

South Orangetown Central School District
Internal Audit Report on Grants Administration

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Board of Education
South Orangetown Central School District
160 Van Wyck Road
Blauvelt, NY 10913

We have been engaged by the Board of Education (the “Board”) of the South Orangetown Central School District (the “District”) to provide internal audit services with respect to the District’s internal controls related to grants administration for the period July 1, 2021 through March 31, 2023.

The objectives of the engagement were to evaluate and report on the District’s internal controls pertaining to grants administration and to test for compliance with laws, regulations, and the District’s Board policies and procedures.

In connection with the following procedures, we have provided findings and recommendations for the internal controls related to grants administration. Our procedures were as follows:

- Reviewed applicable District policies, procedures, and practices with regards to grants administration;
- Reviewed grant allocations, carryover funds, and total expenditures for the District’s federal grants, and verified the District spent at least 85% of the current year grant allocation, the District’s carryover to the subsequent grant year represented no more than 25% of the current year grant allocation, and the District’s remaining grant funds did not exceed the allowable carryover into the subsequent grant year;
- Tested, on a sample basis, grant expenditures to verify the following:
 - The expenditure was an allowable cost as per the Uniform Guidance;
 - The expenditure received proper approval;
 - The timely filing of Special Education Data Collection, Analysis & Reporting (“SEDCAR”) forms, if applicable;
 - If equipment was purchased, verified that the equipment was properly tagged and recorded in the District’s tracking system;
 - The purchase of the expenditure properly obtained bids, quotes, or request for purchases, if applicable;
 - The vendor was not on excluded parties list; and
 - The expenditure was properly recorded and coded in the AIS.

- Tested a sample of employees whose salaries were charged to federal grants to verify the District had payroll certifications on file, in accordance with the Uniform Guidance, to substantiate the amount of time spent on the federal grant and that the salary was charged to the grant in the proper period and coded correctly;
- Tested, on a sample basis, grant revenues to verify grant payments made by the Office of the State Comptroller to the District from the *OSC Payment Information Inquiry Report* to verify payments received were properly recorded in the AIS;
- Obtained the District's *Final Expenditure Report for a Federal or State Project* ("FS-10-F"), *Proposed Budget for a Federal or State Project* ("FS-10"), and the *Proposed Amendment for a Federal or State Project* ("FS-10-A") for the District's federal grants filed with the New York State Education Department ("NYSED") Grants Finance Unit to verify the FS-10-F forms agreed to the expenditures recorded in the District's AIS, and the FS-10 and FS-10-A forms (as applicable) agreed to the budget recorded in the District's AIS;
- Reviewed the maintenance of effort calculations (MOE) provided to the New York State Education Department ("NYSED") by the District to verify the budgeted and actual expenditures, allocation of state and local expenditures, fringe benefits, and child counts reported on the amounts tab of the calculation agreed to related supporting documentation, the District was in compliance with level of effort/maintenance of effort requirements per the MOE tab of the calculation, and the MOE was properly submitted, accepted, and approved by the New York State Education Department;
- Reviewed the District's Title I Consolidated Application to verify that the District properly determined what school attendance areas were eligible for Title I funding and properly allocated funding to those school attendance areas;
- Tested a sample of students who left the District, either by transfer to another outside District or departure from the country, to verify that the District is obtaining and maintaining formal written documentation for all transferred students who are allowed to be removed from the District's cohort for the purpose of the high school graduation rate calculation;
- Reviewed correspondence with private schools located within the District, or which were attended by District residents, to verify the District has consulted with private school officials regarding participation in the Title I and Education Stabilization Fund grants and, for schools that did not decline participation, reviewed program expenditures and other records to determine that the services that were planned for private school children were provided and that the funds for private school children were available and set aside prior to allocating funds to the District level areas.

The results of our procedures are presented on the following pages.

Our procedures were not designed to express an opinion on the internal controls related to grants administration, and we do not express such an opinion. As you know, because of inherent limitations of any internal control, errors or fraud may occur and not be prevented or detected by internal controls. Also, projections of any evaluation of the accounting system and controls to future periods are subject to the risk that procedures may become inadequate because of changed conditions.

