

Fiscal Review Process

Fiscal reviews will be conducted for all Great Start Readiness Program (GSRP) grantees and their subrecipients. All fiscal reviews will be conducted using the Grant Electronic Monitoring System/Michigan Administrative Review System (GEMS/MARS). To obtain access to GEMS, each individual must have a Michigan Education Information System (MEIS) number and complete a GEMS security form. Information for obtaining a MEIS number or the GEMS security form can be found on the GSRP website or contact GSRP staff.

The fiscal review includes an analysis of approved budgets and final expenditure reports for the slot, carryover and transportation allocations. The focus is on the following areas: GSRP policies and procedures, Final Expenditure Report verification, payroll expenditures, general expenditures, purchased services, and capital outlay. On average, a three-day visit will be conducted for each grantee. Fiscal reviews also focus on the implementation of the Michigan Public School Accounting Manual and the GSRP Implementation Manual.

Notification

The MDE fiscal monitor will contact each Intermediate School District (ISD) a minimum of 30 days prior to scheduling a fiscal review to determine mutually agreed upon dates. The ISD will receive an email notification from GEMS. The notice will be sent to the ISD superintendent, the business official and ECC responsible for GSRP as reported in MEGS+, and others as needed or required. The ISD will then have to login to GEMS to receive their primary document list, a list describing the documents required to be uploaded into the system. This list is required of the ISD and all subrecipients. Primary documents are to be uploaded within two (2) weeks of the date of notification and consists of, but is not limited to:

- General Ledger Summary and Detail
- Listing of employees paid with GSRP funds (Name and Title)
- GSRP Policies and Procedures
- Subrecipient contracts

Review

After the MDE fiscal monitor reviews the primary documents, the ISD will receive by email a list of secondary documents to be reviewed. A sample of subrecipients will be chosen to be reviewed and documents for both the ISD and selected subrecipients will be reviewed. These documents are to be available at the ISD at the time of the review. The fiscal monitor may also go on-site to the subrecipients to review these documents.

The MDE fiscal monitor will select samples from the general ledger and Final Expenditure Reports (FERs) to be reviewed during the on-site visit. These samples will be reviewed for: allowable cost, amount, use of proper function and object codes and date of cost. A list of the samples chosen will be emailed to the

ISD to be available during the on-site review. Other documentation may be asked for during the on-site review. Required samples are source documents such as:

- Invoices
- Receipts
- Purchase orders
- Spreadsheets

Fieldwork

Fieldwork is on-site at the ISD and typically consists of:

- Review of sample items;
- Talking with staff;
- Reviewing procedure manuals;
- Verifying the ISD and subrecipient's business processes;
- Compliance with applicable policies and procedures, laws and regulations;
- Assessing internal controls

The fiscal monitor may schedule meetings before and after the fiscal review with ISD staff responsible for GSRP, including the ISD superintendent, the ECC and/or ECS, and business officials. Any technical assistance also takes place at this time.

Fiscal Review Report

After the fiscal review is completed, the ISD will receive by email a fiscal review report from GEMS. The report contains a summary of all the focused areas from above, stating if adequate internal controls exist and if there are any findings. If there are findings, the ISD may be required to complete a corrective action plan (CAP). A summary of technical assistance provided will also be included in the report.

Corrective Action

If the ISD has any findings on the fiscal review report, a CAP may be necessary. A corrective action is the step(s) an ISD will be required to complete in order to correct any findings. The CAP will require you to develop a plan to correct a problem within a specified time frame and submit a written response to the MDE fiscal monitor. CAPS are usually due within 30 days of the date of the Fiscal Review Report and are completed using GEMS.

Follow-Up

Follow-up is performed on an issue-by-issue basis and typically occurs shortly after the completed corrective action plan is submitted by the ISD. The purpose of the follow-up is to verify that the ISD has implemented the agreed-upon corrective actions. The MDE fiscal monitor may interview staff, perform tests,

and/or review new procedures to perform the verification. The ISD will then receive a final letter from the MDE fiscal monitor indicating whether all findings have been satisfactorily corrected or whether further actions are necessary.

Authorizing Regulation for GSRP Fiscal Reviews

- State School Aid Act, Sections 32d and 39;
- GSRP Implementation Manual;
- Michigan Public School Accounting Manual;
- Michigan Public School Auditing Manual.

Questions for the ISD to Consider

- Who must be notified when a fiscal review has been scheduled?
- Who must be involved in the fiscal review process?
- Where will the fieldwork be held?
- Who provides the required documentation?
- Where can the documentation be found?