**CARES Incentive Grant Project 789**

**Sub-Grant Monitoring Tool**

Monitoring the implementation of federal grant programs and the use of federal program funds is an essential function of the U. S. Department of Education (USDE). Federal grant programs awarded to State Educational Agencies (SEAs) have the potential for positively impacting the education of our nation’s children. In support of the mission of improving the teaching and learning of children attending high-poverty schools, this document, designed for the 2020-22 school years, describes the purpose, rationale, and process used by Oklahoma’s SEA, the Oklahoma State Department of Education (OSDE), for monitoring Local Educational Agency (LEA) implementation of federal programs in alignment with the guidelines provided by USDE.

**Definition and Purpose of Monitoring**

Monitoring is the regular and systematic examination of a state’s administration and implementation of a federal education grant, contract, or cooperative agreement administered by the USDE. Monitoring the use of federal funds, in accordance with2 CFR 200.300, assures compliance with applicable federal requirements and ensures that all children have an equitable opportunity to obtain a high-quality education.

Monitoring assesses the extent to which states provide leadership and guidance to LEAs and schools in the implementation of policies and procedures that comply with the statutes and regulations of all participating federal programs.

The OSDE has received funding from the USDE through the CARES Act “to provide federal support in the wake of the public health crisis and economic downturn brought by the COVID-19 pandemic.” (Public Law no. 116-136). The majority of set-aside funds provided to the OSDE for the purpose of administering these emergency funds to Local Education Agencies (LEAs) was used to provide additional support to LEAs through the Incentive Grant Project 789 competition to allow them to purchase the needed items to support students, parents, and their community during the COVID-19 pandemic. A grant competition was held in May/June 2020, and 150 LEAs were awarded a total of $16 million for this one-time, one-year incentive grant.

Pursuant to Code of Federal Regulations 2 CFR, Part 200.331, monitoring and reporting program performance, the OSDE, as the grantee, is responsible for managing the day-to-day operation of grant and sub-grant supported activities to assure compliance with federal regulations. It is the grantee’s responsibility to ensure that federal funds are spent according to the prescribed federal program requirements.

In accordance with P.L. 114–95, enacted December 10, 2015, of the Every Student Succeeds Act (ESSA), USDE requires that all LEA sub-recipients receiving federal funds participate in a monitoring and evaluation process as an accountability component. Federal grant monitoring enables the OSDE to work collaboratively with LEAs by providing them with high-quality technical assistance for fiscal and programmatic planning and implementation of all services provided for students, teachers, and principals on behalf of their federally funded programs.

The overall purpose of this tool is to provide monitoring and evaluation of these federal funds to ensure their appropriate use, document that funds are spent effectively to accomplish the intended purpose and are used in accordance with the terms of the grant award, document the measurement of performance goals, and review information to provide technical assistance. Thus, monitoring will not be a one-time event. A mid-year evaluation report will be due each of the two years on February 15, 2021 and February 15, 2022. The grant will end June 30, 2022, and a final evaluation report will be due no later than September 30, 2022. In addition, ongoing technical assistance will be provided to LEAs as they strive to comply with all grant requirements, taking into account the amount and time limitations of the grant and associated risks.

**Monitoring**

Monitoring schedules will in most instances be risk-based and may consider factors other than grant or award amounts. The risk assessment will include:

* Prior grant experience
* Single audit information
* Capacity to administer a grant, including record-keeping, financial transactions, and reporting
* Past monitoring
* Incorrect documentation submissions
* Failure to submit timely reports
* Citizen complaints
* Repeated requests for time extensions

**Completion of Grant**

A final review of grant activity, accomplishments, expenditures, reports, and any other contractual information will be conducted at the completion of the grant. The above monitoring can be accomplished through various means based on the needs of the grant recipient. Techniques to be used consist of periodic written reports, requests for disbursement documentation, submission and review of required reports, telephone contacts, and, if applicable, an online review of grant data.

**Monitoring Schedule**

Monitoring is performed according to each program requirement. The CARES Act Incentive grant will track the following:

* Contract #
* Grantee Name
* Monitoring Type
* Date Scheduled
* Date Completed
* Grantee Response
* Date Monitoring Completed/Closed

**Monitoring Types**

Each program has a monitoring strategy and follows state and federal guidelines. The OSDE CARES Act grant manager will analyze each mid-year report and the Year-One evaluation report and may perform desktop or on-site reviews of the LEAs based on a monitoring rubric point system. The OSDE will use the Risk Assessment Analysis completed by the agency's Office of Federal Programs to determine the risk analysis for each sub-grantee and will add additional points to this rubric based on the completion of the mid-year and final evaluation reports. A mid-year grant evaluation report for each sub-grantee will be due on February 15th of each year for 2021 and 2022. LEAs who score within monitoring range will receive either a desk review or an on-site monitoring of the CARES Incentive Grant Project 789 no later than May 31, 2021 or May 31, 2022. All sub-grantees will receive a checklist of the items that will be reviewed.

