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

Office for Elementary, Middle, Secondary and Continuing Education

Charles A. Szuberla, Jr., Executive Director
Office of Facilities, Management and Information Services
Room 874 EBA   (518) 474-2238

To: Superintendents of School Districts

From: Charles Szuberla, Jr.

Date: March 16, 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 monitoring visit or to help you prepare for a possible future 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.
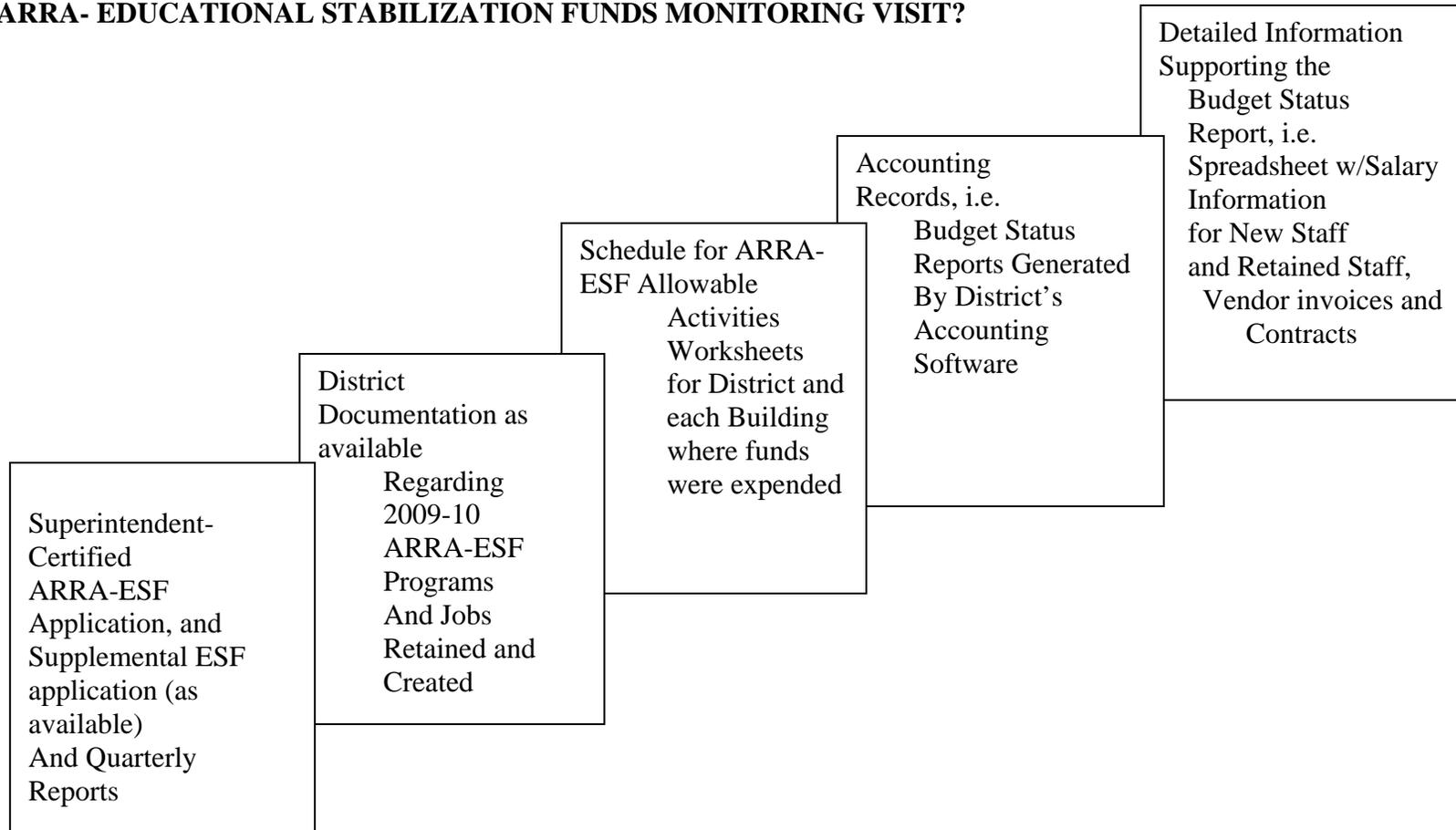
The monitoring consists of two parts. The first part is composed of written supporting documentation including: district records regarding ESF programs, schedule worksheets, and a questionnaire that requests verifiable compliance with major program requirements. The supporting documentation must be returned to SED by April 6, 2010.

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.

WHAT SHOULD SCHOOL DISTRICTS HAVE READY FOR THEIR
ARRA- EDUCATIONAL STABILIZATION FUNDS MONITORING VISIT?

Detailed Information
Supporting the
    Budget Status
    Report, i.e.
    Spreadsheet w/Salary
    Information
    for New Staff
    and Retained Staff,
      Vendor invoices and
      Contracts

Accounting
Records, i.e.
    Budget Status
    Reports Generated
    By District's
    Accounting
    Software

Schedule for ARRA-
ESF Allowable
    Activities
    Worksheets
    for District and
    each Building
    where funds
    were expended

District
Documentation as
available
    Regarding
    2009-10
    ARRA-ESF
    Programs
    And Jobs
    Retained and
    Created

Superintendent-
Certified
ARRA-ESF
Application, and
Supplemental ESF
application (as
available)
And Quarterly
Reports

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 <u>via certified mail</u> 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	

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		

* These are the expected object codes, but are neither inclusive nor exclusive of the possibilities. The actual codes will depend on the district's use of the funds.

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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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 such that you knew what was 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?	
The district used ESF to the extent possible to support non-recurring expenditures, thereby averting the so-called 'funding cliff'	Can you estimate what percentage of the ESF funds were applied to non-recurring expenditures, vs. those that will continue or recur?	
10. 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?	
11. 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?	
12. 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 and compliance with Davis-Bacon (prevailing wage rates) with regard to infrastructure projects.	

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/

Chief Administrator's Certification

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

I also, through signature of this certification, affirm that I have administered these funds according to any requirements of the Education Stabilization Fund. Additionally, I certify that I have complied with any required assurances, certifications, recordkeeping and reporting requirements for funds received through the ARRA.

I hereby certify that this monitoring report 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

_____   _____
Superintendent   Date