We would like to acknowledge the courtesy and assistance extended to us by personnel of the District. We are available to discuss this report with the Board or others within the District at your convenience. This report is intended solely for the information and use of the Board, the Audit Committee, and the management of the District and is not intended to be and should not be used by anyone other than those specified parties.

Very truly yours,

A handwritten signature in black ink that reads "R.S. Abrams & Co., LLP". The signature is written in a cursive, slightly slanted style.

R.S. Abrams & Co., LLP
April 6, 2023

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FEDERAL AND STATE GRANTS OVERVIEW

The New York State Education Department (“NYSED”) offices, in conjunction with the Grants Finance Unit, administer state and federal grant programs. The Grants Finance Unit is responsible for the financial management of grants awarded to local agencies. Various other NYSED offices are responsible for ensuring that the activities funded by the grants are planned and implemented properly.

Federal and state grant programs follow annual funding cycles, however there are significant differences between the state and federal funding calendars. In order to manage local grants projects effectively and identify expenditure and carryover funds on a local and statewide basis, most federal grants are awarded annually. Grants are funded on either a school year basis of September 1 through August 31, or a fiscal year basis of July 1 through June 30.

In order to be eligible for state and federal grants, the District is required to prepare a budget for each grant, which must be submitted to the Grants Finance Unit for approval. These budgets may be amended throughout the year. Amendments may be used to increase or decrease the budget, or to reallocate funds within the budget. Budget amendments are subject to the approval of the Grants Finance Unit.

We reviewed the following federal grants received by the District:

- Title I Grants to Local Educational Agencies – Provided under the *Elementary and Secondary Education Act* (“ESEA”), as amended by the *Every Student Succeeds Act of 2015* (“ESSA”), to provide academic resources underperforming children in meeting challenging state academic standards;
- Supporting Effective Instruction State Grants (Title II Part A) – Provided under ESEA, as amended by the ESSA, to improve and promote teacher and principal quality through training;
- English Language Acquisition State Grants (Title III English Language Learners) – Provided under ESEA, as amended by the ESSA to help ensure that children with limited English proficiency attain English proficiency at high levels in core academic subjects to meet state mandated achievement performance standards;
- Student Support and Academic Enrichment Grants (Title IV) – Provided under ESEA, as amended by the ESSA, to improve students’ academic achievement by increasing the capacity of educational agencies to provide students with access to a well-rounded education, improve conditions for learning, and improve the use of technology to impact academic achievement and digital literacy;
- IDEA Section 611 – Provided under the *Individuals with Disabilities in Education Act* (“IDEA”) for school-age children with disabilities; and
- IDEA Section 619 – Provided under the IDEA for preschool children with disabilities.
- Education Stabilization Fund – Provided under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) and Coronavirus Response and Relief Supplemental Appropriations Act (“CRRSA Act”), to aid Districts in response to the coronavirus pandemic.

GOVERNANCE

During our review of the Board of Education policy manual, we noted that the District has adopted a comprehensive set of policies relating to federal and state grants including, but not limited to, the following:

Parent and Family Engagement

The District's policy No. 1900, *District Parent and Family Engagement Involvement Policy*, establishes the procedures for involving parents of students receiving Title I services or participating in Title I programs. These procedures include training opportunities for parents and family members to work with their children at home, an annual meeting for parents and family members of participating students, and enlisting support and participation of parents and family members in instruction.

Programs for Students with Disabilities

The District's policy No. 4321, *Programs for Students with Disabilities Under the IDEA and New York's Education Law Article 89*, establishes that students with disabilities will be provided with a free appropriate education in the least restrictive environment. The policy lists the steps that will be taken to ensure the provision of a free appropriate public education to all eligible students with disabilities. These steps include, but are not limited, adoption and maintenance of a special education services plan, establishment of schoolwide approaches and interventions prior to a referral to special education, establishment of a Committee on Special Education ("CSE"), evaluation of students who have not made adequate progress through prereferral interventions, the provision of services in accordance with recommendations of the CSE, and establishment of a professional development plan to ensure personnel possess the skills and knowledge required to meet the needs of students with disabilities.

