



## State of Minnesota State Fiscal Stabilization Monitoring Plan

Jointly Submitted by the Minnesota Department  
of Education and Minnesota Management and  
Budget

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# State of Minnesota SFSF Monitoring Plan

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## Table of Contents

Overview.....	3
Scope .....	3
Background.....	4
Monitoring Schedule .....	4
MMB Monitoring Schedule.....	4
Detailed Monitoring Activity Schedule - MMB.....	5
MDE Monitoring Schedule .....	5
Risk Assessment.....	5
Random Sample.....	6
Detailed Monitoring Activity - MDE .....	6
Monitoring Policies and Procedures .....	7
Subrecipient monitoring - general expectations .....	8
IHE and State Agency monitoring.....	8
ARRA Section 1512 Data Verification Process – MMB .....	9
LEA monitoring.....	10
ARRA Section 1512 Data Verification Process – MDE .....	11
Data Collection Instruments .....	12
Monitoring Reports and Feedback to Subrecipients .....	12
Processes for verification of implementation of required corrective actions .....	13

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October 28, 2010

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## Overview

States have important oversight responsibilities for expenditure of State Fiscal Stabilization Fund (SFSF) funds and must monitor grant and subgrant activities to maintain compliance with all applicable Federal requirements. States must also ensure that funds awarded under ARRA are spent with an unprecedented amount of transparency and accountability. As part of the initial application, the governor or authorized representative of the governor must certify that the state will comply with the accountability, transparency, and reporting requirements applicable to SFSF programs in addition to other assurances and certifications. Additionally, SFSF recipients must comply with the applicable provisions of the Education Department General Administrative Regulations (EDGAR), including the uniform administrative requirements in 34 CFR Part 80. Governor Pawlenty delegated ARRA coordination and reporting requirements to the Commissioner of Minnesota Management and Budget (MMB), Tom Hanson. Commissioner Hanson signed the SFSF application and assurances. Although ARRA coordination is delegated to MMB, the Minnesota Department of Education (MDE) oversees the SFSF Education K12 funding. MMB oversees the Institutions of Higher Education (IHE) SFSF funds in Education in addition to all state agency and IHE subrecipients of Government Services funding.

## Scope

This SFSF oversight plan outlines the framework the State of Minnesota adopted to meet the requirement to monitor subgrant activities within the Education and Government Services portions of the SFSF awards. The U.S. Department of Education (Department) has directed SFSF recipients that state agencies receiving SFSF funds be identified as subrecipients for purposes of monitoring and related requirements. Currently, in ARRA Section 1512 reporting, those same state agencies are considered prime recipients and not included in the subrecipient tab. Local Education Agencies (LEA) and IHEs are identified as subrecipients for both Section 1512 reporting and monitoring purposes. Therefore, all state agencies receiving SFSF grant funds will be included in the subrecipient monitoring plan.

This joint monitoring plan includes MMB and MDE monitoring schedules, monitoring policies and procedures, data collection instruments, monitoring reports and feedback to subrecipients, and processes for verification of implementation of required corrective actions.

*The US Department of Education (Department) is committed to ensuring maximum transparency and accountability in the use of ARRA funds. As such, the Department will thoroughly and systematically monitor each State's and subgrantee's implementation of the SFSF program. The monitoring will serve several important purposes:*

- *To ensure that grantees and other recipients of SFSF funds have the internal controls necessary to prevent fraud, waste and abuse; promote operating efficiency; and achieve compliance with all applicable statutory and regulatory requirements;*
- *To track the progress of State's implementing critical provisions of the program, including progress in the four education reform areas (achieving equity in the distribution of qualified teachers; improving the collection and use of data; enhancing the quality of standards and assessments; and supporting struggling schools);*
- *To identify potential or existing areas or weaknesses; and*
- *To identify areas where additional technical assistance is warranted.*

*Monitoring Plan for the State Fiscal Stabilization Fund (SFSF) Program - U.S. Department of Education, February 2010, p.1*

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# State of Minnesota SFSF Monitoring Plan

