

Accountability and Oversight

RACE TO THE TOP FISCAL ACCOUNTABILITY AND OVERSIGHT REVIEW

District of Columbia

Date of Review: June 16-18, 2014

Race to the Top award: \$74,998,962.00

Acronyms:

ARRA – American Recovery and Reinvestment Act of 2009

EDGAR – *Education Department* General Administrative Regulations (codified in 34 Code of Federal Regulations, Parts 74 to 86 and 87 to 99)

GEPA – General Education Provisions Act

ISU – Implementation and Support Unit

LEA – Local Educational Agency

OSSE – District of Columbia Office of the State Superintendent of Education

Summary of Monitoring Indicators

District of Columbia				
Critical Element	Requirement	Citation	Results	Page
Allocations to LEAs	The State allocated funds to participating LEAs based on their relative share of funding under Title I, Part A of the Elementary and Secondary Education Act of 1965.	ARRA Section 14003(a)	Met Requirement	
Fiscal Oversight of Race to the Top Funds	The State and sub-recipients used the funds only for allowable activities.	ARRA Sections 14002(b), 14003, 14004, 1604, 1605, and 1606	Met Requirement	
	The State and sub-recipients complied with the principles of cash management (i.e. funds advanced were actually expended).	EDGAR § 80.21	Met Requirement	
	The State and sub-recipients have systems to track and account for Race to the Top funds in place.	EDGAR § 80.20	Issues Resolved	4
	The State and sub-recipients complied with cross-cutting ARRA requirements (e.g., Section 1512 reporting, Buy American, infrastructure certification).	ARRA Sections 1511, 1512, 1604, 1605, 1606, and 1607	Met Requirement	
	The State and sub-recipients used the funds only during the period of availability (which may include pre-award costs).	ARRA Section 1603 and GEPA 421(b)	Met Requirement	
1511 Certifications (if applicable)	The State certifies that infrastructure investments have received the full review and vetting required by law and accepts responsibility that it is an appropriate use of taxpayer dollars.	ARRA Section 1511	N/A	
Quarterly ARRA Reporting	The State is ensuring compliance with ARRA Section 1512 quarterly reporting regulations.	ARRA Section 1512	Met Requirement	
	The State established clear policies and procedures for compliance with applicable reporting requirements.	ARRA Sections 14008 and 1512	Met Requirement	
	The State provided guidance on reporting to LEAs.	ARRA Sections 14008 and 1512	Met Requirement	
	The State provided feedback to LEAs on the data reported.	ARRA Sections 14008 and 1512	Met Requirement	

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Sub-recipient Monitoring	The State has developed a monitoring plan with appropriate policies and procedures to assure compliance with applicable Federal requirements and that the grant performance goals are being achieved throughout the project period.	EDGAR §80.40; Race to the Top grant condition "O"	Met Requirement	
	The State has developed comprehensive monitoring protocols that include programmatic and fiscal monitoring.	EDGAR §80.40; Race to the Top grant condition "O"	Met Requirement	
	The State has established a reasonable monitoring schedule.	EDGAR §80.40; Race to the Top grant condition "O"	Met Requirement	
	The State has provided monitoring reports and corrective action follow-up (when available).	EDGAR §80.40; Race to the Top grant condition "O"	Met Requirement	

Monitoring Report Results

Issues Pending Resolution

Critical Element: Fiscal Oversight of Race to the Top Funds

Requirement and Citation: The State and its sub-recipients must have systems to separately track and account for Race to the Top funds; EDGAR § 80.20

Issue: OSSE appears to have a reimbursement system in place for the Race to the Top grant, and it uses its approved Scope of Work and cost reimbursement processes to ensure that all sub-recipients are using Race to the Top funds for allowable expenses. However, during the June 2014 onsite review of one LEA's fiscal documentation, the Department was not able to verify a complete reimbursement cycle. The LEA submitted documentation for a reimbursement in the amount of \$183,641.93, but the General Ledger "Transaction Amount" column total was \$178,542.64, which shows a difference of \$5,099.29. Neither OSSE nor the LEA was able to explain the variation, verify when the reimbursement request was approved, and which deposit included the requested amount. The LEA's former Director of Finance was not available onsite to answer questions and the new Fiscal Director was not in a position to answer the questions.

Resolution: Subsequent to the review, OSSE submitted to the Department evidence that all sub-recipients were informed on December 11, 2014 of the requirement to separately track Race to the Top funds. OSSE also provided evidence that the LEA is separately tracking Race to the Top funds in accordance with EDGAR § 80.20.

Issue: During the Department's onsite review of one LEA's fiscal documentation, the Department was not able to verify the time distribution records of all individuals assigned to Race to the Top. The LEA's payroll system does not contain project codes and does not track time to the project. Instead, the LEA estimates how much time individuals would work on goals related to Race to the Top at the beginning and holds them accountable for progress. They do not ask the individuals to document hours to the effort.

Resolution: Subsequent to the review, OSSE submitted to the Department evidence that the LEA created a process for documenting and approving the time individuals are assigned to the project work on Race to the Top activities. OSSE also provided evidence that the LEA has created a time and effort policy to ensure fidelity to the policy.