

TECHNICAL REVIEW, ASSISTANCE, AND COMPLIANCE  
**FINANCE REVIEW CHECKLIST**

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Compliance is determined through a review of evidence contained in district documents, State documents, and onsite evidence.

**Definitions**

**Fiscal Agency Documents** – The Fiscal Agency must provide these documents. Desk Review Documents must be uploaded to GEMS prior to the visit. Do NOT submit duplicate documents. These required documents must be submitted; optional documents should be submitted only if they provide evidence of compliance.

**State Documents** – MDE/OCTE has these documents. Do NOT submit them.

**F01 LEVEL OF EFFORT: SUPPLEMENT, NOT SUPPLANT**

Federal funds shall be used to supplement, not supplant, nonfederal funds expended to carry out career and technical education activities.

**Citation(s):** Perkins V Sec. 211(a)

Compliance Criteria	Documents
<p><b>F01-1</b> In Compliance: Federal funds were not used to provide services which were provided with state or local funds in the prior year.</p> <p><b>F01-2</b> In Compliance: Federal Perkins funds were not used to provide services that are required under other federal, state, or local laws.</p> <p><b>F01-3</b> In Compliance: Federal Perkins funds did not replace state or local funds for a CTE activity that, in the absence of the federal funds, the district would have continued to use state or local funds to support.</p>	<p><b>Fiscal Agency Documents</b></p> <ul style="list-style-type: none"> <li>• Board policy prohibiting supplanting</li> </ul> <p><b>State Documents</b></p> <ul style="list-style-type: none"> <li>• Final Expenditure Reports for two previous years</li> <li>• Single Audit Report</li> </ul> <p><b>Onsite Evidence</b></p> <ul style="list-style-type: none"> <li>• Interview with business official</li> <li>• Interview with CTE administrator</li> </ul>

## FINANCE REVIEW CHECKLIST

### F02 PROCUREMENT

Recipient maintains a written code of standards of conduct governing the performance of its employees engaged in the award or administration of contracts; and maintains records sufficient to detail the history of a procurement transaction; and procurement procedures provide for full and open competition to the extent practicable, and no contract is made with a vendor that has been suspended or debarred.

**Citation(s)** Uniform Guidance (UG) 2 CFR Part 200.112, 200.212,200.317-200.326, EDGAR 75.524 & 75.525

Compliance Criteria	Documents
<p><b>F02-1</b> In Compliance: Board policy prohibits direct financial benefit to any employee or affiliate.</p> <p><b>F02-2</b> In Compliance: Board policy prohibits participating by any employee, officer, or agent in the selection, or in the award of, any contracted supported by federal if a conflict of interest, real or apparent, is involved.</p> <p><b>F02-3</b> In Compliance: Records provide sufficient detail to determine proper procurement procedures were followed and costs were allowable.</p> <p><b>F02-4</b> In Compliance: Procurement policy and/or procedures differentiate between items that require a competitive bid and those that do not cost more than the threshold (i.e., small purchases).</p> <p><b>F02-5</b> In Compliance: Purchasing procedures ensure full and open competition, to the extent practicable.</p> <p><b>F02-6</b> In Compliance: Procurement procedures ensure that no contract is made to a suspended or debarred vendor.</p>	<p><b>Fiscal Agency Documents</b></p> <ul style="list-style-type: none"> <li>• Procurement/purchasing policies and procedure</li> <li>• Board-approved Conflict of Interest policy for all employees                             <ul style="list-style-type: none"> <li>○ Employee-signed copies of Conflict of Interest is recommended                                     <ul style="list-style-type: none"> <li>▪ Signed by employee on annual basis is recommended.</li> </ul> </li> </ul> </li> </ul> <p>If there are no signed copies, then the region should be prepared to explain how they make employees aware of this requirement and how employees are given the opportunity annually to disclose potential Conflicts of Interest.</p> <ul style="list-style-type: none"> <li>• Evidence that the <a href="http://www.sam.gov">System for Award Management</a> (www.sam.gov) was checked.</li> <li>• Vendor list detailing status and date SAM was checked.</li> </ul> <p><b>State Documents</b></p> <ul style="list-style-type: none"> <li>• Final Expenditure Reports previous year</li> <li>• Single Audit Report</li> <li>• MDE Competitive Bid Threshold Memo</li> </ul> <p><b>Onsite Evidence</b></p> <ul style="list-style-type: none"> <li>• Interview with business official</li> <li>• Interview with CTE administrator</li> </ul>