October 28, 2010

Jointly submitted by Minnesota Department of Education and Minnesota Management and Budget

*States also have important oversight responsibilities over the implementation of ARRA and must monitor grant and subgrant supported activities to ensure compliance with applicable Federal requirements. If a State or its subgrantees fail to comply with requirements governing these funds, the Department may, consistent with applicable administrative procedures, take one or more enforcement actions, including withholding or suspending, in whole or part, funds awarded under the program, or recovering misspent funds.*

*Monitoring Plan for the SFSF Program, U.S. Department of Education, February 2010, p.1*

MMB is responsible for monitoring the Minnesota Department of Corrections (DOC), Minnesota Department of Human Services (DHS), and Institutions of Higher Education (IHE) sub-recipients of both SFSF Education and SFSF Government Services funds. MDE is responsible to monitor the Local Education Agency (LEA) subrecipients of SFSF Education funds.

## **Background**

Both MMB and MDE are responsible for monitoring SFSF subrecipients. To address the reporting and compliance requirements and facilitate the grant award, MMB entered into interagency agreements with MDE, DOC, DHS, Minnesota State Colleges and Universities (MnSCU) and the University of Minnesota (UMN). The UMN has two interagency agreements since the entity received both an Education and Government Services SFSF appropriation. The agreement between MMB and MDE establishes the responsibilities for oversight of SFSF Education. The other agreements referenced above establish the responsibilities for reporting on the use of SFSF funds and complying with federal requirements associated with those funds. The subrecipients of those funds accept responsibility for the reporting and

compliance with respect to their portion of the SFSF award.

## **Monitoring Schedule**

Monitoring of SFSF subrecipients includes regularly scheduled monitoring activities combined with targeted or risk based monitoring protocols where appropriate.

## **MMB Monitoring Schedule**

MMB is responsible for monitoring IHE subrecipients of SFSF funds in the Government Services and Education portions along with state agency subrecipients of Government Services awards. MMB reviews subrecipient activities as scheduled and on an as needed basis with the following processes:

- Yearly agency preparedness meetings are scheduled to ensure agency readiness to report quarterly. Additional meetings are scheduled as needed when issues are identified;
- Quarterly data review occurs when MMB receives and compiles subrecipient data for inclusion in Section 1512 reports submitted to federal reporting by MDE and MMB;
- Each quarter, beginning in the second reporting quarter of January – March 2010, subrecipients will certify ARRA Section 1512 data being provided to MMB;
- Subrecipients will receive a desk review at least once during the term of the grant award – the protocol is included as Attachment A;
- Yearly review of Single Audit findings.

# State of Minnesota SFSF Monitoring Plan

October 28, 2010

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<b>Detailed Monitoring Activity Schedule - MMB</b>					
<i>Recipient</i>	<i>USDE Desk Review Preparatory Meeting</i>	<i>Monitoring Visit Notification</i>	<i>Site Visit Completed</i>	<i>Supplemental Data Submission Deadline</i>	<i>Monitoring Visit Findings Completed</i>
Minnesota Department of Corrections	June 23, 2010	July 9, 2010	July 14, 2010	July 26, 2010	Pending
Minnesota Department of Human Services	June 23, 2010	July 9, 2010	July 20, 2010	August 11, 2010	Pending
Minnesota State Colleges and Universities	June 23, 2010	July 12, 2010	July 21, 2010	August 11, 2010	Pending
University of Minnesota	June 23, 2010	July 9, 2010	July 19, 2010	July 26, 2010	Pending

## **MDE Monitoring Schedule**

MDE monitoring of SFSF and other ARRA requirements is incorporated into existing fiscal monitoring activities including the following processes:

- On-going compliance checks of financial reporting and payments;
- Yearly review of Single Audit findings;
- On-site visits to monitor financial and program compliance of subrecipients in administering programs funded under the authority of the Elementary and Secondary Education Act (ESEA), Individuals with Disabilities Education Act (IDEA) and other federal programs.

In addition, the goal is to complete fiscal monitoring with 20% (95) of the SFSF sub-recipients through a desk review, site review or both if warranted. Approximately half of those selected will be based on risk assessment and with the remaining selections using a stratified random sample.

