

CSP Subgrantee Monitoring

The NYS CSO has reviewed and revised its existing monitoring practices to arrive at a risk-analysis approach to use during the 2011-2012 budget period. The August 2011 to March 2012 period was seen as the opportunity for the provision of technical assistance. It began when the subgrantees began the submission of the RFI process, continued with the hosting of a webinar, and was followed by ongoing individual phone calls and emails, and group reminders. To reinforce the federal requirements of the grants; namely, EDGAR and the non-regulatory guidance, we posted information on the CSO website.

(April 1, 2012 - August 31, 2012)

The May 2012 CSP Subgrantee Monitoring Report was emailed to all 65 2011-2012 CSP subgrantees on April 23, 2012. Its purpose is to be a useful initial monitoring tool to assess the subgrantees' adherence to EDGAR. Friday, May 4th is the deadline for submission of the survey. These subgrantees are either new recipients of CSP funds or are in a continuation year. To date, 43 of these subgrantees surveyed have received payments. From those 43 subgrantees, we will choose at least 10 (or approximately 25%) for further monitoring, based in part, on their survey responses. Factors that will contribute to the need for further monitoring include:

- Responses to the survey that raise a red flag (e.g.: over \$100 in interest earned, funds in the bank account for an unreasonable period of time, etc.),
- Subgrantees who do not return the survey,
- Subgrantees recommended by CSO staff based on CSP Grant Manager inquiry,
- Subgrantees that are not submitting FS-25s at a rate appropriate to their 2011-2012 budget,
- Subgrantees with an increased media presence (if applicable), and/or
- Subgrantees whose yearly financial audit raises a red flag.

Subgrantees selected for further monitoring will be required to provide additional documentation to the CSO for review. Requested documentation, based on survey responses and expenses incurred, can include:

- Bank account statements and reconciliations (for earned interest verification as well as timing of payments received and sent)
- Cancelled checks (front and back) or evidence of online payments
- Journal showing separation of CSP funds from other funds
- Travel policy
- Agendas and proof of any professional development activities attended
- Purchase requisition forms
- Consultant contracts and resumes
- Time and attendance records
- BOT meeting minutes

CSO staff will review that documentation to check for compliance with the federal regulations as well as for any other red flags. If necessary, CSO staff will initiate phone calls with the charter

school financial officers to obtain additional clarification. The review process conducted will focus on evidence of:

- proper procedures with regard to the earning of interest are followed if the funds are held in an interest bearing account,
- a reasonable time period between the initial 20% payment and when expenses are paid, and
- adherence to proper cash management procedures.

If further action is needed, follow-up may include:

- A site visit,
- A full desk audit,
- Additional technical assistance through phone calls, emails, or webinar,
- Recommendation to NYSED's Office of Audit Services to initiate a full audit,
- Recommendations to subgrantees to strengthen their processes, and/or
- Request for subgrantees to describe how they are addressing issues of concern through the completion of their semi-annual progress report(s), annual progress report(s), and /or final progress report.

Additionally, the CSP Grants Manager will share, via email and CSO website posting, with subgrantees, CSO staff, and other authorizers a "Best Practices" and "Things to Look Out For" checklists based on the results of the monitoring process.

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