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**F03 EXPENDITURE REVIEW**

Fiscal control and fund accounting policies and procedures ensure proper expenditure of and accounting for federal and nonfederal funds expended for career and technical education.

**Citation(s):** EDGAR 75.702, UG CFR 200.302, 200.303, & 200.305

Compliance Criteria	Documents
<p><b>F03-1</b> In Compliance: Federal grant expenditures were made according to the approved budget</p> <p><b>F03-2</b> In Compliance: Federal grant expenditures occurred within the grant period.</p> <p><b>F03-3</b> In Compliance: The accounting records and supporting documentation demonstrate how the federal funds were spent.</p> <p><b>F03-4</b> In Compliance: The accounting records are sufficient to determine that those federal expenditures were allowable.</p> <p><b>F03-5</b> In Compliance: Only nonfederal funds were spent on required activities and the supporting documentation discloses how and when they were spent to accomplish the activity (if applicable).</p> <p><b>F03-6</b> In Compliance: The fiscal agency has procedures to monitor expenditures and reimbursement requests for all participating agencies (if applicable).</p> <p><b>F03-7</b> In Compliance: The fiscal agency minimized the time between making disbursements and drawing down funds from CMS for reimbursement.</p> <p><b>F03-8</b> In Compliance: The fiscal agency has appropriately signed Cooperative Agreements for Designation of Fiscal Agency for all participating agencies.</p>	<p><b>Fiscal Agency Documents</b></p> <ul style="list-style-type: none"> <li>• Chart of Accounts (COA) (or equivalent) that defines accounting codes used in General Ledger (GL).</li> <li>• GL summary and transaction details (or equivalent) for <b>federal</b> CTE grant expenditures</li> <li>• Budget policies and procedures</li> <li>• Accounting policies and procedures</li> <li>• GL summary and transaction details (or equivalent) for <b>nonfederal</b> expenditures used to support required CTE Perkins grant activities</li> <li>• Process, procedures, and forms used to monitor reimbursements with participating agencies to ensure timely drawdowns.</li> <li>• Signed Cooperative Agreements for Designation of Fiscal Agency for ALL participating agencies generating CTE Perkins funds (fiscal agency only)</li> </ul> <p><b>State Documents</b></p> <ul style="list-style-type: none"> <li>• Final expenditure reports (NexSys)</li> <li>• Single Audit Report</li> <li>• NexSys reimbursement requests – quarterly is required, monthly is recommended.</li> </ul> <p><b>Onsite Evidence</b></p> <ul style="list-style-type: none"> <li>• Interview with business official</li> <li>• Interview with CTE administrator</li> <li>• Supporting documentation for selected samples (will be uploaded to GEMS after review).</li> </ul>

**FINANCE REVIEW CHECKLIST**

**F04 Compensation – Personal Services**

Employees whose salaries and benefits are paid in whole or in part with federal funds maintain time distribution in accordance with:

**Citation(s):** EDGAR A-21, A-122, UG CFR 200.23, 200.69,200.74, 200.93, 200.201, 200.331(a), 200.331(b), 200.430

Compliance Criteria	Documents
<p><b>F04-1</b> In Compliance: Employees paid 100% with CTE Perkins funds work solely on allowable career and technical education activities and certify to such at least twice a year.</p> <p><b>F04-2</b> In Compliance: Employees whose salaries and benefits are paid in part with CTE Perkins funds maintain appropriate time distribution records and/or personnel activity reports.</p> <p><b>F04-3</b> In Compliance: Salary and benefits paid were reconciled to budgeted amounts at least on a quarterly basis.</p> <p><b>F04-4</b> In Compliance: Salaries and benefits reported on the Final Expenditure Report agree with the district's general ledger payroll accounts.</p>	<p><b>Fiscal Agency Documents</b></p> <ul style="list-style-type: none"> <li>• List of employees and titles whose salary and benefits were paid in whole or in part with CTE Perkins funds</li> <li>• Payroll ledger</li> <li>• <b>Written</b> policy and procedures complying with federal time and effort reporting requirements</li> <li>• Semi-annual certifications (100%), is allowable under UGG</li> <li>• Reconciliation of actual payroll costs to budgeted amounts</li> <li>• Split-funded personnel reports showing all activity including non-federal and/or local (Personnel Activity Reports is allowable under UGG)</li> </ul> <p><b>State Documents</b></p> <ul style="list-style-type: none"> <li>• Final Expenditure Reports for previous year</li> </ul> <p><b>Onsite Evidence</b></p> <ul style="list-style-type: none"> <li>• Interview with business official</li> <li>• Interview with CTE administrator</li> </ul>

## FINANCE REVIEW CHECKLIST

### F05 INVENTORY/ PROPERTY MANAGEMENT

Prior written approval is required for purchasing equipment for state-approved career and technical education programs. Recipient's inventory management system meets the requirements in EDGAR. Equipment is defined as tangible, nonexpendable property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

**Citation(s):** Perkins Sec. 135. EDGAR 76.618, UG CFR 200.20,200.33, 200.58, 200.62, 200.94, 200.302(b)(4), 200.313, 200.453

Compliance Criteria	Documents
<p><b>F05-1</b> In Compliance: Written approval was obtained from MDE/OCTE before instructional equipment was purchased.</p> <p><b>F05-2</b> In Compliance: Equipment purchased with CTE Perkins funds was entered and tracked on the recipient's equipment inventory.</p> <p><b>F05-3</b> In Compliance: Board policies and procedures regarding equipment purchases include measures to safeguard the equipment.</p> <p><b>F05-4</b> In Compliance: Board policy and procedures regarding Tangible Personal Property include measures to safeguard such items prone to theft or loss.</p> <p><b>F05-5</b> In Compliance: Inventory Management System properly tracks non-consumable Tangible Personal Property which may be prone to theft or loss and demonstrates an allocable benefit to the program.</p>	<p><b>Fiscal Agency Documents</b></p> <ul style="list-style-type: none"> <li>• Equipment inventory</li> <li>• Board policy for capital outlay purchases (if not submitted for F02)</li> <li>• Tangible Personal Property policies and procedures (if not submitted in F02)</li> <li>• Tangible Personal Property Inventory Management System documentation that includes:                             <ul style="list-style-type: none"> <li>○ Item</li> <li>○ Serial # or other ID #</li> <li>○ Funding Source</li> <li>○ Location</li> <li>○ Disposition</li> </ul> </li> <li>• Accounting records for instructional equipment purchases</li> </ul> <p><b>State Documents</b></p> <ul style="list-style-type: none"> <li>• NexSys Capital Outlay - Approved CTE Instructional Expenditures</li> </ul> <p><b>Onsite Evidence</b></p> <ul style="list-style-type: none"> <li>• Interview with business official</li> <li>• Interview with CTE administrator</li> </ul>

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**F06 PREVIOUS MONITORING REVIEW**

All noncompliance findings from the previous TRAC monitoring review have been successfully resolved.

Compliance Criteria	Documents
<p><b>F06-1</b> In Compliance: The previous monitoring report contained financial noncompliance findings that were addressed in the approved compliance plan. The current financial review shows the previous noncompliance findings have been corrected and are not repeat findings.</p> <p><b>REPEAT FINDINGS:</b> Repeat TRAC non-compliance findings may result in targeted technical assistance, regional attendance at a targeted technical assistance meeting with OCTE or may result in a targeted visit during the next school year.</p>	<p><b>State Documents</b></p> <ul style="list-style-type: none"> <li>• Prior monitoring report</li> <li>• Prior compliance plan</li> </ul>