## **Risk Assessment**

- all awards over \$20 million (3);
- additional sub-recipients using factors which include but are not limited to:
  - award size,
  - statutory operating debt (SOD) identification,
  - audit findings,
  - status of corrective action plans to resolve audit findings,
  - experience with grant awards,
  - questionable payment requests.

In addition to already available data, MDE is using a survey to screen for compliance and assist in identifying risk. Sub-recipients are ranked and selected for monitoring and the type of review in order of risk.

# State of Minnesota SFSF Monitoring Plan

October 28, 2010

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## Random Sample

- A 20% stratified random sample of sub-recipients has been sorted in random order.
- The sample and selection balances distribution by geographic regions and the type of local education agency, either traditional school district or charter school.

A portion of the reviews from both selection methods are identified for site visits instead of desk monitoring, however, an inconclusive or unsatisfactory desk review could result in a site visit.

<b>Detailed Monitoring Activity - MDE</b>							
<i>Recipient</i>	<i>Desk Review Notification Date</i>	<i>Desk Review Complete</i>	<i>Desk Review Report Issued</i>	<i>Site Review Notification Date</i>	<i>Site Visit Date</i>	<i>Site Visit Complete</i>	<i>Site Visit Report Issued</i>
CLEVELAND PUBLIC SCHOOL DISTRICT	06/21/10	06/28/10	06/29/10				
NORTHLAND COMMUNITY SCHOOLS	06/23/10	06/25/10	06/29/10				
ST. PAUL PUBLIC SCHOOL DISTRICT	07/02/10	07/23/10	08/06/10	08/25/10	09/28/10	09/28/10	Pending
ANOKA-HENNEPIN PUBLIC SCHOOL DIST.	07/02/10	07/20/10	08/06/10	09/07/10	10/07/10	10/07/10	Pending
MINNEAPOLIS PUBLIC SCHOOL DIST.	07/02/10	07/26/10	08/06/10	09/07/10	10/14/10	10/14/10	Pending
CYBER VILLAGE ACADEMY	07/02/10	08/13/10	08/16/10				
CENTENNIAL PUBLIC SCHOOL DISTRICT	09/08/10	09/23/10	10/11/10				
FRAZEE-VERGAS PUBLIC SCHOOL DIST.	09/08/10	09/24/10	Pending				
FRIDLEY PUBLIC SCHOOL DISTRICT	09/08/10	09/25/10	Pending				
ST. CLAIR PUBLIC SCHOOL DISTRICT	09/08/10	09/25/10	10/11/10				
BARNUM PUBLIC SCHOOL DISTRICT	09/08/10	09/28/10	Pending				
FOLEY PUBLIC SCHOOL DISTRICT	09/09/10	09/24/10	Pending				
NEW ULM PUBLIC SCHOOL DISTRICT	09/09/10	10/01/10	Pending				
BAGLEY PUBLIC SCHOOL DISTRICT	09/10/10	09/27/10	Pending				
BRAINERD PUBLIC SCHOOL DISTRICT	09/10/10	09/27/10	Pending				
MOORHEAD PUBLIC SCHOOL DISTRICT	09/10/10	09/27/10	Pending				
MABEL-CANTON PUBLIC SCHOOL DIST.	09/14/10	10/01/10	Pending				
OSSEO PUBLIC SCHOOL DISTRICT	09/15/10	09/17/10	10/11/10				
GREENBUSH-MIDDLE RIVER SCHOOL DIST.	10/01/10	Pending	Pending				
DEER RIVER PUBLIC SCHOOL DISTRICT	10/18/10	Pending	Pending				
FERTILE-BELTRAMI SCHOOL DISTRICT	10/18/10	Pending	Pending				