Provision of Special Education Services in the Least Restrictive Environment

The District's policy No. 4321.1, *Provision of Special Education Services in the Least Restrictive Environment*, establishes guidelines to ensure that students with disabilities eligible for special education programs and services under the IDEA and New York's Education Law Article 89 receive services in the least restrictive environment appropriate to meet their individual educational needs.

Programs and Services for Parentally-Placed Nonpublic School Students with Disabilities

The District's policy No. 4321.10, *Programs and Services for Parentally-Placed Nonpublic School Students with Disabilities*, establishes the District's responsibility to provide special education services to eligible students with disabilities enrolled by their parents in nonpublic schools located within the District. The District will provide special education programs and services to parentally-placed nonpublic school students with disabilities with an service plan to the extent required by the IDEA and its implementing regulations, and in consultation with nonpublic school officials and representatives of parents of parentally-placed nonpublic school students with disabilities. In this regard, the District will expend a proportionate amount of the federal funds it receives under the IDEA to provide such services.

Preschool Special Education

The District's policy No. 4321.13, *Preschool Special Education*, establishes and provides guidance for the appointment of personnel to the District's Committee on Preschool Special Education ("CPSE") and recognizes the responsibility of the District to ensure that every preschool student with a disability residing in the District has the opportunity to participate in preschool programs.

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Confidentiality and Access to Individualized Education Programs, Individualized Education Services Programs, and Service Plans

District policy No. 4321.5, *Confidentiality and Access to Individualized Education Programs, Individualized Education Services Programs, and Service Plans*, details the importance of ensuring the confidentiality of personally identifiable data pertaining to a student with a disability. The policy further states, that personally identifiable data will not be disclosed by any school district employee or member of a CSE/CPSE to any person (other than the parent of such student), organization, or agency unless: the parent or guardian of the child provides written consent, there is a valid court order for such information, or disclosure is permitted by law.

Availability of Alternative Format Instructional Materials for Students with Disabilities

District policy No. 4321.6, *Availability of Alternative Format Instructional Materials for Students with Disabilities*, recognizes the Board's responsibility to ensure instructional materials are made available in a usable alternative format for students with disabilities and states that the Superintendent will develop a plan to ensure the availability of alternative format materials in a timely manner.

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GRANTS ADMINISTRATION

Based upon our interviews and observations, we noted the procedures for grants administration to be as follows:

Overview

Each grant has a designated Grant Administrator that is responsible for overseeing the grant. The Assistant Superintendent for Pupil Personnel Services administers the IDEA (611 and 619) grants and Education Stabilization Fund grants, and the Assistant Superintendent for Curriculum and Instruction administers the Title I, Title II Part A, Title III Part A and Title IV grants.

Proposed Budget Reports

A *Proposed Budget for a Federal or State Project* ("FS-10") form is completed for each grant by the Grant Administrator. The Grant Administrator writes a program narrative that describes the target population, the project objectives, the activities that will be employed to facilitate the achievement of project objectives, and how the results of the project will be measured. A budget narrative is also required to provide information on the applicant's financial plan for carrying out the project. The Supervisor of Fiscal Services reviews and approves the completed FS-10's, which are then submitted to the NYSED Grants Finance Unit along with any applicable narratives.

Once the FS-10 has been approved by the NYSED Grants Finance Unit, an approved copy of the FS-10 and the project status report are mailed to the Grant Administrator. When the approved copy of the FS-10 is received by the District, the grant budget is recorded in the District's Accounting Information System ("AIS") by the District Treasurer.

