, 2009 and in a Web Cast on April 5, 2009. A NYSED official met with 630 school officials at the New York State Association of School Business Officials summer workshop on July 11, 2009 and shared the guidance that was available at that time.

NYSED has built a web-based data collection tool to collect information that was not available from other NYSED systems. This tool gathers information on jobs saved and created from the Stabilization Funds. The tool was expanded to collect data required for Recovery Act reporting and this aspect was put in production on September 21, 2009. NYSED requested reports from ARRA sub-recipients by October 1, 2009, a deadline which was extended to October 6, 2009. NYSED officials prepared step by step instructions for reporting and presented a webcast describing the reporting process on September 18, 2009. Online question and answer sessions were conducted from September 22 through September 25, 2009. NYSED staff were available by phone and email and fielded hundreds of questions during that time. NYSED staff continue to respond timely to questions from school districts. Approximately 3,500 persons accessed the September 2009 online sessions on meeting ARRA reporting requirements. The on-line tool was further refined for ARRA quarterly reporting for the quarter ending December 31, 2009 and revised OMB guidance issued on December 18, 2009 will be incorporated in the ARRA quarterly reporting for the period ending March 31, 2010. Department officials conducted on-line training sessions on ARRA funding and reporting on February 3 and 4, 2010, March 2, 2010 and March 10, 2010. The Department posted Education Stabilization Fund award amounts for each school district for full transparency:

https://stateaid.nysed.gov/budget/html_docs/dra_restoration.htm.

The following materials incorporated additional policies and procedures related to claiming funds, reporting on ARRA funds, application for ESF funds and the selection of districts NYSED will monitor for their use of ESF funds.

- Claiming funds (Attachment 3a)
- Instructions for applying for ESF Funds (Attachment 3b)
- Instructions for reporting on ESF Funds:
http://usny.nysed.gov/arra/quarterly_reporting/instructions.html

List of School Districts to Monitor the Use of ARRA ESF Funds, Schedule and Rationale

In addition to a review of all applications and other desk review activities described in greater detail in following sections and attachments, NYSED has selected an initial group of twelve school districts for on-site monitoring. Six of the twelve school districts were selected because they were statistical outliers in terms on the number of jobs to be created/saved, relative to the fund award size. New York City was chosen because it is the largest district in the State. NYSED also included one of the Big Four City School Districts - Syracuse City School District. Finally, an additional four school districts were chosen at random. Attachment 4 provides the list of districts subject to on-site monitoring.

Data Verification and Quality Assurance

In order to meet the Section 1512 requirements regarding recipient responsibilities to assure complete, accurate and time data submissions, SED has implemented an ARRA Reporting Data Quality Assurance Plan. This includes a risk strategy, quantitative analysis and triggers, on-site fiscal audits and single audits, guidance to sub-recipients and an approval process with detailed controls (Attachment 5).

Other NYSED Systems

The ARRA Reporting System collects data from other NYSED systems each of which have their own set of internal controls to ensure efficient and effective operation. These include:

- The NYSED SEDREF system which is an institutional database of basic information concerning the institutions that submit information to the New York State Education Department (<http://www.oms.nysed.gov/sedref/home.html>);
- The NYSED Grants Finance payment office with information on payment and accounting for ARRA grants, clarification concerning requests for funds, policies concerning interest earned on federal funds and ARRA requirements for Data Universal Number System numbers and registration with the Central Contractor Registration (<http://www.oms.nysed.gov/cafe>); and

- The NYSED system of delegated account system (SEDDAS) which allows superintendents or chief executives to delegate access to their employees for entering data on tools, such as the ARRA Reporting System on the NYSED business portal. (<http://www.emsc.nysed.gov/seddas/seddashome.html>).

Desk Review Process

For each ARRA grant administered by NYSED, sub-recipients must apply for the funds, detailing their proposed budget, receive NYSED approval for their application and report quarterly on the use of funds and other ARRA required reporting. NYSED staff review and approve each application and quarterly report. Staff protocols for approving ESF applications are provided in Attachment 6a. Staff protocols for approving ARRA quarterly reports are provided in Attachment 6b.

Audits

NYSED is conducting audits of school district use of Education Stabilization Funds, as well as other ARRA funded programs, IDEA funds and Title I funds. The Office of Audit Services (OAS), within NYSED, has conducted a risk assessment of all LEAs in order to identify entities for audit and to assist program offices in similarly identifying potential monitoring. The risk assessment identified 68 school districts with potentially higher risk in administering ARRA funds. For audit purposes OAS has reduced that number of districts by limiting the list to only those LEA's receiving in excess of \$1 million in ARRA.

The following materials provide a description of the audit process:

- ARRA Audit Initiative (Attachment 7a)

School districts and other ARRA grant recipients that receive in excess of \$500,000 in federal funds are subject to the federal Single Audit Act which requires that pass-through entities must monitor sub-recipients' use of federal funds through site visits, limited scope audits and other means. In addition, the recipient must engage the services of an independent auditor to review the recipient's operation and expenditures of federal funds and prepare a report.

(<http://www.oms.nysed.gov/cafe/guidance/presentation.pdf>).

Plans for Monitoring Other Government Services Grants

NYSED will adapt these monitoring tools and protocols that are used for school districts receiving the Education Stabilization Funds (ESF) for programs that were funded through the Other Government Services Fund (OGS). The next page provides a detailed table describing the monitoring plans for programs funded with OGS funds.

**Summary of NYSED Monitoring Plans for State Fiscal Stabilization Funds
Other Government Services**

| ARRA Program | Application on file? | Brief Description of Monitoring Plan | Proposed Monitoring Dates | NYSED Office | Number of Entities to be Visited |
|-------------------------------|---|---|--|---|---|
| Teacher Centers | Yes | Desk review and on-site monitoring | April – June 2010 | Instructional Support & Development | 15 |
| Math and Science High Schools | Yes | Desk review and on-site monitoring | April-June 2010 | Instructional Support & Development | 3 |
| Roosevelt Academic Grant | Yes | Desk review and on-site monitoring | By May 2010 | School Operations & Management Services | 1 |
| Teacher-Mentor Intern Program | Yes | Desk review and on-site monitoring | End of April | Higher Education | 6 |
| Syracuse Say Yes to Education | Yes | Desk review and on-site monitoring | May | Instructional Support & Development | 1 |
| Public TV & Radio | Yes | Desk review and on-site monitoring | March (2 stations with 50% of funds); Spring for rest. | Cultural Education | 16 |
| Preschool Special Education | Will be implemented, funds have not been disbursed yet. | Desk review and on-site monitoring | By June 2010 | Vocational & Educational Services for Individuals with Disabilities | 9 |

List of Attachments for NYSED Monitoring Plan

Data Collection:

Attachment 1a (Letter to School Districts)

Attachment 1b (Instructions for Completing the ARRA - State Fiscal Stabilization Funds Monitoring Building and District Worksheets)

Attachment 1c (Schedule for ARRA - State Fiscal Stabilization Funds Allowable Activities Expenditures Building Worksheet)

Attachment 1d (Schedule for ARRA - State Fiscal Stabilization Funds Allowable Activities Expenditures District Worksheet)

Attachment 1e (Segregation of Funds Statement)

Attachment 1f (Chief Administrator's Certification)

Monitoring Protocols:

Attachment 2a (On-site monitoring visit protocol for Education Stabilization Funds)

Attachment 2b (On-site monitoring visit protocol for Other Government Services Funds)

Policies and Procedures:

Attachment 3a (Instructions to claim funds)

Attachment 3b (Application guidance)

Monitoring Schedule:

Attachment 4 (on-site monitoring visit schedule for Education Stabilization Funds)

Data Verification and Quality Assurance:

Attachment 5 (NYSED Quality Assurance Plan)

Desk Review Process:

Attachment 6a (NYSED protocol for reviewing and approving applications)

Attachment 6b (NYSED protocol for approving quarterly reports)

Audits:

Attachment 7a (ARRA Audit Initiative)



Attachment 1a -- Letter to school districts

THE STATE EDUCATION DEPARTMENT/THE UNIVERSITY OF THE STATE OF NEW YORK/ ALBANY, NY 12234

To: Superintendents of School Districts

From: Charles Szuberla, Jr.

Date: March 3, 2010

Subject: Monitoring for State Fiscal Stabilization Funds – Education

The New York State Education Department's Office of Educational Management Services is implementing monitoring procedures for State Fiscal Stabilization Funds for Education provided under the American Recovery and Reinvestment Act of 2009. The monitoring activities will assess compliance with appropriate laws, regulations, and the provisions of contracts or grant agreements. Monitoring will document the funding of jobs retained and created and the implementation of programs to advance educational reform.

The Department's monitoring plan calls for desk reviews of all school districts through the application and quarterly reporting of ARRA ESF funds. The Department will conduct on-site monitoring visits of selected school districts. If you are not selected for an on-site visit at this time, these materials can serve to prepare you for a possible future monitoring visit or to help you prepare for a possible monitoring visit from the United States Department of Education or other Federal agency. The State Education Department will give school districts advance notice to prepare for any monitoring visit that is planned.

The monitoring consists of two parts. The first part is composed of written supporting documentation including: district records regarding ESF programs, schedule worksheets, and a questionnaire that requests verifiable compliance with major program requirements. The supporting documentation must be returned to SED by (3 weeks from date of letter) the deadline.

The second part of the monitoring process will be a site visit to examine the implementation of the program. The site visit will be scheduled following receipt of the supporting documentation. You will be contacted by the State Education Department staff to arrange the site visit. The visit will include interviews with district staff and the review of relevant materials. We do not anticipate that visits to individual school buildings will be necessary.

Following the monitoring visit, we will share with you the results of our findings allowing 30 days for you to provide a response. Any required actions must be responded to in the next quarterly reporting or application period.

If you have any questions or concerns, please contact the Office of Educational Management Services at (518) 474-6541.