# State of Minnesota SFSF Monitoring Plan

October 28, 2010

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<b>Detailed Monitoring Activity - MDE</b>							
<i>Recipient</i>	<i>Desk Review Notification Date</i>	<i>Desk Review Complete</i>	<i>Desk Review Report Issued</i>	<i>Site Review Notification Date</i>	<i>Site Visit Date</i>	<i>Site Visit Complete</i>	<i>Site Visit Report Issued</i>
INTERNATIONAL FALLS SCHOOL DISTRICT	10/18/10	Pending	Pending				
HOPKINS PUBLIC SCHOOL DISTRICT				10/18/10	11/18/10		
MONTICELLO PUBLIC SCHOOL DISTRICT				10/19/10	11/30/10		
CARLTON PUBLIC SCHOOL DISTRICT	10/19/10	Pending	Pending				
CHOKIO-ALBERTA PUBLIC SCHOOL DIST.	10/19/10	Pending	Pending				
IVANHOE PUBLIC SCHOOL DISTRICT	10/19/10	Pending	Pending				
LAKEVIEW SCHOOL DISTRICT	10/19/10	Pending	Pending				
MOUNTAIN IRON-BUHL SCHOOL DISTRICT	10/19/10	Pending	Pending				
NORMAN COUNTY EAST SCHOOL DISTRICT	10/19/10	Pending	Pending				
BATTLE LAKE PUBLIC SCHOOL DISTRICT	10/20/10	Pending	Pending				
DULUTH PUBLIC SCHOOL DISTRICT	10/20/10	Pending	Pending				
EAGLE VALLEY PUBLIC SCHOOL DISTRICT	10/20/10	Pending	Pending				
SEBEKA PUBLIC SCHOOL DISTRICT	10/20/10	Pending	Pending				
FULDA PUBLIC SCHOOL DISTRICT	10/22/10	Pending	Pending				
ROCORI PUBLIC SCHOOL DISTRICT	10/22/10	Pending	Pending				
WINDOM PUBLIC SCHOOL DISTRICT	10/22/10	Pending	Pending				

## Monitoring Policies and Procedures

Both MMB and MDE follow applicable federal and state policies for grant administration through policies and procedures outlining the monitoring responsibilities of both parties. Monitoring procedures have been tailored to mitigate and prevent instances of unallowable expenditures and instances of fraud, waste and abuse.

Since MMB has four subrecipients and MDE has close to 500 subrecipients, the monitoring protocols cannot be identical. To meet the high standards implemented by ARRA, each agency implemented monitoring methodologies tailored to ensure adequate oversight based on the resources available. Both monitoring methodologies rely on communication, training, scheduled monitoring activities and targeted risk assessment. The number and regularity for monitoring visits, either desk or on-site, will vary between the two agencies.

# State of Minnesota SFSF Monitoring Plan

October 28, 2010

Jointly submitted by Minnesota Department of Education and Minnesota Management and Budget

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## Subrecipient monitoring - general expectations

- As part of the SFSF application, MMB worked in partnership with MDE and the Minnesota Legislature to ensure Maintenance of Effort requirements of the SFSF program were adhered to for both K12 Education (LEAs) and IHE budgets.
- All ARRA subrecipients must establish accounting and budgeting processes to monitor expenditures of ARRA SFSF funds separately than other funds.
- All ARRA subrecipients must adhere to requirements of the Single Audit Act where applicable. The recipients monitoring audits of subrecipients are required to review and follow-up with subrecipients on cross-cutting findings and program specific issues arising in the yearly audit.
- All ARRA SFSF recipients and subrecipients agreed to comply with ARRA Section 1511. Section 1511 requires that any ARRA funds made available for infrastructure investments receive full review and that the plans are certified by the state's chief executive.<sup>1</sup>
- State agencies will communicate with subrecipients on proper use of funds and outline those prohibited activities. LEA subrecipients were required to submit an application indicating the planned use of the SFSF funds. Applications were reviewed and approved by MDE. IHE recipients submitted a copy of the internal policies created regarding the use and accounting of ARRA SFSF funds.
- Subrecipients are responsible to remain current with ARRA Section 1512 and Section 14008 reporting and compliance guidance on the use of ARRA funds. State agencies will provide agency preparedness training, technical assistance and will disseminate information on the rules and regulations associated with ARRA. Ultimately, the subrecipients are responsible to comply with current federal regulations, policy and guidance and the state agencies monitor that compliance.
- MMB and MDE will retain all reports, recommendations, responses and data quality review documentation on file for six years following completion of the ARRA program.