Budget Amendments

Certain types of changes to a project or a budget require the Grant Administrator to request prior approval from the Grants Finance Unit. For example, in the event the District files the *Final Expenditure Report for a Federal or State Project* ("FS-10-F") for the prior grant year after the FS-10 for the current grant year has been approved and there are rollover funds from the prior grant year, the District may need to amend the budget for the current grant year. Amendments need to be prepared and submitted to NYSED in advance for incurring obligations or expenditures if the line item has not been budgeted and the District wishes to spend funds from the particular line item or if the incurring expenditures will exceed the allowable budget amount. The *Proposed Amendment for a Federal or State Project* ("FS-10-A") is used to submit requests for budget changes that require prior approval as follows:

- Personnel positions, number and type;
- Equipment items having a unit value of \$5,000 or more, number and type;
- Minor remodeling;
- Any increase in a budget subtotal by more than 10% or \$1,000, whichever is greater; and
- Any increase in the total budget amount.

Encumbrances

All encumbrances must be made within the approved funding period of the grant. Costs encumbered outside the project dates will not be reimbursed on the FS-10-F. The effective date of the encumbrance varies based on the type of purchase. For example, an encumbrance for the cost involving the performance of work other than personal service is made on the date on which the grantee makes a binding written commitment to obtain the work.

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Expenditures

Purchase orders and related invoices that utilize grant budget codes need to be reviewed and approved by the Grant Administrator, to ensure expenses charged to the grant are allowable costs that are appropriate and consistent with the objectives and regulations of the grant. The Grant Administrators remain current on grant regulations through guidance provided by NYSED and the Federal government.

Debarment and Suspension

Executive Order 12549 states that grantees cannot award another party who is debarred or suspended from any involvement in federal/state assistance programs. Additionally, grantees need to submit a *Certification of Non-Debarment, Non-Suspension* with the federal grant application which should be signed by the applicable subcontractors.

Property Management

Personal property with a useful life of more than one year and a cost of \$5,000 or more is defined as equipment under NYSED grants. Capital outlay purchased by the grantee will remain with the grantee for the grant period. However, NYSED has the right to transfer capital outlay items for non-compliance during the project period or as needed at the end of the grant period.

Direct Costs

Direct costs are costs that are identified with an expense item. Direct costs generally include costs for personnel who perform fiscal and reporting work related to the grant, costs for contracted services, costs for supplies, and materials for administrative usage. Other costs include other operating costs and equipment requests for administrative purposes.

Indirect Costs

Indirect costs are costs of activities that benefit more than one program or objective and cannot be readily assigned to only one specific program or objective. Indirect costs are generally classified as costs of operating and maintaining facilities, general administration, and general expenses such as budgeting and accounting. Other indirect costs include centralized services and personnel and accounting administration. A notification letter is sent annually to each school district when the rates are calculated. NYSED calculates the indirect cost rate for school districts using the data reported on the State Aid Annual Financial Report ("ST-3") using a methodology approved by NYSED.

Payroll Certifications

Employees who work on federal awards are required to complete payroll certifications to substantiate time and effort. According to the Uniform Guidance, costs of compensation are allowable to the extent that they are reasonable for the services rendered and conform to the established written policy of the non-federal entity. Documentation of personnel expenses must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated. Such documentation must support the distribution of the employee's salary or wages if the employee works on more than one federal award, a federal award and non-federal award, an indirect cost activity and a direct cost activity, two or more indirect activities allocated utilizing different allocation bases, or an unallowable activity and a direct or indirect activity. In addition, the support of charges for the salaries and wages of nonexempt employees must also indicate the total number of hours worked each day.

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Requesting Funds

The *Request for Funds for a Federal or State Project* (“FS-25”) is used to request funds for an approved grant. The FS-25 forms for all grants are prepared by the Accountant I and are based on expenditures recorded in the AIS. The District may only request as much cash as is necessary to meet the immediate needs of a grant project; and must minimize the time between receipt of the funds and disbursing them for grant activities. Only requests for funds including actual expenditures to date plus anticipated expenditures for the next month will be accepted. Payments totaling up to 90% of a grant’s budget may be requested through this process. The Accountant I in the business office prepares the FS-25’s monthly. The FS-25’s are reviewed by the Supervisor of Fiscal Services prior to submission.