Cc: Dr. John B. King
Dr. Deborah H. Cunningham



Attachment 1b -- Instructions for ARRA worksheets

INSTRUCTIONS FOR COMPLETING THE ARRA – EDUCATIONAL STABILIZATION FUNDS MONITORING BUILDING & DISTRICT WORKSHEETS

1. A separate “Building Worksheet” must be completed for each building. Districts should copy the “Building Worksheet Template” for each building in the district which was allocated ARRA funds. The building worksheet should be labeled with the name of that building.
2. For each allowable program implemented in a building, enter by account code (including function and object code) the actual expenditures for either Recurring or Non-recurring Programs.
3. The subtotals and grand totals of Actual Expenditures should calculate exactly.
4. A “District Summary” page is provided, to calculate totals by program area at the district level (A sample “District Summary” page is also provided for reference).
5. For districts that have more than one building, the formulas in the district summary page will need to be modified in order to include amounts for all buildings. Any district having trouble modifying the district summary page should contact the Office of Educational Management Services at 518-474-6541.
6. **IMPORTANT - CERTIFICATION PAGE – Each Superintendent or Chancellor must sign personally the Certification Statement found on the page labeled “Certification Statement”. That sheet must be submitted as a separate document at the same time as the district and building worksheets to the Office of Educational Management Services. The monitoring statement will not be considered completed until such page has been submitted. Mailed copies should be sent via certified mail to:**

**New York State Education Department
Office of Educational Management Services
ATTN: ARRA-ESF Monitoring Reporting
Room 876 EBA
89 Washington Avenue
Albany, New York 12234**

E-mails should be sent to:

EMSCMGTS@MAIL.NYSED.GOV

**Schedule for ARRA-Educational Stabilization Funds Allowable Activities Expenditures
Building Worksheet**

School District Name: _____

Building Name: _____

ARRA Educational Stabilization Funding Amount Expended in this Building: _____

| Account Code (Function & Object) | Retaining Existing & Creating New Teachers, Administrators and Staff | | Achieving Equity in the Distribution of Qualified Teachers | | Improving the Collection and Use of Data | | Supporting Struggling Schools | | Enhancing the Quality of Standards and Assessments | | Grand Total All Programs |
|-------------------------------------|--|---------------|--|---------------|--|---------------|-------------------------------|---------------|--|---------------|--------------------------|
| | Recurring | Non-recurring | Recurring | Non-recurring | Recurring | Non-recurring | Recurring | Non-recurring | Recurring | Non-recurring | |
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| Expected Expenditure Codes* for ARRA Programs | | | | | | |
|--|---|-----------------------------------|--------------|------------------------------|-------------|--|
| Allowable Programs | Expected Applicable Object Codes* for Program | Operating Expenditure Category | Object Code* | Capital Expenditure Category | Object Code | |
| Teachers/Admin/Staff | .10,11,.12,.13,.14.15, 16, | Instructional Salaries | .15 | Principal on Indebtedness | .6 | |
| Materials and Supplies | .4, .2, .6, .7, .8 | Non-Instructional Salaries | .16 | Interest on Indebtedness | .7 | |
| Improving Results for All Students | .2, .4, .45, .49, .6, .7 | Equipment or other Capital Outlay | .2 | | | |
| Professional Development | .16, .4, .49 | Contractual Expenditures | .4 | | | |
| Data Systems | .22, .45,.46 | BOCES Expenditures | .49 | | | |
| | | Employee Benefits | .8 | | | |

**Schedule for ARRA-Education Stabilization Funds Allowable Activities Expenditures
District Worksheet**

School District Name: _____
 Beds Code: _____
 Duns Number: _____
 ARRA Educational Stabilization Funding Amount: _____

| Account Code (Function & Object) | Retaining Existing & Creating New Teachers, Administrators and Staff | | Achieving Equity in the Distribution of Qualified Teachers | | Improving the Collection and Use Of Data | | Supporting Struggling Schools | | Enhancing the Quality of Standards and Assessments | | Grand Total All Programs |
|-------------------------------------|--|---------------|--|---------------|--|---------------|-------------------------------|---------------|--|---------------|--------------------------|
| | Recurring | Non-recurring | Recurring | Non-recurring | Recurring | Non-recurring | Recurring | Non-recurring | Recurring | Non-recurring | |
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Expected Expenditure Codes* for ARRA Programs

| Allowable Programs | Expected Applicable Object Codes* for Program | Operating Expenditure Category | Object Code* | Capital Expenditure Category | Object Code |
|------------------------------------|---|-----------------------------------|--------------|------------------------------|-------------|
| Teachers/Admin/Staff | .10,11,.12,.13,.14.15, 16, | Instructional Salaries | .15 | Principal on Indebtedness | .6 |
| Materials and Supplies | .4, .2, .6, .7, .8 | Non-Instructional Salaries | .16 | Interest on Indebtedness | .7 |
| Improving Results for All Students | .2, .4, .45, .49, .6, .7 | Equipment or other Capital Outlay | .2 | | |
| Professional Development | .16, .4, .49 | Contractual Expenditures | .4 | | |
| Data Systems | .22, .45,.46 | BOCES Expenditures | .49 | | |
| | | Employee Benefits | .8 | | |

Attachment 1e -- Segregation of Funds

Segregation of Funds

The State Comptroller has issued guidance directing school districts to adapt their current financial accounting system, if necessary, to be able to separately identify ARRA funds, similar to current federal funds accounting requirements. A new revenue account code has been created - A4285 - to report the ARRA revenues on the annual financial reporting document ST-3. ARRA funds received from the Education Stabilization Fund must be recorded in the General Fund as revenue account code A4285 for all ARRA spending provisions under the Education Stabilization Fund. For additional information relative to account codes for ARRA, please refer to <http://usny.nysed.gov/arra/>

Attachment 1f -- Chief Administrator's Certification

School Administrators are required to agree to the following:

Chief Administrator's Certification

I hereby certify that the Education Stabilization Funds allocated to the School District will be expended as indicated in the budget summary above and that these expenditures are in compliance with applicable Federal and State laws and regulations.

I hereby certify that this application has been made pursuant to Section 24 of Part A of Chapter 57 of the Laws of 2009 for Federal funds allocated to New York State pursuant to the American Recovery and Reinvestment Act of 2009. I also hereby certify that the above named school district will submit any and all reports prescribed by the NYS Education Department by any deadlines set in the future and understand that they will include, but may not be limited to an accounting of all funds received and a report on the dollar amount associated with jobs saved, jobs created, programs delivered, tax increase averted and construction completed.

The terms and conditions, assurances and certifications as outlined and located at <http://usny.nysed.gov/arra/> are intended to facilitate the release of newly awarded federal funds Part A as required under the American Recovery and Reinvestment Act (ARRA). By signing this certification you are ensuring required accountability and compliance with all applicable federal and State laws, regulations, and grants management requirements including ARRA Public Law 111-5, including reporting requirements outlined in Section 1512 of the Act. Additionally, in order for these federal funds to be expedited to your Local Education Agency (LEA) and in the absence of final regulatory and/or non-regulatory guidance from the United States Department of Education you are being requested, through signature of this certification, to affirm that you will administer these funds according to any requirements of the Education Stabilization Fund. Additionally, you certify that you will comply with any required assurances, certifications, recordkeeping and reporting requirements for funds received through the ARRA.

**State Fiscal Stabilization Fund - Education
Monitoring/Program Evaluation**

District: _____

Date: _____

ESF Grant Amount: _____

Reviewer: _____

DRA: _____

Name of district official(s) : _____

SDRAR: _____

| Compliance/Program monitoring theme or dimension to be captured | Interview Question: | Comments / Notes/ Evidence of Compliance |
|--|--|---|
| 1. District created/retained jobs | Has the job creation/retention that the district projected occurred? If not, why not? | |
| 2. District has documented saved/created jobs | Please provide documentation as to how the job estimates were calculated | |
| 3. Project activities and purchases are consistent with the approved application | Have the activities projected to be funded by ARRA actually occurred? If not, why not? | |
| 4. District has not used ESF funds to support non-allowable expenses | Were any non-allowable expenses funded with ESF? | |
| 5. ESF funds are segregated within the accounting system | Does the district system of accounts contain identifiers to associate/ identify funded activities w/ the ARRA? | |
| 6. Did the district use funds to avert a tax increase? | Did the district use ESF funds for educational purposes and not for direct tax-relief? | |

| Compliance/Program monitoring theme or dimension to be captured | Interview Question: | Comments / Notes/ Evidence of Compliance |
|--|--|---|
| 7. SED guidance and tools were effective. | Did you understand the guidance that SED promulgated? Do you understand what is expected of you in reporting on the ESF grant? Was the on-line tool easy to use and self-explanatory? | |
| 8. The goals of the program have been fulfilled. | What evidence would you point to, if any, to gauge whether the goals of the program are being or have been fulfilled? | |
| 9. The district has invested ESF funds in the four education reform areas: [list reform areas] | What specific projects or activities did your LEA support with ESF funds? | |
| 10. The district used ESF to the extent possible to support non-recurring expenditures. | Can you estimate what percentage of the ESF funds were applied to non-recurring expenditures, vs. those that will continue or recur? | |
| 11. The district has adequate internal controls to prohibit non-allowable uses of ESF. | What internal controls does your LEA have in place to ensure that ESF expenditures are allowable and to avoid fraud, waste and abuse? | |
| 12. The district was authorized and chose to use ESF for pre-award costs. | Did you use funds for pre-award costs during the approved period? | |
| 13. Cross-cutting requirements of ARRA are being complied with. | What steps if any are you taking to ensure ARRA requirements are met with regard to quarterly reporting to SED, 'Buy American' and compliance with Davis-Bacon (prevailing wage rates) with regard to infrastructure projects. | |

Attachment 2b -- Government Services Fund monitoring protocol

**GOVERNMENT SERVICES FUND MONITORING PROTOCOL
STATE FISCAL STABILIZATION FUND PROGRAM**

Recipient: _____ **Date(s) of Review:** _____

State: _____

I. Fiscal Oversight of SFSF Funds

ISSUE: Whether the entity has established appropriate policies and procedures for ensuring fiscal oversight of SFSF funds.