**Desk Review**

Desk monitoring will be performed for an LEA that is deemed moderate-risk based on their federal program's risk analysis and their completion of the sub-grant evaluations and the Year-One end of year evaluation report and evaluation. This will also allow the program manager an opportunity to judge the need to provide technical assistance to sub-grantees and determine if desk monitoring can be completed or if an on-site review is warranted. The desk review will be completed no later than May 31st, 2021 and/or May 31st, 2022.

**On-Site Monitoring**

On-site monitoring will be conducted for recipients deemed high risk based on their Federal Program Risk Analysis and their interim evaluation reports or Year-One end of year report and evaluation. LEAs who are required to have desk or on-site monitoring will be required to have this completed no later than May 31, 2021 or May 31, 2022. The grant manager will provide a checklist in advance of the on-site meeting to ensure that materials can be gathered for the desk monitoring or on-site visit.

**Scheduling**

The actual scheduling of monitoring efforts will be based on an assessment of risks in two broad areas:

* Compliance – the likelihood that the grantee may violate state or federal regulations, fails to comply with grant agreement or statutory requirements, or is open to fraud and abuse.
* Performance – the likelihood that, even without actual compliance violations, the results of the activity may not result in the desired outcome for the grant.

**Documentation and Analysis**

**Evaluation Format**

The sub-grantee is expected to provide a mid-year and final grant evaluation each year of the project which will include a summary of activities and deliverables completed, and a budget narrative. There is no flexibility for these reports, and if the LEA fails to file the required reports within the allowable timeframes, the grantee may be deemed in non-compliance with the program. As a result, OSDE may take steps to recover funding and/or stop all funding to the grantee.

Program staff will review the documents to make sure they are complete and that the information agrees with any requests for disbursement, periodic reporting, and monitoring checklist and the terms of the grant agreement.

**Monitoring Records**

The Grant Manager will fully and accurately document all monitoring efforts. A monitoring section of the grant file will be maintained for each grantee and will include:

* Monitoring Plan grant risk matrix worksheet
* Desk or site review monitoring checklist and follow-up letter/report
* The independent audit report from the OSDE OCAS/Financial Accounting Office with any findings and a copy of the Corrective Action Plan proposed by the LEA
* Mid-year and final evaluation for each year of the project
* Copies of email, memos, or other written correspondence with grantee, including notification informing grantee of the results of monitoring, letters following up on monitoring results, or monitoring compliance

**Staffing, Scheduling & Reporting Structure**

**Staffing and Scheduling**

The CARES Act Grant Manager will be responsible for ensuring that the grants are monitored on a timely basis. That action may be completed through a desk review or on-site monitoring if the monitoring rubric warrants a review. The grant manager will maintain a monitoring schedule that will track all monitoring activity from start to finish.

**Reporting Structure**

The CARES Act Grant Manager reports to the Deputy Superintendent of Finance and Federal Programs. If any problems arise with a grant, the grant manager will immediately communicate that information to this direct supervisor. Once problems or issues have been identified, the grant manager will draft a monitoring letter to the sub-grantee.

**Follow Up**

The grant manager will issue a report to the sub-grantee via a letter on a desk or on-site monitoring within 30 days of the event, in most cases. The monitoring letter may include corrective actions/findings or concerns. A finding is a violation of regulation or policy requiring correction. A concern is a problem that if not addressed may result in a violation of regulation or policy. A letter with findings will state the violation and a suggested corrective action plan.

The Corrective Action will include:

1. A description of each finding and recommendation
2. Specific steps to be taken to implement the recommendation
3. A timetable for performance of each corrective action
4. A description of future monitoring to be performed to ensure implementation

If a non-Federal entity fails to comply with Federal statutes, regulations, or the terms and conditions of a Federal award, the Federal awarding agency or pass-through entity may impose additional conditions, as described in OMB § 200.207- Specific Conditions. If the Federal awarding agency or pass-through entity determines that noncompliance cannot be remedied by imposing additional conditions, the Federal awarding agency or pass-through entity may take one or more of the following actions, as appropriate in the circumstances:

* 1. Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity
  2. Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance
  3. Wholly or partly suspend or terminate the Federal award
  4. Initiate suspension or debarment proceedings as authorized under 2 CFR Part 180 and Federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency)
  5. Withhold further Federal awards for the project or program
  6. Take other remedies that may be legally available

*[OMB, § 200.338 Remedies for noncompliance]*