Grant Payments

The Office of the State Comptroller submits payments to the grantees via electronic deposit directly to the grantee’s bank account with the respective party notified by email of the electronic deposit. Interest earned on cash advances from federal grants can be kept up to \$100 of administrative expenses annually. Interest earned on cash advances that exceed \$100 is required to be returned to the federal government through New York State. The applicable interest over \$100 cannot be utilized to offset any direct or indirect program costs. Payments are wired from the Office of the State Comptroller (“OSC”) directly to the District’s federal fund bank account.

Final Expenditure Reports

FS-10-F forms for state projects are due to the NYSED Grants Finance Unit within 30 days following the end of the grant, and FS-10-F forms for federal projects are due within 90 days following the end of the grant. For the District’s Title, IDEA, and Education Stabilization Fund grants, the FS-10-F forms are prepared by the Accountant I in the business office. All completed FS-10-F forms are reviewed by the Grant Administrator for accuracy and approved by the Supervisor for Fiscal Services prior to submission to the NYSED Grants Finance Unit.

A review of each final expenditure report is conducted by the NYSED Grants Finance Unit to determine the reimbursable expenditures of the project. After review by the NYSED Grants Finance Unit, a copy of the FS-10-F is sent to the Supervisor for Fiscal Services and any funds owed to the District will be reimbursed. If the review results in an overpayment to the District, the amount overpaid will be transferred to another of the District’s eligible grants, if possible, and a *Notice of Overpayment* (“FS-80”) will be sent to the District. The notice will identify the grant that was overpaid, the amount overpaid, and the grant charged for overpayment, or it will instruct the District to submit a refund check if there are no eligible open grants or grant contracts. Additionally, funds should be expended according to the approved budget and obligations should occur before the project end date. Non-compliance may result in detailed expenditure reporting requirements and return of funds to NYSED or termination of the grant.

OMB UNIFORM GUIDANCE FOR FEDERAL AWARDS

The Federal Uniform Grant Guidance (2 CFR, Part 200), commonly known as UGG, is a set of regulations that establishes rules that apply to all federal grants, regardless of which federal agency is providing the award. These regulations streamlined the Office of Management and Budget (“OMB”) Circulars into one comprehensive policy guide. UGG are regulations that establish rules that apply to all federal grants, regardless of which federal agency is providing the award.

The procurement standards are contained in sections 200.317 through 200.326 of the Uniform Guidance and emphasize a heavy reliance on written documentation that must be maintained, including specific policies and procedures.

General Requirements

In general, the Uniform Guidance key requirements include (but are not limited to) the following for non-federal entities receiving federal awards:

- Written procurement policies must be developed and follow the Uniform Guidance as well as all state and local regulations (provided they do not conflict with federal laws or the Uniform Guidance)
- Written standards of conduct regarding conflicts of interest must state that no employee, officer, or agent may participate in the selection, award or administration of a contract supported by a federal award if he or she has a conflict of interest, either real or apparent. The standards must include the disciplinary actions that will be applied for any violations of the standards.
- Purchases must avoid unnecessary or duplicative items and the use of shared services agreements and state and local intergovernmental agreements, where appropriate, are encouraged to foster greater efficiency and cost-effectiveness.
- Contracts must be awarded only to responsible contractors and take into consideration the integrity of the contractor, past performance, and financial and technical resources. In addition, the non-federal entity must maintain proper oversight to ensure the contractor is performing in accordance with the terms and conditions in their contracts and/or purchase orders.
- Documents must be maintained which detail the procurement history including the rationale for the method of procurement (discussed below), contract type, contractor selections or rejection, and the basis for the contract price.
- Full and open competition must be conducted. This precludes any contractor who participated in drafting specifications, requirements, invitations for bids or request for proposals from competing for the procurement. It also limits certain unreasonable requirements in the bids or request for proposals that are meant to limit competition, prohibits the use of geographic preferences in evaluating bids or proposals but provides certain exceptions, and requires that any prequalified lists be kept current.