Guiding Questions

1. What internal controls does your entity have in place to ensure that SFSF expenditures are allowable? (See April 2009 SFSF Guidance at IV for information on allowable and prohibited uses of SFSF funds.)
2. What specific projects or activities did your entity support with SFSF funds?
3. How does your entity ensure that it complies with the requirements of the Cash Management Improvement Act (CMIA)?
4. Does your financial recordkeeping system properly account for the use of SFSF funds?
5. What guidance have you received from the State regarding the obligation and drawing down of SFSF funds?
6. Did you receive authorization to use SFSF funds for pre-award costs? Did you use funds for pre-award costs during the approved period?
7. What steps are you taking to ensure compliance with the cross-cutting ARRA requirements (e.g., Section 1512 reporting, Buy American, infrastructure certification)?

Evidence/Documentation

- a. Policies and procedures regarding obligations and expenditures.
- b. Financial management policies and procedures.
- c. Policies and procedures on compliance with CMIA requirements.
- d. Policies and procedures on compliance with cross-cutting ARRA requirements.

Attachment 3a -- Instructions to claim funds

Instructions to Claim Funds For 2009-10 ARRA -ESF Projects

Review the expenditures your district has made for the allowable costs of this project on a regular basis. To obtain reimbursement for the expenditures, complete Form FS-25, Request for funds, and submit it to the NYS Education Department, Grants Finance, Room 510W EB, 89 Washington Avenue, Albany, NY 12234.

There will be no automatic first payment issued upon Department approval of the Education Stabilization Fund application. Payment will not be made for anticipated expenditures. Therefore, you may enter zero on line 4 of the FS-25. (If line 4 is completed, the amount on that line will not be included in the payment calculation.)

FS-25 claims may be submitted as frequently as monthly but monthly claiming is not required.

Upon Department approval of an LEA's application for available supplemental funds, the total available for this project will be increased to reflect the sum of the funding from the original and supplemental allocations.

Up to 70% of the total available for this project will be payable prior to April 1, 2010.

Up to 90% of the total available for this project will be reimbursed through the FS-25 process. Information about additional requirements that must be met in order to obtain full reimbursement will be provided as reporting requirements are finalized.

The FS-25 form and other information about the grant payment process can be accessed from the Grants Finance web site at <http://www.oms.nysed.gov/cafe/>.

Additional Resources:

<http://usny.nysed.gov/arra/>

<http://www.recovery.ny.gov/>

<http://www.ed.gov/policy/gen/leg/recovery/guidance>

<http://www.nysed.gov>

Attachment 3b -- ESF Application guidance

Education Stabilization Fund, CFDA No. 84.394 Guidance Document February 2010

Instructions for Completion of Online Supplemental Application

- Step 1:** Access the Department's web portal <http://portal.nysed.gov> and log on using your SEDDAS account information
- Step 2:** Click on SEDREF Query, locate your district and review information currently on file to ensure all information is correct
- Step 3:** Return to <http://portal.nysed.gov> and click on American Recovery and Reinvestment Act (ARRA) under "My Applications"
- Step 4:** At bottom of screen, select period ending March 31, 2010
- Step 5:** Under "Select a Fund" click on ESF-Supplemental Application
- Step 6:** Complete online application

Screen 1 – District Information and Instructions

Data Entry or Chief Administrator Role

- District Name, Address, Contact, Telephone, E-Mail, BEDS Code and Project Code will have already been populated
- DUNS Code Number and date for Central Contractor Registration have been pre-populated from information provided on the original ESF Application. Review and update if applicable.
- Education Stabilization Fund Supplemental Amount will also be pre-populated
- Read Instructions

Screen 2 – Program Narrative and Budget Summary

Data Entry or Chief Administrator Role

- Complete Amended Original Allocation Narrative. Describe any changes to your original ESF application. This should reflect any program changes reported in the September 2009 and December 2009 Quarterly Reports and be consistent with the Amended Original Budget Summary below. If there are no changes, please state this in the narrative.
 - Due to the revised guidance issued by the U.S. Office of Management and Budget on December 18, 2009 each districts' estimated jobs created or retained must include only positions supported directly with ARRA funds.

- Complete Supplemental Allocation Program Narrative. Describe program(s) that will be supported with the supplemental ARRA funds specifically explaining how one of the reform areas is addressed. Provide as much detail as possible about the employment impacts from the supplemental funds being provided as well as any amount/activities included in the Budget Summary that relate to Purchased Services, Construction or Renovation, Equipment and Other expenses. FTEs should be consistent with the revised guidance issues by the U.S. Office of Management and Budget on December 18, 2009.
- Complete Budget Summary Sections
 - Original Allocation is pre-populated with data provided that was the basis of the original application's approval. It is view only
 - The Amended Original section will also be pre-populated with the original figures. If there are changes that have occurred since the approval of the original application on how the ARRA funds were used, please make these changes here. This includes modifying FTEs reported, if the new Federal guidance as described earlier causes these numbers to change.
 - For information on each data element refer to Attachment 2. Please note that numbers in () refer to the codes used in the Budget Summary section of an FS-20 form.
 - For information on how to calculate FTE for each category, please refer to Attachment 3.
 - Complete the Supplemental Allocation section including only those programs and elements funded directly with the supplemental allocation only.

**Screen 3 – Certification and Submission
Chief Administrator Role**

- Read Segregation of Funds to become familiar with new Revenue Account Code to be used for recording monies received from the Education Stabilization Fund. Please note that supplemental funds may be combined and recorded in the same account codes as the original allocation. These total amounts are what will be reported on in the March 31, 2010 report period.
- Review the Chief Administrator's Certification statement and assurances located at <http://usny.nysed.gov/arra/>
- Click Certify and Submit button*

*Please note that by certifying you have agreed to all of the terms, conditions, assurances and certifications as noted and will submit any reports prescribed by the Department and/or the Federal Government by any deadlines set in the future.

Recommended Uses of ARRA – Education Stabilization Funds

Allowable uses include but are not limited to:

- Retain existing teachers, administrators and support staff.
- Improving teacher effectiveness and the equitable distribution of highly qualified teachers by:
 - Establishing fair and reliable evaluation systems that provide feedback, help educators improve, and ensure that poor performers are dismissed;
 - Establishing a system for identifying and training highly effective teachers to serve as instructional leaders and modifying the school schedule to allow for collaboration among the instructional staff;
 - Implementing innovative strategies for identification of, advancement of, and compensation for highly effective teachers and leaders;
 - Training and dual certification for ELL or special education teachers; and
 - Identifying and using effective teachers as coaches and mentors.
- Establishing data systems and using data for improvement, including:
 - Strengthening the use of longitudinal data systems to drive effective decision-making and continuous improvement efforts; and
 - Developing and providing intensive professional development on use of data to improve instruction.
 - Implement online Individual Education Program (IEP) aligned to standards.
- Turning around the lowest-performing schools by:
 - Attracting teams of committed educators who are compensated for taking on new assignments and roles in a school in corrective action or restructuring;
 - Extending time for learning, including activities provided before school, after school, during the summer, or over an extended school year;
 - Providing intensive, year-long teacher training in reading that aggressively works on improving students' oral language skills and vocabulary or, in some other way, builds teachers' capacity to address academic achievement problems;
 - Strengthening and expanding early childhood education;
 - Providing intensive training to all teachers in new curriculum and the use of assessment data to improve instruction;
 - Using high-quality, on-line courses as supplemental learning materials to help secondary students meet core content requirements;
 - Closing and re-opening failing schools with new staff, new instructional programs, and additional learning time; and

- Providing summer programs so that students succeed in algebra and college preparatory classes.
- Improving results for all students:
 - Strengthen early learning;
 - Use technology to improve teaching and learning;
 - Create accelerated tracks to college such as early college programs; and
 - Invest in school modernization that advances energy efficiency, community and early childhood education.

Non-Allowable Uses include:

- Payment of maintenance costs;
 - Maintenance costs, as defined by the USED, are those costs associated with the regularly scheduled activities that are intended to prolong the useful life of facilities, systems, and equipment. For example, annual servicing of an HVAC system would be considered maintenance and not an allowable expenditure. However, replacing the HVAC system, considered to be capital construction, would be allowable.
 - Janitorial and cleaning positions or services are considered to be ongoing operational (not maintenance) costs that are allowable under the program. Similarly, IT support would be an operational expense and therefore allowable.
- Payment for stadiums or other facilities primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public;
- Purchase or upgrade of vehicles;
- Improvement of stand-alone facilities whose purpose is not the education of children, including central office administration or operations or logistical support facilities;
- Financial assistance for students to attend private elementary or secondary schools, unless the funds are used to provide special education and related services to students with disabilities, as authorized by the IDEA;
- School modernization, renovation, or repair that is inconsistent with State law;

Other Non-allowable uses include:

- Public relations, law services, or labor relations;
- Food Service swiper card system;
- Interscholastic sports programs;
- Extra-curricular activities of non-academic nature including faculty stipends for advisory duties associated with them;
- Building and grounds equipment; or cleaning supplies.

