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2017-18 1003(g) School Improvement Grant (SIG) Fiscal Monitoring Process

SIG grantees are required to complete the Budget/Fiscal section of Quarterly Reports (schools in Receivership) and Mid-year reports (non-Receivership schools). In the Budget/Fiscal section, the SIG grantee discusses the status of drawing down of SIG funds for the period covered in the report; and identifies any challenges that exist with the budget that may impact the implementation of approved activities and intended outcomes.

In addition to SIG grantees completing the Budget/Fiscal section of the reports, Office of Innovation and School Reform (OISR) staff members conduct the following fiscal monitoring throughout the entire SIG grant award period. They review and approve the following forms beginning with the initial full-year budget period, and then for all budget periods to follow. Staff members review these forms to ensure that requested expenses are reasonable, allocable, and allowable.

1. **FS-10 budget form:** The FS-10 is required with each application and/or continuation plan. Requests are to be aligned to the activities described in the SIG plan. SIG grantees must comply with the Allowable Expenses' section of the SIG RFP associated with their SIG award. FS-10s are accompanied by Budget Narratives which provide details of each expense.
2. **FS-10A amendment form:** FS-10A are required for some changes to the FS-10s; and these requirements are provided by the Grants Finance Office. When a SIG grantee requests to amend its FS-10 it is required to explain why an expense is no longer needed, and how the new requested expense is aligned to the SIG plan.
3. **FS-10F final form:** SIG grantees submit these forms to the Grants Finance Office at the end of each budget period. OISR staff will schedule a meeting with the Grants Finance Office to discuss the review and approval process of these forms to ensure that only allowable expenses have been paid from SIG funds. Currently, OISR is not involved in the review of FS-10Fs.

The above-mentioned forms are posted at: <http://www.oms.nysed.gov/cafe/forms/>.

The 2017-2018 Continuation Plan Guidance which outlines Allowable and Non-Allowable Expenses for SIG 4, 5, 6 and 7 grantees is posted at: <http://www.p12.nysed.gov/oisr/>.

During on-site SIG monitoring, which will take place based on the Risk Analysis Process (see attached), the OISR staff members will review the following to ensure that requested expenses are reasonable, allocable, and allowable.

1. **Employee Payroll Certifications (EPC) for all staff funded by SIG 1003(g):**
EPCs must show FTE & fund source and must include 100% of employee activity, not just the SIG-funded portion of the salary. A sample EPC is located here:
<http://www.p12.nysed.gov/accountability/consolidatedappupdate/employeecertifications.html>

2. **Payroll records for all SIG-funded positions:** The reviewer will request reports for two payroll periods (Fall & Spring). SIG-funded position payroll records and approved SIG budget documents will be cross checked.
3. **SIG purchase orders:** The reviewer will compare purchase orders with approved SIG FS-10 budgets and amendments.
4. **Implementation of LEA Procurement and Inventory Tracking procedures:** The reviewer will select and track several items purchased with SIG funds.
5. **Invoices from third-party providers for services to the SIG-funded school:** The SIG-funded school will present documentation such as contracts and invoices that demonstrate the services provided to the school, such as professional development, transportation, and parental involvement costs.

Formal policies/procedures for tracking adjustments made to sub-awards:

All SIG Award letters state the following: *“All grants, regardless of type or dollar amount, are subject to further review, monitoring, and audit to ensure compliance. NYSED has the right to recoup funds if the approved activities are not performed and/or the funds are expended inappropriately.”* (See sample SIG award letter attached.)

OISR liaisons keep copies of amendments made to SIG awards, and keep records of the formal communications of requests for amendments and the justification for those amendments. In addition, the OISR has a fiscal manager on staff who keeps track of adjustments made to awards via the CAFÉ fiscal system, and the OISR works closely with both the Grants Management and the Grants Finance Office to track all documentation related to SIG plans, budgets, and amendments.