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Required Methods of Procurement

Non-federal entities must use the following five procurement methods described in the Uniform Guidance:

- Micro-purchases – purchases of supplies or services where the aggregate value does not exceed \$3,000 (now increased to \$10,000 as discussed below). These may be awarded without obtaining competitive quotes if the entity deems the price reasonable, and should be distributed among qualified suppliers, if practical.
- Small Purchases – simple and informal method for procuring services, supplies, or other items that do not exceed the simplified acquisition threshold of \$150,000 (now increased to \$250,000 as discussed below). Price or rate quotes must be obtained from an adequate number of qualified sources. The number of qualified sources, as well as the method of obtaining the quote (whether in writing, verbal, website pricing, or search engine, etc), is left at the discretion of the non-federal entity, to be included in their policy.
- Sealed Bids- Used for purchases over the simplified acquisition threshold now at \$250,000, where publicly solicited bids are obtained and a fixed price contract is awarded to the responsible bidder who conformed to the terms and conditions and is the lowest price. This is normally associated with construction contracts.
- Competitive Proposals- Used for purchases over the simplified acquisition threshold now at \$250,000, whereby publicly advertised requests for proposals are conducted (which identify all evaluation factors and their importance), and a fixed price or cost-reimbursement type contract is awarded. Competitive proposals are used when sealed bids are not appropriate. Contracts are awarded not just based on price, but where the firm's proposal is most advantageous to the program.
- Noncompetitive Proposals- This is procurement through a sole source, which is limited to specific instances such as when the item is only available from one source, a public emergency where the delay caused by competitive solicitation would not be permitted, the federal awarding agency or the pass-through entity such as New York State Education Department has expressly authorized it based on a written request from the non-federal entity, or after failing to get a required number of responses from competitive solicitation.

FINDINGS AND RECOMMENDATIONS

Based on our inquiries, observations, and detailed testing, we provide our findings and recommendations to further strengthen the District's internal controls relating to grants administration.

It should be noted that these recommendations are provided to the District to assist management in improving the District's controls relating to grants administration. It is important to note that our observations and recommendations are directed toward improvement of the system of internal controls and should not be considered a criticism of, or reflection on, any employee of the District.

Policies and Procedures

Procedure Performed: We reviewed the District's policies and procedures to determine whether the District has adopted the written policies and procedures recommended by NYSED surrounding the administration of federal funds.

Finding: No exceptions were noted as a result of applying these procedures.

Procedure Performed: We reviewed the District's policies and procedures to determine whether the District has adopted the written policies and procedures required by the Uniform Guidance.

Finding: No exceptions were noted as a result of applying these procedures.

Grants Utilization

Procedures Performed: We reviewed grant allocations, carryover funds, and total expenditures for the District's IDEA 611, IDEA 619, Title I, Title II, Title III Immigrant, Title III English Language Learner, and Title IV grants for the 2021-2022 grant year, and verified the following:

- The District spent at least 85% of the current year grant allocation.
- The District's carryover to the subsequent grant year represents no more than 25% of the current year grant allocation.
- The District's remaining grant funds did not exceed the allowable carryover into the subsequent grant year.

Findings: We noted the following based on the above procedures performed:

- The District spent less than 85% of its current year grant allocation for the Title III Immigrant and Title III ELL grants.
- The District's carryover to the subsequent grant year represented more than 25% of the current year grant allocation for the Title III ELL and Title IV grants.
- The District lost \$668 in funding for the Title III Immigrant grant due to not spending funds from the prior year carryover.

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Recommendation: We recommend the District develop a system to review grant funds periodically to ensure the District utilizes the grant monies awarded efficiently, effectively, and to avoid lost funds.

Expenditures

Procedures Performed: We obtained a sample of ten federal grant expenditures performed the following procedures:

- Verified the expenditure was an allowable cost as per the Uniform Guidance;
- Verified the expenditure received proper approval;
- Verified the timely filing of Special Education Data Collection, Analysis & Reporting (“SEDCAR”) forms, if applicable;
- If equipment was purchased, verified that the equipment was properly tagged and recorded in the District's tracking system;
- Verified the purchase of the expenditure properly obtained bids, quotes, or request for purchases, if applicable;
- Verified the vendor was not on excluded parties list; and
- Verified the expenditure was properly recorded and coded in the AIS.

Finding: One out of ten federal grant expenditures selected included items above the District's inventory threshold of \$500 which were not included in the District's inventory system.

