

# Fiscal Monitoring

## Purpose

Federal Individuals with Disabilities Education Act (IDEA) Part B 611 and 619 grants are subject to federal and state monitoring requirements. Fiscal monitoring reviews focus on compliance with federal and state programmatic and fiscal requirements. LEAs will be selected for fiscal monitoring based on a standardized assessment procedure. The goal of fiscal monitoring is to educate and correct through technical assistance to ensure LEAs can meet federal fiscal requirements moving forward.

## Identification

LEAs are selected/identified for fiscal monitoring based on total score indicating a higher fiscal risk over several criteria. The criteria may be adjusted.

## Notification

The Annual Determination Letter will indicate those selected for fiscal monitoring.

## Monitoring Review Process

- Reviews will be done in the form of a desk review.
- For an LEA review, CDE fiscal staff will engage with CDE program staff, LEA staff, and SELPA staff.
- Fiscal review items vary in level and frequency of review. Evidence for items may be collected and verified by CDE annually, but during a fiscal monitoring review, prior annual reports may be summarized with a determination of compliance. Specific review levels and frequency are included with each instrument item.
- A Fiscal reviewer will request specific evidence for items on the instrument.
- A compliance report will be provided at the end of the review to the LEA and SELPA; and may contain corrective actions to address items of non-compliance.
- Any corrective actions will indicate the length of time given to correct and suggested steps to correct the finding.

## Review Timeline

Fiscal monitoring reviews will begin February 2025 and will continue until all selected LEAs complete review. Following the Annual Determination Letters, CDE staff will reach out with fiscal reviewer information and projected review periods for those LEAs selected for a fiscal monitoring review.

## Review Documentation

LEAs will not be required to create any new documentation for a fiscal monitoring review, but existing documents may be requested such as time and effort documents and general ledgers. Documents previously submitted to CDE such as Proportionate Share Worksheets, Maintenance of Effort Reports, and Expenditure Reports, may not be requested but will be reviewed during fiscal monitoring.

## Compliance Report

A compliance report including items of compliance and non-compliance will be sent to each LEA within 60 days of the completion of the review. Each finding of non-compliance must be corrected as soon as possible and in no case later than the date on the compliance report. Suggested steps to correct the finding will be included with each finding of non-compliance.

## Technical Assistance

Fiscal resources will be available online to assist with the review process, to include but not limited to: Risk Assessment Criteria, Monitoring Instrument, Compliance Report, Allowable Cost Resources, Time and Effort Resources, and Inventory Management Resources.

CDE fiscal staff will be available to SELPA and LEAs, will follow up on findings of non-compliance, and will provide ongoing technical assistance to support compliance.

## Annual Fiscal Reporting

LEAs not flagged for a monitoring review are required to continue submission of annual fiscal reports (maintenance of effort, excess costs, and proportionate share). In addition, CDE will continue to review expenditure reporting to ensure all costs charged to IDEA are both reasonable and necessary prior to grant award reimbursement.

## On-site Monitoring

LEAs with outstanding or recurring fiscal monitoring findings or single audit findings, history of delayed expenditure of grant funds and delayed submission of fiscal documentation, paired with high entitlements and other risk indicators may be subject to an onsite review, regardless of the fiscal review level determined.