| Data Element | Definition |
|---|--|
| Jobs Retained | <p>An estimate of the number of jobs to be retained. This estimate shall include only existing filled positions that were retained to support or carry out Recovery Act projects or activities managed directly by the school district. The number shall be expressed as “full-time equivalent” (FTE), calculated as all hours worked divided by the total number of hours in a full-time schedule, as defined by the recipient. For instance, two full-time employees and one part-time employee working half days would be reported as 2.5 FTE in each. See Attachment 3 for a detailed description of the methodology.</p> <p>Associated costs for each of these elements may include salaries (15 and 16) and benefits (80).</p> <p>NEW: Only jobs that will be funded (or reimbursed) <u>directly</u> with Recovery Act funds are to be included in these estimates. Jobs funded partially with Recovery Act funds should only be counted based on the proportion funded with ARRA ESF funds.</p> |
| Teachers | |
| Administrators | |
| Support Staff | |
| | |
| Jobs Created | <p>An estimate of the number of jobs to be created. This estimate shall include only new positions created to support or carry out Recovery Act projects or activities managed directly by the school district. The number shall be expressed as “full-time equivalent” (FTE), calculated as above.</p> <p>Associated costs for each of these elements may include salaries (15 and 16) and benefits (80)</p> <p>NEW: Only jobs that will be funded (or reimbursed) <u>directly</u> with Recovery Act funds are to be included in these estimates. Jobs funded partially with Recovery Act funds should only be counted based on the proportion funded with ARRA ESF funds.</p> |
| Teachers | |
| Administrators | |
| Support Staff | |
| | |
| Purchased Services, Construction or Renovation, Equipment and Other | <p>An estimate of the number of <u>direct</u> jobs to be created as a result of purchasing services from private vendors (40) and BOCES (49).</p> <p>An estimate of the number of direct jobs to be created as a result of direct expenditures related to Construction and/or Renovation (30), Equipment (20) or any item categorized in “Other”. This estimate shall include any new positions (or additional hours for hourly employees) created or added to support or carry out Recovery Act projects or activities in agencies providing services to the LEA. The number shall be expressed as “full-time equivalent” (FTE), calculated as above. If number of FTEs is unknown at this time, please note that in the future LEAs will be required to report this information. All contracts should include requirements for contractors and/or vendors to provide this information.</p> <p>Associated costs for “Other” may include Supplies and Materials (45), Travel Expenses (46), or Indirect Services (90) and must be detailed in the Program Narrative.</p> |
| | |

ARRA Jobs Worksheet for 2009-10 ¹

STEP 1: Calculate Hours in a Full-Time Schedule

A. Start by determining the standard hours in a full-time work week schedule as illustrated below. This example uses **40** hours, but other standards are possible.

B. Multiply this amount by the number of weeks in the 2009-10 school year (July 1, 2009 - June 30, 2010) to determine the annual number of hours for full-time work:

40 Hours in full-time work week X 47 weeks per school year = 1,880 Total Annual Hours

STEP 2: Calculate the Full-Time Equivalent (FTE) Funded Directly by ARRA - ESF

A. Determine the number of hours worked in positions that will be funded directly by the Recovery Act within the 2009-10 school year. For example, a full-time employee working 40 hours per week during the entire year will work 1,880 hours.

B. Divide this number by the “Total Annual Hours in a Full-Time Schedule” number calculated in STEP 1. This calculation should be performed for each employee working under Recovery Act funding during the 2009-10 school year (add each together to calculate an FTE total):

1,880 Hours to be Worked and Funded by ARRA - ESF
1,880 Hours in a Full-Time Schedule

For this example, the FTE figure “1.0” should be entered in the “Total FTE” data field in the Application.

STEP 3: Calculate Full-Time Equivalent (FTE) for Less Than Full-Time or Full-Year Jobs

A. Determine the total number of hours worked in positions that will be funded directly by the Recovery Act within the 2009-10 school year. For example, a part-time employee working 20 hours per week during the entire year will work 940 hours. A full-time employee working for 26 weeks (less than the full year of 47 weeks) will work 1,040 hours. Use this methodology for jobs partially funded with ARRA ESF funds, also.

B. Divide these numbers by the “Total Annual Hours in a Full-Time Schedule” number calculated in STEP 1. This calculation should be performed for each employee working under Recovery Act funding during the 2009-10 school year (add each together to calculate an FTE total):

Part-time employee: **940** Hours to be Worked and Funded by ARRA - ESF
1,880 Hours in a Full-Time Schedule

For this example, the FTE figure “0.5” should be entered in the “Total FTE” data field in the Application.

Part-Year employee: **1,040** Hours to be Worked and Funded by ARRA - ESF
1,880 Hours in a Full-Time Schedule

For this example, the FTE figure “0.53” should be entered in the “Total FTE” data field in the Application.

¹ See: http://www.whitehouse.gov/omb/assets/memoranda_2010/m10-08.pdf for additional federal guidance on revised calculation of job estimates.

| List of School Districts to Monitor the Use of ARRA ESF Funds | | |
|--|------------------|----------------------------|
| School District | Region | Proposed Visit Date |
| Averill Park | Capital district | March 2010 |
| Schenectady | Capital district | March 2010 |
| Elmont | Long Island | March 2010 |
| North Babylon | Long Island | March 2010 |
| Broadalbin-Perth | Mohawk Valley | March 2010 |
| Richfield Springs | Mohawk Valley | March 2010 |
| Saratoga Springs | Capital district | April 2010 |
| New York City | New York City | April 2010 |
| Skaneateles | Syracuse Metro | April 2010 |
| Syracuse | Syracuse Metro | April 2010 |
| Holland Patent | Utica Metro | April 2010 |
| Byram Hills | Westchetser | April 2010 |

Attachment 5 -- NYSED Data quality assurance plan

NYSED Data Quality Assurance Plan For Reporting Required by the American Reinvestment and Recovery Act

In order to meet the Sec. 1512 (c) requirements regarding recipient responsibilities to assure complete, accurate and time data submissions, NYSED has implemented an ARRA Reporting Data Quality Assurance Plan. This includes a risk strategy, quantitative analysis and triggers, on-site fiscal audits and an SEA-level internal audit, guidance to sub-recipients and an approval process with detailed controls.

Risk Strategy

There is a risk-based element in how NYSED treats its ARRA reporting responsibilities. For example, prior to the first quarterly reporting submission, NYSED carefully securitized LEAs where there was a discrepancy between jobs reported and the LEAs initial application for funds. A further example of employing risk-based approaches to data quality review is illustrated by the following. Prior to the first quarterly reporting submission, NYSED found that one in eight LEAs that claimed job creation/retention had award amounts of several hundred thousand dollars, yet the LEA included no jobs data in their first quarterly submission. Going forward in the second and succeeding quarters, NYSED will continue to review such reports with scrutiny to ascertain the expected activities that were funded with ESF funds and the extent to which they are approvable.

Quantitative Analysis and Triggers

Data edit checks and quality review of a statistical nature were part of the first submission reporting phase and will continue to be in subsequent quarters. For example, we wished to examine whether *in aggregate* the jobs estimated by sub-recipient districts and the award amounts per job (a salary proxy) were reasonable, by comparing these results from the report relative to actual recent data; note that we found in both cases, the results were quite reasonable and did not vary greatly (i.e., less than 5%) from that which past data would have predicted and thus we would have expected.

On-Site Fiscal Audits

On-Site Fiscal audits are very much a part of the ARRA data quality process; we shall audit roughly thirty districts where historically we have found, based on past audits, compliance problems. In these audits the focus shall be on documenting that job creation and retention claimed had indeed occurred and whether expenditures were as planned/ budgeted. The Department has begun monitoring in the winter of 2010 a representative sample of districts through both field-based and desk audit processes in order to ascertain progress from both a compliance and a programmatic perspective. The intent is to answer both of the following

questions among others: ‘Did districts do as they said the Department approved?’ and ‘Has the job creation occurred as reported?’

School districts and other ARRA grant recipients that receive in excess of \$500,000 in federal funds are subject to the federal Single Audit Act which requires that pass-through entities must monitor sub-recipients' use of federal funds through site visits, limited scope audits and other means. In addition, the recipient must engage the services of an independent auditor to review the recipient's operation and expenditures of federal funds and prepare a report.

Guidance to Sub-recipients

NYSED officials shared updated guidance on ARRA requirements including alerting school districts that they would need to report job estimates in guidance memos released on February 27, March 9, March 31, April 1, April 2, April 10, April 22, June 3, June 23, and June 29, 2009. A NYSED official met with 630 school officials at the New York State Association of School Business Officials summer workshop on July 11, 2009 and shared the guidance that was available at that time. NYSED built a web-based data collection tool to collect information that was not available from other NYSED systems. This tool gathered information on jobs saved and created for the Education Stabilization Fund application. The tool was expanded to collect data required for Recovery Act reporting and this aspect was put in production on September 21, 2009. Reports were requested from ARRA sub-recipients by October 1, 2009, a deadline which was extended to October 6, 2009. NYSED officials prepared step by step instructions for reporting and presented a webcast describing the reporting process on September 18, 2009. Online question and answer sessions were conducted from September 22 through September 25, 2009. Staff were available by phone and email and fielded hundreds of questions daily. Approximately 3,500 persons accessed the online sessions. Furthermore, an inherent part of any data quality process which SED engaged in, is the communication between affected parties – in this case, program offices who had programmatic and reporting responsibilities for individual awards, such as Title 1 and special education – whereby NYSED laid these staff members’ respective roles and responsibilities in data review and approval.

Approval Process

A number of formal data quality approval processes are provided by the approval processes for the final quarterly report.

For example, an assurance is required before submission of the report from the recipient to NYSED by the chief administrator that certifies that: funds shall be expended as indicated; that the expenditures are in accordance with applicable State and federal laws; and that any and all reports required will be submitted.

An edit check that is provided by NYSED’s software is that only sub-recipients that are “known to” the grants management and central data repository systems (i.e., “SEDREF”) and thus are legitimate entities that may receive funding from NYSED are eligible to be approved for ARRA funds.

Individual project reviewers in NYSED examined the reporting information and reviewed the information therein, relating to the award amounts, the jobs created and estimated and the project narrative before approving.

Before submitting the final XML file for all sub-recipients, NYSED as a prime recipient applied the edit checks of the federal reporting checklist to ensure as complete and accurate a data submission as is possible. This included using the file verification process available at federalreporting.gov. An example of the edit checks that this process affords are: verification of the DUNS, CFDA and agency codes that are required for successful transmission of the electronic XML file.

NYSED in accordance with the guidance recommended by the consulting firm KPMG (in carrying out its ARRA and Recovery Act coordination responsibilities on behalf of the State's Governor) produced a data exception report which documents those instances or cases where the data submitted to the federal government in the XML file is incomplete or not totally accurate or timely. NYSED is careful in this report and in the overall XML report to mitigate any material omissions and substantial or significant reporting errors.

