

Accountability and Oversight

RACE TO THE TOP FISCAL ACCOUNTABILITY AND OVERSIGHT REVIEW

Tennessee

Date of Review: January 28-31, 2013

Race to the Top award: \$500,741,220.00

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

Summary of Monitoring Review:

The Department found that Tennessee used its Race to the Top funds efficiently and effectively in order to meet the financial needs of the State and its LEAs. This report demonstrates Tennessee's commitment to spend funds in accordance with the SEA's and LEAs' scopes of work, while balancing the need for accountability and transparency.

Summary of Monitoring Indicators

TENNESSEE				
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	Met Requirement	
	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	Not Applicable	
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	

TENNESSEE

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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	

Description of Backup Documentation for Criteria

The documentation the State and LEAs submitted for the Year 3 review is consistent with the requirements in Attachment 2.

Outstanding Issues, Concerns, or Clarifications for Verification

After collecting follow up documentation while on-site, there are no more outstanding issues, concerns, or items for verification for the Year 3 review. It is the Department’s understanding that the State plans to submit its most up-to-date indirect cost agreement to the Department for the 2012-2013 fiscal year as soon as it is available.

The State also provided documentation as requested to follow up on the Year 2 issue regarding cash management and time and effort records at one LEA. The revenue and expenditure and personnel activity reports documentation provided demonstrate that the issues identified during the Year 2 review are resolved. Also in follow up to the Year 2 review, the State shared the revised State federal programs fiscal monitoring protocol planned for use in SY 2012-2013. It is the Department’s understanding that this protocol is not ‘final’ since revisions will be made to the protocol based on implementation in the field this year. However, the State will provide updated versions of the protocol as they become available.