## IHE and State Agency monitoring

MMB is responsible for monitoring IHE subrecipients of SFSF funds in the Government Services and Education portions along with state agency subrecipients of Government Services awards. DOC and DHS each received appropriations for Government Services funding. MnSCU received an appropriation for SFSF Education funds. The UMN received two appropriations – one for Government Services and one for Education.

- MMB provided subrecipients with the April 2009 SFSF guidance issued by the Department along with the final copies of the interagency agreement(s). As part of the interagency agreements, each subrecipient assumes responsibility for reporting compliance with respect to their portion of the SFSF funds. Subrecipients must comply with requirements of ARRA as applicable and with those requirements of the grant award as detailed in Attachment T of the Grant Award Notification.
- Subrecipients must establish and maintain separate appropriations for SFSF funds. Subrecipients are monitored to ensure that the proper internal controls have been implemented to maintain separation of ARRA funds through both the accounting and budget processes.

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<sup>1</sup> At this time, there have been no recipient or subrecipient infrastructure investments with SFSF funds in the State of Minnesota.

# State of Minnesota SFSF Monitoring Plan

October 28, 2010

Jointly submitted by Minnesota Department of Education and Minnesota Management and Budget

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- MMB, acting through its delegates MDE and DHS, will draw federal funds on behalf of the Governor's office. Subrecipients will provide MMB with supporting data for draws made on SFSF award when requested. Subrecipients will request draws which are in compliance with the Cash Management Improvement Act.
- All subrecipients will provide MMB with an audit in compliance with the Single Audit Act when applicable.
- MMB will review SFSF activities of subrecipients as scheduled and as needed throughout the grant period. MMB will complete a desk review at least once during the term of the grant award. Prior to the review, subrecipients will receive the SFSF Monitoring Protocol for completion.

## **ARRA Section 1512 Data Verification Process – MMB**

The MMB SFSF monitoring team reviews quarterly reporting data of subrecipients to include the expenditures, federal receipts, jobs calculations and supporting documentation where necessary as a first level of review.<sup>2</sup> Supporting documentation of jobs reporting will be collected at the time ARRA section 1512 data is collected. Although data review is ongoing in due part to the continuous corrections period at [federalreporting.gov](http://federalreporting.gov), the majority of data review is accomplished at the time reporting data is received. Subrecipients are expected to promptly address any data quality issues or make corrections to data for errors or omissions raised either during the initial data review or following the federal agency review. Subrecipients must meet reporting requirements and comply with most current reporting guidance. If issues are not addressed, MMB will consider the subrecipient to be high risk and appropriate follow-up will be scheduled to include desk review, site visit, or withheld payments.

Report review occurs in the following manner:

- IHE and GSF recipients are sent a reporting memorandum establishing quarterly timelines for submission. The memorandum also provides the subrecipients with reminders of important reporting objectives and changes in guidance. When necessary, updates are emailed out to alert subrecipients of any changes to reporting policies.
- Data submissions are monitored to ensure timeliness. Subrecipients are contacted if reports are not received on time. Some flexibility is provided when needed to compile the most accurate data.
- Once data is submitted, MMB staff, including the agency ARRA coordinator and relevant executive budget officer, review data with these objectives:
  - Are the required data elements provided?
  - Do the expenditures and federal receipts reconcile with the state accounting system? If not, is there a reasonable explanation?
  - Does the data include jobs data? Does the jobs number seem reasonable and consistent with previous quarters? Does the number seem consistent with the reported methodology used by the specific subrecipient?

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<sup>2</sup> Minnesota Management and Budget also provides a centralized review of all Minnesota state agency section 1512 reports to ensure completeness and quality. MMB provides data review both through an electronic data validation mechanism and a manual review completed by executive budget officers. Both MMB and MDE submit 1512 reports for the MMB centralized review. This process also ensures the state meets the transparency requirements of ARRA by collecting state agency data and making it publicly available at [recovery.mn](http://recovery.mn).