Attachment 6a -- Review protocol for ESF applications

Review Protocol for ESF Applications

- School district data reviewed to ensure DUNS number was included and that the CCR date was a valid date in the future. If it was not, schools were required to register and resubmit correct data.
- Program narrative was reviewed to determine if funds were being used in accordance with established Federal Guidelines.
- Budget Summary was reviewed to determine if funds and full time equivalents (FTEs) were reflective of what was described in the program narrative.
- If either the program narrative or the budget summary did not appear (or it was unclear to the reviewer or incomplete) to be in line with what was an approved use of funding or did not appear to appropriately reflect FTEs, the school district was sent an e-mail requesting additional information.
- If all appeared okay, application was approved
- If school district needed to amend application, application was un-submitted, school made amendments, re-submitted and then if okay, application was approved.
- A record of each application and any changes has been retained by the Office of Grants Management

Attachment 6b -- ARRA Reporting Approval Process

ARRA Accountability and Reporting Work Group Approval Process

1. All reviewing staff need a NYSED portal account. If you don't have one already, please contact Deborah Cunningham to request an account as an approver. If you're new, you'll get two emails, one with your user name and one with your password.
2. Log on to the portal at portal.nysed.gov and enter your username and a temporary password. Change your password as prompted.
3. Click on ARRA Reporting System under My Applications.
4. On the first screen select the fund you are going to approve.
5. On the second screen select the sub-recipient you are reviewing. These are listed alphabetically.
 - a. The submitted sub-recipients will be asterisked at the top of the list, approved sub-recipients at the bottom, and un-submitted sub-recipients are in the middle.
 - b. You will select recipients from the submitted, but not approved, list.
6. Navigate through the screens to view identifying information, job estimates, and/or infrastructure amounts if applicable and vendor information.
7. Conduct your program review of the data
 - a. Does the recipient have an approved application on file? If no, do not approve at this time. If yes, does the narrative quarterly report agree with the application with regard to job estimates, infrastructure expenditures, etc.?
 - b. Did the recipient provide a reasonable DUNS number and CCR valid date?
 - c. Has the recipient provided documentation for its job estimates? Note this will be required beginning with the second quarterly report, although sub-recipients MUST retain documentation for audit purposes for the first quarter and beyond.
 - d. Are job estimates reasonable?
 - e. Has the recipient addressed jobs created and saved in the narrative?
 - f. Has the recipient entered an amount for infrastructure (ESF and IDEA only)? If yes, was it in the application? Is it reasonable?
 - g. Has the recipient provided complete vendor information?
 - i. Name and zip or DUNS
 - ii. Sub-award number assigned by sub-recipient to vendor
 - iii. Amount (estimate of ARRA funds to be used to support the Contract from 7-1-09 to 6-30-10)

- h. Risk-based reviews: Does the reviewer review all reports with special attention to any high risk recipients and a random sample of others?
- i. Has the reviewer set in place a dunning process to contact all recipients for the correction of missing or incorrect information?
 - i. Educational Management Services will send an email on October 2, 2009 to all sub-recipients with outstanding reports due.
 - ii. Throughout the review process, you may be asked to contact your sub-recipients to make changes.
- j. If the data are reasonable and complete and an approved application is on file, you can approve by clicking on the Approve button at the bottom of the report.
- k. If you approve by accident and need to unapprove you must email Mary Gardy.
- l. If the recipient wants to change the data, or you require them to change the data, use the Unsubmit button next to the Approve button at the bottom of the report. (This will not wipe out the data, but will just change the status so recipients can enter or revise data.)

Attachment 7a -- ARRA audit initiative

ARRA Audit Initiative Office of Audit Services

The Office of Audit Services has conducted a risk assessment of all LEA's in order to identify entities for audit and to assist program offices in similarly identifying potential monitoring. The risk assessment identified 68 school districts with potentially higher risk in administering ARRA funds. For audit purposes OAS has reduced that number of districts by limiting the list to only those LEA's receiving in excess of \$1 million in ARRA.

The OAS has a target of auditing 30 of the 37 by June 30, 2011. To date six districts have been audited. Two final reports have been issued and four draft reports. One engagement letter announcing the next audit has been sent.

OAS has developed an audit plan which establishes four objectives;

- Verify the allowability and accuracy of amounts expended to date, or amounts reported for each expense code,
- Verify the appropriateness of any request for additional funding,
- Determine if the District has sufficient control systems in place to administer ARRA, and
- Assess compliance with pertinent federal requirements for the use of federal funds. (Includes cash management and positions funded).

As the funds flow through the course of the grant period the audits will examine increasing larger amounts of ARRA funds administered and will ultimately audit full year activities.

**Division of the Budget Monitoring
Of the State University of New York**

Division of the Budget

Monitoring of the State University of New York

Overview

The New York State Division of Budget (DOB) is implementing a monitoring plan in order to ensure that all State Fiscal Stabilization Funds (SFSF) provided by the American Recovery and Reinvestment Act of 2009 (ARRA) to the State University of New York (SUNY) are in compliance with appropriate laws, regulations, and any other applicable requirements. This plan will include data collection, monitoring protocols, planned reports, the communication of policies and procedures, and the verification of data provided through both desk review and standard informational review processes.

Data Collection

DOB's monitoring plan will include a data collection module. The Division will require information from both the Controller's office of the State University of New York and selected campuses in order to ensure that awards meet the ARRA compliance requirements established by the New York State Office of the Comptroller. This will include, but will not be limited to, awards, expenditures, and jobs created and/or retained.

Attachment A: Memo to SUNY's Controller Office

Monitoring Protocols

DOB's plan will include a series of monitoring checks relating to the reporting and use of funds provided under the SFSF for SUNY. This process will be comprised of two components, including:

- **Report review:** The report review process will be conducted, in the first instance, by the SUNY Controller's Office. These reviews will be done on a quarterly basis and reports will be maintained for audit purposes. As part of the Division's monitoring process, these reports will be requested and reviewed for accuracy as well as a tool to be utilized in conversations with specific campus personnel.
- **Site Visits:** The monitoring process will also include interviews with campus staff to ensure that SFSF funds were used for indicated and allowed purposes. Findings will be shared with both SUNY System Administration and the individual campus representatives, and they will have 30 days to respond. Required actions or information must have a response before the next quarterly reporting or application period.

Planned Reports

Attachment B provides an interview questionnaire for both the State Fiscal Stabilization Fund - Education and State Fiscal Stabilization Fund - Other Government Services Monitoring Program Evaluation. This will be utilized during monitoring visit interviews and will be the basis for official letters to both campus representatives and SUNY System Administration. Both parties will have 30 days to respond to the letter with written comments or explanations of actions (if any) undertaken to correct issues raised during the interview process. Such response will be incorporated by DOB staff into a final report to be shared with campus representatives and SUNY System Administration for record keeping purposes. Campuses and SUNY System Administration must respond to any required actions in the next quarterly reporting or application period.

Attachment B: Interview Questions

Policies and Procedures

New York State, through the Office of the State Comptroller (OSC), and Governor's Office, communicated policies and procedures to ARRA recipients of grants through a series of memorandums and accounting bulletins.

See <http://www.osc.state.ny.us/agencies/abulls/a602.htm>

In the case of funding received by SUNY from the Education Stabilization and Other Government Services funds, guidance was created on allowable expenditures consistent with federal and State law. Guidance on quarterly reporting required by Section 1512 of the American Recovery and Reinvestment Act was provided to SUNY by NYSED, the agency responsible for coordinating submission of New York State's quarterly Section 1512 reports for the State Fiscal Stabilization Funds. Utilizing the NYSED built web-based data collection tool, the State University was directed to submit information on jobs saved and created with SFSF funds. The State University has and will continue to submit this information on a quarterly basis.

See http://usny.nysed.gov/arra/quarterly_reporting/instructions.html

List of Campuses to Monitor the Use of ARRA SFSF Funds, Schedule and Rationale

Five sites will be selected for site visits, including SUNY system administration. Two of the five campuses chosen for physical monitoring pursuant to SFSF were selected because they received the most funds from these separate sources of grants while an additional two campuses were chosen on a random draw basis. SUNY System Administration was chosen to ensure that central recordkeeping matched records kept on the campus level. It is expected that these campuses will be visited during the spring/summer of 2010.

An additional five campuses have been chosen at random for desk review of award methodology and accuracy of job creation/retention reporting.

Attachment C: List of Campuses to Monitor

Data Verification and Quality Assurance

In order to meet Section 1512 requirements regarding recipient responsibilities to assure complete, accurate and timely data submissions, DOB will utilize a three step plan.

Step One: Request and Review of System Administration Data

The Division will request from the SUNY Controller's Office data on the amounts and recipients of grants through SFSF, as well as the process of calculating such grant amounts. This information will be compared to centrally provided requirements and guidelines to insure that information provided on a quarterly basis matches internal documents.

Step Two: Request and Review of Campus Level Data

The Division will request specific data on the number of jobs created and/or retained from individual campuses, as well as any information in relation to other uses of SFSF funds. This data will then be compared to centrally provided information made available through the NYSED web portal for completeness and accuracy.

Step Three: Document Review

The Division will contact and make physical visits to a discrete number of campuses and SUNY System Administration in order to verify official documents retained in reference to reported expenditures. This may include but not be limited to; notification of awards, official memorandums, financial records and official communications.

Systems Used

The Division will utilize the NYSED web based data collection tool for data reporting, and SUNY/OSC/campus level accounting systems for purposes of tracking funds.

Audit/Review

SFSF funds were allocated to individual campuses on the basis of full-time equivalent (FTE) students attending those institutions. DOB staff will verify the process for the awarding of these amounts as well as the methodology for collection of FTE data.

ARRA grant recipients that receive in excess of \$500,000 in federal funds are subject to the federal Single Audit Act which requires that pass-through entities monitor sub-recipient's use of federal funds through various means. In addition, the recipient must engage the services of an independent auditor to review the recipient's operating and expenditures of federal funds and prepare a report. The State University of New York has engaged the services of an independent auditor, and has a completed and reviewed audit plan in place.