Recommendation: We recommend the District implement procedures to ensure items over the District's inventory threshold of \$500 are properly recorded within their inventory tracking system.

Payroll Compliance

Procedures Performed: We reviewed a sample of payroll transactions for twenty employees whose salaries were charged to federal grants to verify the following:

- The District had payroll certifications on file to substantiate salaries charged to grants in compliance with the Uniform Guidance.
- The employee's salary was charged to the grant in the proper period and coded correctly.

Finding: We noted that three out of twenty employees did not have payroll certifications on file to substantiate the amount charged to the grant.

Recommendation: We recommend that all employees charged to grants have payroll certifications on file per Uniform Guidance compliance requirements.

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Cash Receipts

Procedures Performed: We selected a sample of grant payments made by the OSC to the District from the *OSC Payment Information Inquiry Report* for 2021-2022 to verify payments received were properly recorded in the AIS.

Finding: No exceptions were noted as a result of applying these procedures.

Grants Accounting

Procedures Performed: We obtained the District's FS-10, FS-10-A, and FS-10-F forms for the 2021-2022 school year, filed with the Grants Finance Unit for Title I, Title II Part A, Title III Part A, Title IV, CARES Act Elementary and Secondary Schools Emergency Relief, CARES Act Governor's Emergency Education Relief, and IDEA to verify the following:

- The FS-10-F forms agreed to the expenditures recorded in the District's AIS.
- The FS-10 and FS-10-A forms (as applicable) agreed to the budget recorded in the District's AIS.

Finding: No exceptions were noted as a result of applying these procedures.

Maintenance of Effort

Procedures Performed: We reviewed the maintenance of effort calculations (MOE) provided to NYSED by the District for the 2021-2022 compliance standard and verified the following:

- Actual expenditures, allocation of state and local expenditures, fringe benefits, and child counts reported on the amounts tab of the calculations agreed to related supporting documentation.
- The District was in compliance with level of effort/maintenance of effort requirements per the MOE tab of the calculation.
- The MOE was properly submitted, accepted, and approved by the New York State Education Department.

Finding: No exceptions were noted as a result of applying these procedures.

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Eligibility

Procedures Performed: We reviewed the District’s Title I Consolidated Application and CARES Act Consolidated Application for the 2021-2022 school year to verify that the District properly determined what school attendance areas were eligible for Title I and CARES Act funding and properly allocated funding to those school attendance areas.

Findings: Although the total awarded funding for the Title I grant was correctly reported on the Consolidated Application for the 2021-2022 school year, the reported allocation per building was incorrect due to inaccurate reporting of the total student enrollment and low income student enrollment per building.

Recommendation: We recommend the District consider implementing procedures for an additional review of the grant application, including a recalculation of the building allocations.

High School Graduation Rate

Procedures Performed: We selected a sample of students who left the District during the period from July 1, 2022 through January 31, 2023 either by transfer to another outside District or departure from the country to verify that the District is obtaining and maintaining formal written documentation for all transferred students who are allowed to be removed from the District’s cohort for the purpose of the high school graduation rate calculation.

Finding: No exceptions were noted as a result of applying these procedures.

Private School Participation

Procedures Performed: We selected a sample of private schools from the District’s *Consolidated Application for ESSA funding Programs* and *Consolidated Application for CARES Act funding Programs* and obtained supporting documentation to verify the District has consulted with private school officials regarding participation in the Title I and CARES Act grants for the 2021-2022 school year. For schools that did not decline participation, we reviewed program expenditures and other records to determine that the services that were planned for private school children were provided and that the funds for private school children were available and set aside prior to allocating funds to the District level areas.

Finding: No exceptions were found as a result of applying these procedures.

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Corrective Action Plan

The District is required to prepare a corrective action plan in response to any findings contained in the internal audit reports. As per Commissioner's Regulations §170.12, a corrective action plan, which has been approved by the Board, should be submitted to the State Education Department within 90 days of the receipt of a final internal audit report.

The approved corrective action plan and a copy of the respective internal audit report should be submitted using the NYSED Business Portal.