# State of Minnesota SFSF Monitoring Plan

October 28, 2010

Jointly submitted by Minnesota Department of Education and Minnesota Management and Budget

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- Has the subrecipient provided jobs data for vendors? If not, should they have considered including jobs data?
- After the narrative descriptions are reviewed for accuracy, should any narrative be updated? Is it free of acronyms and jargon?
- Does the vendor data appear to still be cumulative for the entire term of the award? Does a spot check identify any red flags on vendors included and their total receipts?
  - Did the subrecipient complete a quarterly reporting certification?
- The MMB SFSF coordinator communicates with subrecipients on any outstanding questions from the 1512 data review. Appropriate changes are made and documentation is retained each quarter.

## LEA monitoring

MDE is responsible for oversight and monitoring of SFSF Education funds distributed to LEA subrecipients.

- MDE provides guidance to LEAs through presentations, weekly email updates, technical assistance phone calls, and posting information on the Stimulus update section of the Minnesota Department of Education website. MDE provided LEAs with the U.S. Department of Education guidance on the Stabilization Fund and a “Frequently Asked Questions” document. The application instructions also included information on the unallowable uses of the Stabilization Fund.
- Prior to the release of funds, LEAs were required to submit an application for the full allocation in state FY 2010. The application required LEAs to include a budget justification for the proposed use of funds by allowable object code (expenditure category). Each application and budget was reviewed and approved by MDE staff. LEAs must comply with other requirements of ARRA and the grant award as detailed in the assurances included in the application. The Buy American and infrastructure requirements do not apply as no districts in Minnesota have selected to use the funds for construction projects.
- LEAs were also required to enter the approved budget in the State Educational Record View and Submission (SERVS) financial system. This system uses the Uniform Financial Accounting and Reporting Standards (UFARS) for coding revenues and expenditures. A new finance code was created to track the SFSF funds. LEAs are required to report and track all SFSF activity using this new finance code and allowable object codes. LEAs are allowed to balance forward any unobligated funds into state FY 2011 but must again enter a budget for approval in the SERVS financial system.
- Funds are released to LEAs on a reimbursement basis only as LEAs make requests for funds by object code (expenditure category) through the SERVS Financial system and in compliance with the Cash Management Improvement Act. MDE staff review the draw requests and request additional documentation as needed.
- The 1512 reports are compiled by MDE finance staff. The jobs data and the vendor data are obtained through a quarterly survey of LEAs. The process includes reconciling the SERVS Financial system data to the statewide accounting system (MAPS). Prior to submission, the reports are reviewed by MDE division directors and Minnesota

# State of Minnesota SFSF Monitoring Plan

October 28, 2010

Jointly submitted by Minnesota Department of Education and Minnesota Management and Budget

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Management and Budget (MMB) staff. The state contacts the subrecipients with questions if the data reported appears to be inaccurate or incomplete.

- Prior to a desk or site review, the MDE monitor examine expenditures reported to date in the SERVS financial system and any other required and available documentation from the LEA. The monitor identifies a specific payment request made by the LEA and send notification that the sub-recipient must make available the supporting documentation for the reported expenditures. LEAs subject to a site review also receive the SFSF Monitoring Protocol which is completed during the site visit. Desk reviews provide at least a 10-day notice while site reviews provide at least a 30-day notice. MDE reserves the right to reduce the time of advance notice as warranted to examine questioned and unsupported expenditures as quickly as possible.

Monitoring reviews focus on three areas of compliance:

- Internal controls are in place to ensure that costs are assigned and tracked against federal grants using a method to ensure compliance with federal requirements, that assets acquired are safeguarded, and that they are used solely for authorized purposes;
- SFSF expenditures must be consistent with applicable State and local requirements along with all statutory provisions of ARRA. Since SFSF funds are essentially general aid - there are no specific SFSF activities - specific cost principles of OMB Circulars do not apply. Expenditures must be reasonable, necessary and fully documented;
- Expenditures are in compliance with the LEA's approved funding application.