Attachment A -- Memo to SUNY Controller's Office



David A. Paterson
Governor

STATE OF NEW YORK
EXECUTIVE DEPARTMENT
DIVISION OF THE BUDGET
STATE CAPITOL
ALBANY, NEW YORK 12224

Robert L. Megna
Director of the Budget

MEMORANDUM

TO: Jeff McGrath, March 10, 2010
Officer-In-Charge, University Controller's Office

FROM: Daniel B. Sheppard
Chief Budget Examiner

SUBJECT: Data Collection Related to State Fiscal Stabilization Funds Received
under the American Recovery and Reinvestment Act of 2009

The State University of New York (SUNY) received an allotment from both the State Fiscal Stabilization - Education (CFDA # 84.394) and State Fiscal Stabilization - Other Government Services (CFDA #84.397) for a portion of State supported Base Operating Aid in community college academic year 2009-10. In accordance with United States Department of Education (USDOE) monitoring requirements, the Division of Budget (DOB) will be acting in a monitoring capacity for SUNY's use of SFSF funds.

To this end, the Division is requesting the following information from your office by April 15, 2010 in order to comply with the State's monitoring responsibilities:

- Award amounts, by fund and campus and an explanation of the methodology utilized to allot such amounts.
- Use of funds received from SFSF, by campus and fund.
- Job-related information, by campus and fund (i.e. new jobs created or existing jobs retained through the use of SFSF funds).

As part of its required monitoring responsibilities DOB will be conducting site visits to several SUNY community college campuses. We will be contacting your office this spring to coordinate these visits.

Please feel free to contact me (518-474-6332) if you have any questions. Thank you for your attention to this important matter.

Attachment B -- SFSF Interview Questions (SUNY, CUNY and HESC)

**State Fiscal Stabilization Fund - Education and Other Government Services for SUNY, CUNY and HESC
Monitoring/Program Evaluation**

District: _____

Date: _____

Grant Amount: _____

Reviewer: _____

Name of official(s): _____

| Compliance/Program monitoring theme or dimension to be captured | Interview Question: | Comments / Notes/ Evidence of Compliance |
|--|--|---|
| 1. Recipient created/retained jobs/other effects of SFSF funds. | Has the job creation/retention or other effects that the recipient projected occurred? If not, why? | |
| 2. Documentation of saved/created jobs or other effects. | Please provide documentation as to how jobs or other effect estimates were calculated. | |
| 3. Application consistent with project activities and purchases. | Have the activities projected to be funded by ARRA actually occurred? If not, why? | |
| 4. Total SFSF awarded | How much has your institution been awarded in government services SFSF funding. | |
| 5. Non-allocable uses of SFSF support. | Were any non-allowable expenses funded with SFSF? If so, please explain. | |
| 6. System segregation of SFSF funds. | Does the recipient's system of accounts contain identifiers to associate/identify funded activities to ARRA? | |

| Compliance/Program monitoring theme or dimension to be captured | Interview Question: | Comments / Notes/ Evidence of Compliance |
|---|---|---|
| 7. Effectiveness of guidance and tools. | Did you understand the guidance that promulgated such that you knew what was expected of you in reporting on the SFSF grant? Was the on-line tool easy to use and self explanatory? | |
| 8. Program goals reached or fulfilled. | What evidence would you point to, if any, to gauge whether the goals of the program are being or have been fulfilled? | |
| 9. Activities supported with SFSF funds. | What activities or programs did your institution support with SFSF funds? | |
| 10. Support of recurring and non-recurring expenditures. | Can you estimate what percentage of the SFSF funds were applied to non-recurring expenditures vs. those that will recur? | |
| 11. Internal control of the recipient and prohibited use of SFSF funds. | What internal controls does your institution have in place to ensure that SFSF expenditures are allowable and effectively prevent waste, abuse, or fraud? | |
| 12. Requirements of ARRA are being complied with. | What steps if any are you taking to ensure ARRA requirements are met with regard to quarterly reporting? | |
| 13. SFSF cash flow. | Have you had any problems/disruptions in the timely disbursement of SFSF funds? If so, why? | |

| <u>Compliance/Program monitoring theme or dimension to be captured</u> | Interview Question: | Comments / Notes/ Evidence of Compliance |
|---|---|---|
| 14. Funding effectiveness. | Is there a more effective way within the scope of ARRA requirements to program the use of SFSF funds for your institution? | |
| 15. Cross-cutting compliance. | If applicable, what steps is your institution taking to ensure compliance with cross-cutting ARRA requirements (e.g., Section 1512 reporting, Buy American etc.)? | |
| 16. Suggestions. | Do you have any suggestions on how to improve the effectiveness of internal controls and data collection as it pertains to SFSF funds? | |

Attachment C -- List of colleges to monitor

| List of SUNY Community Colleges to Monitor | | | |
|---|----------------------------|------------------|----------------------------|
| | | | |
| Site Visits | | | |
| | | | |
| ARRA Funds Received | College/Campus | Region | Proposed Visit Data |
| Education Stabilization | Nassau | Long Island | TBD |
| Other Government Services | Erie | Niagara Frontier | TBD |
| Education Stabilization | Finger Lakes | Finger Lakes | TBD |
| Other Government Services | Dutchess | Hudson Valley | TBD |
| N/A | SUNY System Administration | Capital District | TBD |
| | | | |
| | | | |
| Desk Review | | | |
| | | | |
| ARRA Funds Received | College/Campus | Region | Proposed Visit Data |
| Education Stabilization | Mohawk Valley | Adirondacks | N/A |
| Other Government Services | Genesee | Niagara Frontier | N/A |
| Education Stabilization | Niagara | Niagara Frontier | N/A |
| Other Government Services | Broome | Southern Tier | N/A |
| Education Stabilization | Ulster | Catskills | N/A |

**Division of the Budget Monitoring
Of the City University of New York**

Division of the Budget Monitoring of the City University of New York

Overview

The New York State Division of Budget (DOB) is implementing a monitoring plan in order to ensure that all State Fiscal Stabilization Funds (SFSF) provided by the American Recovery and Reinvestment Act of 2009 (ARRA) to the City University of New York (CUNY) are in compliance with appropriate laws, regulations, and any other such applicable requirements. This plan will include data collection, monitoring protocols, planned reports, the communication of policies and procedures, and the verification of data provided through both desk review and standard informational review processes.

Data Collection

DOB's monitoring plan for CUNY will include a data collection module. DOB will require information from CUNY Central Administration in order to ensure that awards meet the ARRA compliance requirements established by the New York State Office of the Comptroller (OSC). This includes, but is not limited to, award, expenditures, and jobs created and/or retained.

Attachment A: Memo to City University of New York Central Administration

Monitoring Protocols

DOB's monitoring plan will also have a series of monitoring checks related to reporting and use of funds provided under the SFSF. This process will be comprised of two components, as follows:

- **Report review:** The report review process will be conducted in the first instance by the CUNY Central Administration Budget Office/CUNY Controller's Office. These reviews will be done on a quarterly basis and reports will be maintained for audit purposes. As part of the Division's monitoring process, these reports will be requested and reviewed for accuracy and utilized in conversations with specific campus personnel.
- **Site Visits:** The monitoring process will include interviews with campus staff to ensure that SFSF funds are being used for indicated and allowable purposes. Visit results and findings will be shared with both CUNY Central Administration and the individual campus representatives. Required actions or information requests must be responded to within 30 days of notification and corrective actions taken before the next quarterly report or application period.

Planned Reports

An interview questionnaire has been developed for both the State Fiscal Stabilization Fund - Education and State Fiscal Stabilization Fund - Other Government Services Monitoring Program Evaluation, as suggested by the U.S. Department of Education (See attachment B in SUNY section). This will be utilized during monitoring visit interviews and will be the basis for official letters to both campus representatives and CUNY Central Administration. Both parties will have 30 days to respond to the letter with written comments or explanations of actions (if any) undertaken to correct issues raised following the interview process. Such response will be incorporated by DOB staff into a final report to be shared with campus representatives and CUNY Central Administration for record keeping purposes. Campuses and CUNY Central Administration must correct any required actions by the next quarterly reporting or application period.

Policies and Procedures

New York State, through the Office of the State Comptroller, CUNY and Governor's Office, have communicated policies and procedures to ARRA recipients of grants through a series of memorandums, information posted on public websites and accounting bulletins.

See <http://www.osc.state.ny.us/agencies/abulls/a602.htm>

In the case of funding received by the City University from the Education Stabilization and Other Government Services funds, guidance was created on allowable expenditures consistent with federal and State law. Guidance on quarterly reporting required by Section 1512 of the American Recovery and Reinvestment Act was provided to CUNY by NYSED, the agency responsible for coordinating submission of New York State's quarterly Section 1512 reports for the State Fiscal Stabilization Funds. Utilizing the NYSED built web-based data collection tool, the City University was directed to submit all information related to quarterly reports on jobs saved and money spent from SFSF Funds. CUNY will continue to submit this information to NYSED on a quarterly basis.

See http://usny.nysed.gov/arra/quarterly_reporting/instructions.html

List of Campuses to Monitor the Use of ARRA SFSF Funds, Schedule and Rationale

Three campuses have been chosen for physical monitoring, two were selected because they received the largest amount of SFSF funds and the third campus was selected at random. CUNY's Central Administration was also included in the selection to ensure that central recordkeeping matched records kept on the campus level. It is expected that these campuses will be visited during the summer of 2010.

Attachment B: List of Campuses to Monitor

Data Verification and Quality Assurance

In order to meet Section 1512 requirements regarding recipient responsibilities to ensure complete, accurate and timely data submissions, DOB will utilize a three step plan.

Step One: Request and Review of CUNY Central Administration Data

DOB will request from CUNY Central Administration data on the amounts and recipients of grants through SFSF, as well as the process of calculating such grant amounts. This information will be compared to centrally provided requirements and guidelines to ensure that information provided on a quarterly basis matches internal documents.

