

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 from the ISD 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, transportation, and curriculum allocations. The focus is on the following areas: board approved policies and business office procedures, Final Expenditure Report verification, payroll expenditures, general expenditures, purchased services, capital outlay, and the ISD subrecipient monitoring process. 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) prior to scheduling a fiscal review. The ISD will receive a scheduling email notification from GEMS/MARS. The notice is sent to ISD individuals that have current access to GSRP fiscal reviews in GEMS/MARS. The scheduling email from GEMS/MARS provides instructions for completing the Fiscal Monitoring Review Information Request List and Fiscal Monitoring Review Questionnaire within GEMS/MARS within two (2) weeks of the date of notification. This list is required of the ISD and subrecipients as applicable. Primary documents to be uploaded consist of, but are not limited to:

- Staff listing (name and title) for employees funded by GSRP (total hours and total amount paid) including FTEs and their job description;
- General Ledger Summary and Detail (payroll and non-payroll) for entire slot allocation, carryover, transportation, and curriculum;
- Board approved policies and business office procedures for cash management, allowability, payroll, procurement, travel, record retention, conflict of interest, and credit cards;
- Inventory listing for all equipment purchased with GSRP funds;
- General ledger account descriptions; and
- Subrecipient agreements and purchased services contracts.

Review

After the MDE fiscal monitor reviews the primary documents submitted via the request list and questionnaire, the ISD will receive an email notification from GEMS/MARS requesting a general expenditure sample and a payroll sample based on the general ledger provided. A sample of subrecipients may 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 ISD and subrecipients to review these documents.

Samples will be reviewed for: allowable cost, amount, use of proper function and object codes and date of cost. Required sample documentation requested during the review are source documents such as:

- Invoices
- Receipts
- Purchase orders
- Spreadsheets

The MDE fiscal monitor may also select samples from the Final Expenditure Reports (FERs) to be reviewed.

Fieldwork

Fieldwork for the ISD typically consists of:

- Emailing staff;
- Reviewing ISD's policies and business office procedures;
- Review of request list, questionnaire, and sample items; and
- Assessing internal controls as well as compliance with applicable laws and regulations.

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/MARS. The report contains a summary of all the focused areas from above, stating if adequate internal controls exist and if there are any findings. A summary of technical assistance provided will also be included in the report, if applicable.

Corrective Action

If the ISD has any findings on the fiscal review report, the ISD will be required to complete a corrective action plan (CAP). The CAP will include a plan to correct findings within a specified time frame and submit a written response to the MDE fiscal monitor via GEMS/MARS. CAPS are usually due within 30 days of the date of the Fiscal Review Report and are completed via GEMS/MARS.

Follow-Up

Follow-up is performed on an issue-by-issue basis and typically occurs 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?