## **ARRA Section 1512 Data Verification Process – MDE**

The MDE SFSF monitoring team reviews quarterly reporting data of subrecipients. Although data review is ongoing due in part to the continuous corrections period at federalreporting.gov, the majority of data review is accomplished at the time reporting data is received, during the MMB centralized review process (see footnote 2 above), and during ongoing monitoring activities. LEAs are expected to address data quality issues or make corrections to data for errors or omissions raised either during regular monitoring or following the federal agency review. If issues are not addressed, MDE will consider the LEA to be higher risk and appropriate follow-up will be scheduled to include desk review or site visit.

Report review occurs in the following manner:

- Updated reporting instructions for the jobs/vendor data are sent out to sub-recipients and posted to the MDE website. The instructions provide the sub recipients with reminders of the jobs/vendor reporting requirements and changes in guidance. When necessary, updates are emailed out to alert sub recipients of any changes to reporting policies.
- Data for the jobs/vendor reporting is collected via a survey. The other data required is pulled from the SERVS Financial system, the statewide accounting system, and the G5 draw system.
- The 1512 reports are compiled by agency finance staff and reviewed by the program staff. A second review is done by the MDE federal stimulus coordinator prior to submitting the reports on federalreporting.gov.

# State of Minnesota SFSF Monitoring Plan

October 28, 2010

Jointly submitted by Minnesota Department of Education and Minnesota Management and Budget

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## Data Collection Instruments

MMB and MDE will use the following monitoring protocols when reviewing subrecipients.

The MMB monitoring protocol, "State Fiscal Stabilization Fund Program Monitoring Protocol," for Government Services Recipients and IHE Education Recipients is included as Attachment A. The monitoring protocol will facilitate the desk review of subrecipient in areas of compliance and reporting, including but not limited to, fiscal compliance, internal control implementation, ARRA specific requirements, Single Audit, and ARRA reporting compliance. To support the monitoring protocol, MMB has implemented a quarterly review checklist, quarterly reporting certification process, and ongoing effort to provide subrecipient technical support and federal accountability updates.

The MDE monitoring protocol, "Local Education Agency Monitoring Protocol" is included as Attachment B. The monitoring protocol will be used for on-site review of subrecipients similar to the MMB protocol explained above. Subrecipients will also be subject to existing protocols for desk reviews and on-site monitoring.

## Monitoring Reports and Feedback to Subrecipients

MMB and MDE will issue a report and approve a submitted corrective action plan within 90 calendar days from the conclusion of the monitoring review. Program staff may be consulted during that period to clarify an issue or verify the accuracy of information collected during the review. When all issues are clarified, subrecipients will receive the final report identifying any findings of non-compliance and the required period of corrective action for each. Findings of current non-compliance could be in one of three categories:

- a. Adequate internal controls are not in place;
- b. Sufficient source documentation is not in place to justify 1512 reporting data;
- c. Specific expenditure is not allowable. Although specific cost principles in the OMB circulars do not apply to SFSF funds, SFSF expenditures must be consistent with applicable State and local requirements along with all statutory provisions of ARRA.

The report may also include recommendations for improving fiscal management and reporting.

The corrective action period for any finding will be within six months from the date of the report or less as warranted by the nature of the non-compliance. Any report which includes findings of non-compliance requires the subrecipient to submit a proposed corrective action plan for approval. MMB or MDE will review, and request revisions as needed in order to approve the plan within the 90-day period. Payments could be suspended if the subrecipient does not provide an approvable corrective action plan within this time period.

# State of Minnesota SFSF Monitoring Plan

October 28, 2010

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## **Processes for verification of implementation of required corrective actions**

For findings of non-compliance, the subrecipient must submit a certification of compliance along with any supporting documentation by the end of the corrective action period. Within 30 calendar days, the documentation will be reviewed by MMB or MDE to verify whether the non-compliance has been corrected. A written statement of its determination will then be issued. A follow-up desk review or on-site visit will be conducted as warranted for the most serious findings. Failure to submit certification when required to substantiate compliance could result in the suspension of payments.