Step Two: Request and Review of Campus Level Data

The Division will request specific data on the number of jobs created and/or retained from individual campuses, as well as any information in relation to other uses of SFSF funds. This data will then be compared to centrally provided information made available through the NYSED web portal for completeness and accuracy.

Step Three: Document Review

The Division will contact and make physical visits to a select number of CUNY community college campuses and CUNY Central Administration in order to verify official documents retained in reference to reported expenditures. This may include but not be limited to; notification of awards, official memorandums, financial records and official communications.

Systems Used

The Division will utilize the NYSED web based data collection tool for data reporting, and CUNY/OSC/New York City Office of Management and Budget/campus level accounting systems for purposes of tracking funds.

Audit/Review

SFSF funds were allocated to individual campuses on the basis of full-time equivalent (FTE) students attending those institutions. DOB staff will verify the process for the awarding of these amounts as well as the methodology for collection of FTE data.

ARRA grant recipients that receive in excess of \$500,000 in federal funds are subject to the federal Single Audit Act which requires that pass-through entities must monitor sub-recipient's use of federal funds through various means. Furthermore, the recipient must engage the services of an independent auditor to review the recipient's operating and expenditures of federal funds and prepare a report.

Attachment A-- Memo to CUNY's Budget Office



David A. Paterson
Governor

STATE OF NEW YORK
EXECUTIVE DEPARTMENT
DIVISION OF THE BUDGET
STATE CAPITOL
ALBANY, NEW YORK 12224

Robert L. Megna
Director of the Budget

MEMORANDUM

TO: Cathy Abata, March 10, 2010
Acting Deputy Budget Director

FROM: Daniel B. Sheppard
Chief Budget Examiner

SUBJECT: Data Collection Related to State Fiscal Stabilization Funds Received
under the American Recovery and Reinvestment Act of 2009

The City University of New York (CUNY) received an allotment from both the State Fiscal Stabilization - Education (CFDA # 84.394) and State Fiscal Stabilization - Other Government Services (CFDA #84.397) for a portion of State supported Base Operating Aid in community college academic year 2009-10. In accordance with United States Department of Education (USDOE) monitoring requirements, the Division of Budget (DOB) will be acting in a monitoring capacity for CUNY's use of SFSF funds.

To this end, the Division is requesting the following information from your offices by April 15, 2010 in order to comply with the State's monitoring responsibilities:

- Award amounts, by fund and campus and an explanation of the methodology utilized to allot such amounts.
- Use of funds received from SFSF, by campus and fund.
- Job-related information, by campus and fund (i.e. new jobs created or existing jobs retained through the use of SFSF funds).

As part of its required monitoring responsibilities DOB will be conducting site visits to several CUNY community college campuses. We will be contacting your office this spring to coordinate these visits.

Please feel free to contact me (518-474-6332) if you have any questions. Thank you for your attention to this important matter.

Attachment B -- List of colleges to monitor

| List of CUNY Community Colleges to Monitor | | | |
|---|-----------------------------|---------------|----------------------------|
| ARRA Funds Received | College/Campus | Region | Proposed Visit Data |
| Education Stabilization and Other Government Services | Borough of Manhattan | New York City | TBD |
| Education Stabilization and Other Government Services | LaGuardia | New York City | TBD |
| Education Stabilization and Other Government Services | Queensborough | New York City | TBD |
| N/A | CUNY Central Administration | New York City | TBD |

**Division of the Budget Monitoring
Of the Higher Education Services Corporation**

Division of the Budget Monitoring of the Higher Education Services Corporation

Overview

The New York State Division of Budget (DOB) is implementing a monitoring plan in order to ensure that all State Fiscal Stabilization Funds (SFSF) provided by the American Recovery and Reinvestment Act of 2009 (ARRA) to the Higher Education Services Corporation (HESC) from the Other Government Services Fund (OGS) for Tuition Assistance Program (TAP) awards are in compliance with appropriate laws, regulations, and any other applicable requirements. DOB's monitoring plan will include data collection, monitoring protocols, planned reports, the communication of policies and procedures, and the verification of data provided through both desk review and standard informational review processes.

TAP, the largest need-based grant program in the country, provides up to \$5,000 in tuition grant assistance to eligible undergraduate and graduate students. Strict requirements such as those that relate to residency, income, academic progress and other eligibility requirements (statutory and regulatory) must be met by the awardees (See attachment A). Additionally, New York State colleges and universities must certify a student's continued eligibility by reporting to HESC information on an approved student's fulfillment of eligibility criteria in the prior term. Institutions are also responsible for reporting students that have failed to satisfy eligibility criteria by decertifying students on payment rosters.

Attachment A: TAP Eligibility Requirements

Data Collection

DOB's monitoring plan for HESC will include a data collection module. The Division will require information from HESC in order to ensure that awards meet the ARRA compliance requirements established by the New York State Office of the Comptroller. This will include, but will not be limited to; award, expenditures, and proper identification of all ARRA related transactions.

Attachment B: Memo to HESC

Attachment C: Memo to TAP Eligible Institutions of Higher Education

Monitoring Protocols

DOB's plan will also have a series of monitoring checks relating to reporting and use of funds provided under the SFSF. This process will be comprised of two components, as follows:

- Report review: The report review process will be conducted with HESC staff and will pertain to information used to generate TAP awards given to individual campuses on the basis of attending students. Requested information will include applications for TAP

awards, school rosters of TAP eligible students and award documents submitted to those institutions.

- Site Visits: The monitoring process will also include interviews with HESC staff to ensure that SFSF funds were used for indicated and allowed purposes. Findings will be shared with HESC and HESC will have 30 days to respond. Required actions or information must have a response before the next quarterly reporting or application period.

Planned Reports

An interview questionnaire has been developed for the State Fiscal Stabilization Fund - Other Government Services Monitoring Program Evaluation, as suggested by the U.S. Department of Education (See attachment B in SUNY section). This will be utilized during monitoring visit interviews and will be the basis for official letters to HESC. HESC administration will have 30 days to respond to the letter with written comments or explanations of actions (if any) undertaken to correct issues raised during the interview process. Such response will be incorporated by DOB staff into a final report to be shared with HESC administration for record keeping purposes. HESC administration must respond to any required actions by the next quarterly reporting or application period.

Policies and Procedures

New York State, through the Office of the State Comptroller (OSC) and Governor's Office, have communicated policies and procedures to ARRA recipients of grants through a series of memorandums, information posted on public websites and accounting bulletins.

See <http://www.osc.state.ny.us/agencies/abulls/a602.htm>

In the case of funding received by HESC from the Other Government Services funds, guidance was created on allowable expenditures consistent with federal and State law. Guidance on quarterly reporting required by Section 1512 of the American Recovery and Reinvestment Act was provided to HESC by NYSED, the agency responsible for coordinating submission of New York State's quarterly Section 1512 reports for the State Fiscal Stabilization Funds. Utilizing the NYSED built web-based data collection tool, HESC was directed to submit all information related to quarterly reports on jobs saved and money spent from SFSF funds. Given the specific use that SFSF funds were appropriated and allocated for within HESC, no jobs were expected to be created or saved and thus a null answer was submitted on quarterly reports.

See http://usny.nysed.gov/arra/quarterly_reporting/instructions.html

Plan to Monitor the Use of ARRA SFSF Funds, Schedule and Rationale

HESC serves as the entity responsible for collection and review of information provided by NYS colleges and universities as to a student's initial and continued eligibility to receive TAP awards. As such, interviews will be held with HESC staff responsible for the verification and subsequent action taken upon such information. A random selection of campuses receiving SFSF funds for TAP awards will be reviewed in order to verify that such transactions meet both State and federal requirements.

Data Verification and Quality Assurance

In order to meet Section 1512 requirements regarding recipient responsibilities to ensure complete, accurate and timely data submissions, DOB will utilize a three step plan.

Step One: Request and Review of System Administration Data

The Division will request from HESC data on the amounts and recipients of grants through SFSF, as well as the process of calculating such grant amounts. This information will be compared to centrally provided requirements and guidelines to ensure that information provided on a quarterly basis matches internal documents.

Step Two: Request and Review of Institution Level Data

The Division will request specific data on TAP eligible students from institutions receiving SFSF funded TAP awards for the time period indicated. These listings will be compared to the documentation received from HESC and vetted for accuracy and completeness.

Step Three: Document Review

The Division will visit HESC staff responsible for the calculation and allotment of TAP awards to institutions to verify that supporting documents provided by colleges and universities are in agreement with awards provided.

Systems Used

The Division will utilize the NYSED web based data collection tool for data reporting, and OSC/HESC administrative accounting systems for purposes of tracking funds.

Audit/Review

SFSF funds were allocated to individual campuses on the basis of TAP eligible students attending those institutions, with student tuition bills being reduced by the awarded amount. DOB staff will verify the process for the awarding of these amounts as well as the methodology for collecting eligible student data.

ARRA grant recipients that receive in excess of \$500,000 in federal funds are subject to the federal Single Audit Act which requires that pass-through entities must monitor sub-recipient's use of federal funds through various means. In addition, the recipient must engage the services of an independent auditor to review the recipient's operating and expenditures of federal funds and prepare a report.

Tuition Assistance Program Eligibility Criteria

To be eligible for an award the student must:

- be a U.S. citizens or eligible non-citizen;
- meet New York State residency requirements;
- enroll as a full-time student or meet requirements for part-time TAP;
- enroll in an approved program of study in a New York State postsecondary institution;
- be matriculated;
- be in good academic standing; have at least a cumulative "C" average after receipt of two annual payments
- not be in default on any student loan HESC guarantees;
- have a minimum tuition liability of at least \$200 per academic year (\$100 per semester, \$67 per trimester);
- never have received a TAP award for having attained a prior graduate degree at the same level as for the degree currently being sought (applies to graduate students only); and
- not exceed the income limitations established for the program.
- Students who first receive aid in:
 - **a.** academic year 1996-97 to academic year 2006-07 must have: a high school diploma, or the recognized equivalent of a high school diploma (e.g., GED), or a passing score as determined by the U.S. Secretary of Education on a federally approved ability-to-benefit test.
 - **b.** academic year 2006-07, and thereafter, must have a U.S. high school diploma, or the recognized equivalent, or a passing score on a federally approved ability-to-benefit test independently administered and evaluated as provided by the NYS Commissioner of Education.

Duration

Undergraduate students can receive payments for a total of four academic years (eight semesters). However, undergraduates enrolled in two-year programs cannot receive more than three years of payment.

Undergraduate students can receive payments for a fifth academic year if they are currently enrolled in an approved five-year baccalaureate program or an approved educational opportunity program. (Payments received through the Supplemental Tuition Assistance Program are not counted in determining the number of payments received for TAP.)

Graduate students can receive a total of four academic years of payment. However, a student who has received five years of TAP payment as an undergraduate can receive only three academic years of graduate level TAP payment. In total, a student can receive no more than eight academic years of TAP payment for undergraduate and graduate study.

HESC tracks the number of payments each student has received and will not approve further payment once the limits have been reached.

Attachment B -- Memo to HESC



David A. Paterson
Governor

STATE OF NEW YORK
EXECUTIVE DEPARTMENT
DIVISION OF THE BUDGET
STATE CAPITOL
ALBANY, NEW YORK 12224

Robert L. Megna
Director of the Budget

MEMORANDUM

TO: Elsa Magee, **March 10, 2010**
Executive Vice President and Acting President
of HESC

FROM: Daniel B. Sheppard
Chief Budget Examiner

SUBJECT: Data Collection Related to State Fiscal Stabilization Funds Received
under the American Recovery and Reinvestment Act of 2009

The Higher Education Services Corporation (HESC) received an allotment from the State Fiscal Stabilization - Other Government Services (CFDA #84.397) for a portion of Tuition Assistance Program (TAP) awards in academic year 2009-10. In accordance with United States Department of Education (USDOE) monitoring requirements, the Division of Budget (DOB) will be acting in a monitoring capacity for HESC's use of SFSE funds.

To this end, the Division is requesting the following information from your offices by April 15, 2010 in order to comply with the State's monitoring responsibilities:

- Award amounts, by campus, and an explanation of the methodology utilized to allot such amounts.
- Copies of documents upon which TAP awards were based.
- Communications with recipient institutions as to the TAP award being transmitted.

Please feel free to contact me (518-474-6332) if you have any questions. Thank you for your attention to this important matter.

Attachment C -- Memo to TAP Eligible Institutions



David A. Paterson
Governor

STATE OF NEW YORK
EXECUTIVE DEPARTMENT
DIVISION OF THE BUDGET
STATE CAPITOL
ALBANY, NEW YORK 12224

Robert L. Megna
Director of the Budget

MEMORANDUM

TO: [TAP Eligible Institutions of Higher Education] **March 10, 2010**

FROM: Daniel B. Sheppard
Chief Budget Examiner

SUBJECT: Data Collection Related to State Fiscal Stabilization Funds Received
under the American Recovery and Reinvestment Act of 2009

The Higher Education Services Corporation (HESC) received an allotment from the State Fiscal Stabilization - Other Government Services (CFDA #84.397) for a portion of Tuition Assistance Program (TAP) awards in academic year 2009-10. In accordance with United States Department of Education (USDOE) monitoring requirements, the Division of Budget (DOB) will be acting in a monitoring capacity for HESC's use of SFSSF funds.

To this end, the Division is requesting the following information from your offices by April 15, 2010 in order to comply with the State's monitoring responsibilities:

- A listing of TAP eligible students that were transmitted to HESC for awards to be received during academic year 2009-10.

Please feel free to contact me (518-474-6332) if you have any questions. Thank you for your attention to this important matter.

**Division of Housing and
Community Renewal
Monitoring**

Division of Housing and Community Renewal Monitoring

Overview

The Division of Housing and Community Renewal (DHCR) is implementing a comprehensive monitoring plan in order to ensure that all State Fiscal Stabilization Funds (SFSF) provided by the American Recovery and Reinvestment Act (ARRA) are in compliance with appropriate laws, regulations, and any other applicable requirements. This plan will include data collection, monitoring protocols, the communication of policies and procedures, and the verification of data provided through both desk review and standard informational review processes.

The 2009-10 State Budget programmed \$21.88 million in SFSF Other Government Services (OGS) funding for a foreclosure prevention program. The intended use of these funds is to make resources available to homeowners facing default or foreclosure. DHCR has recently released a Request for Proposals (RFPs) that will be awarded with these funds. Non-profit agencies are the only entities eligible to apply for funds that must be used primarily to provide counseling and legal services, education and outreach. The announcement of the first round of awards is anticipated in March 2010. All sub-recipients will be made aware that they are subject to Section 1512 reporting requirements.

Data Collection

DHCR will collect information relating to awards, expenditures, and jobs created and/or retained from the funding it awards. DHCR will require sub-recipients to complete an application for ARRA funds.

Monitoring Protocols

DHCR's plan includes a series of monitoring checks relating to the reporting and use of funds provided under the SFSF.

Job reporting and expenditures will be cross checked with the information provided in the funding request, requests for disbursements, and through regular program communication with recipients.

Site visits will begin after awards are made. An initial visit will be made to those sub-recipients where there is an indication that they have not serviced clients, where there is low or not reporting of clients served, or where expenditures exceed or are not consistent with their proposed application and RFP. The initial visit will be to assess the area of concern and a second visit will be scheduled to see if the issues have been rectified. If the issue is determined rectified after a follow-up (second) visit then no other visits will be scheduled until the next quarterly report is submitted. After the subsequent quarterly report is submitted the agency will determine if the initial issue has been rectified, or if the issue persists – and then we will begin another round of site visits and interviews.

Over the course of the program the agency will visit all recipients where concerns or reporting issues have been flagged at least twice. There will be an attempt to visit all funded agencies at least once, but due to the timing of the funding, the limited staff, and the statewide location of all agencies this will be a challenge.

Planned Reports

Attachment A provides an interview questionnaire for the Other Government Services Fund Monitoring. This will be utilized during monitoring visit interviews. Award recipients will have 30 days to respond to the letter with written comments or explanations of actions (if any) undertaken to correct issues raised during the interview process. DHCR will keep a record of these interviews and the sub-recipient responses.

DHCR will collect information from their sub-recipients on individuals served, location of clients, income levels of clients, mortgage information such as lender, servicer and will generate quarterly reports with this information. DHCR will also monitor sub-recipient spending and generate reports on a quarterly basis to ensure that funds spent are consistent with the application they have provided.

Attachment A: Interview Questions

Policies and Procedures

New York State, through the Office of the State Comptroller (OSC), and Governor's Office, communicated policies and procedures to ARRA recipients of grants through a series of memorandums and accounting bulletins.

See <http://www.osc.state.ny.us/agencies/abulls/a602.htm>

In the case of funding received by DHCR from the Other Government Services funds, guidance was created on allowable expenditures consistent with federal and State law. Guidance on quarterly reporting required by Section 1512 of the American Recovery and Reinvestment Act was provided to DHCR by NYSED, the agency responsible for coordinating submission of New York State's quarterly Section 1512 reports for the State Fiscal Stabilization Funds. Utilizing the NYSED built web-based data collection tool, DHCR was directed to submit information jobs saved and created with SFSF funds. DHCR will submit this information on a quarterly basis.

See http://usny.nysed.gov/arra/quarterly_reporting/instructions.html

Data Verification and Quality Assurance

DHCR processes payments for contractual obligations based on the payment procedures outlined in the Office of the State Comptroller's Accounting Procedures Manual. Unit staffs are intimately aware of all guidelines and have access to on-line up-to-date procedures and/or procedural changes as they become available. Unit staffs are in compliance with OSC's procedures by verifying liability dates, invoice amounts, contract numbers, original signatures,

and other vendor information. This also includes verifying that there is sufficient segregation allocated. Unit staff process payment and all payments are certified by the unit supervisor before release of payment to the Office of the State Comptroller for final processing and check release.

Systems Used

DHCR will utilize the NYSED web based data collection tool for data reporting, and DHCR/OSC/ accounting systems for purposes of tracking funds.

Audit/Review

If after site visits are complete there are concerns regarding information obtained through the interview and the Government Service Fund Monitoring Protocol form an audit of funding recipients internal controls will be recommended. DHCR will work with its Audit and Internal Controls Unit to review any concerns of waste, fraud, or misuse of Government Service Funds.

**GOVERNMENT SERVICES FUND MONITORING PROTOCOL
STATE FISCAL STABILIZATION FUND PROGRAM**

Recipient: _____ **Date(s) of Review:** _____

State: _____

I. Fiscal Oversight of SFSF Funds

ISSUE: Whether the entity has established appropriate policies and procedures for ensuring fiscal oversight of SFSF funds.

Guiding Questions

1. What internal controls does your entity have in place to ensure that SFSF expenditures are allowable? (See April 2009 SFSF Guidance at IV for information on allowable and prohibited uses of SFSF funds.)
2. What specific projects or activities did your entity support with SFSF funds?
3. How does your entity ensure that it complies with the requirements of the Cash Management Improvement Act (CMIA)?
4. Does your financial recordkeeping system properly account for the use of SFSF funds?
5. What guidance have you received from the State regarding the obligation and drawing down of SFSF funds?
6. Did you receive authorization to use SFSF funds for pre-award costs? Did you use funds for pre-award costs during the approved period?
7. What steps are you taking to ensure compliance with the cross-cutting ARRA requirements (e.g., Section 1512 reporting, Buy American, infrastructure certification)?

Evidence/Documentation

- a. Policies and procedures regarding obligations and expenditures.
- b. Financial management policies and procedures.
- c. Policies and procedures on compliance with CMIA requirements.
- d. Policies and procedures on compliance with cross-cutting ARRA requirements.