

84.010

TITLE I SCHOOL IMPROVEMENT (PRC 105)

US Department of Education

Federal Authorization: Title I of the Elementary and Secondary Education Act of 1965, as amended by Every Student Succeeds Act (ESSA) P.L.114-95. Effective 07/01/17.

State Project/Program: Title I, Part A School Improvement – (PRCs 105 and 115)

NC Department of Public Instruction

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N.C. DPI Confirmation Reports:

Confirmation of Funds Expended and/or Disbursed from the State Public School Fund and Federal Programs 2019-20 will be available at the [NC DPI School Business Division Annual Reports Application](#). The system provides an electronic view of Year-to-Date (YTD) financial reports in response to requests for confirmation from independent auditors.

The auditor should **not** consider the Supplement to be “safe harbor” for identifying audit procedures to apply in a particular engagement, but the auditor should be prepared to justify departures from the suggested procedures. The auditor **can** consider the supplement a “safe harbor” for identification of compliance requirements to be tested if the auditor performs reasonable procedures to ensure that the requirements in the Supplement are current. The grantor agency may elect to review audit working papers to determine that audit tests are adequate.

This compliance supplement should be used in conjunction with the OMB 2020 Compliance Supplement which will be issued in the summer. This includes “Part 3 - Compliance Requirements,” for the types that apply, “Part 6 - Internal Control,” and “Part 4 - Agency Program” requirements if the Agency issued guidance for a specific program. The OMB Compliance Supplement is Section A of the State Compliance Supplement.

I. PROGRAM OBJECTIVES

School improvement grants, authorized under section 1003(a) of the Elementary and Secondary Education Act of 1965 (ESEA), as amended by ESSA, are grants for use in the state's lowest-achieving schools. These funds are reserved from the North Carolina Department of Public Instruction (NC DPI's) Title I, Part A funds to make formula grants available to local educational agencies (LEAs) to serve schools implementing comprehensive support and improvement activities or targeted support and improvement activities under section 1111(d); or may, with the approval of the LEA, directly provide for these activities or arrange for their provision through other entities such as school support teams, educational service agencies, or nonprofit or for-profit external providers with expertise in using evidence-based strategies to improve student achievement, instruction, and schools.

II. PROGRAM PROCEDURES

Funds are obtained by a state following submission of an application to the Secretary of Education. Annually NC DPI sets aside an amount not to exceed 3% of its Title I, Part A funds to allot to LEAs with schools in Title I School Improvement.

III. COMPLIANCE REQUIREMENTS

The Type of Compliance Requirements can be found in Section B in the link: [2020 Agency Matrix for Federal Programs](#). This matrix incorporates the OMB Compliance Supplement "Part 2 - Matrix of Compliance Requirement." A State Agency may have added a compliance requirement that the OMB matrix in Part 2 has a "N" (Not Applicable).

NC DPI mandates that all testing in the DPI cross-cutting requirements be performed by the local auditor. Please refer to cross-cutting requirements DPI-0.

A. Activities Allowed or Unallowed

Compliance Requirements - Funds may be used by a LEA or other operating agency only in accordance with the approved State plan and only for those services or activities in its approved project application.

Audit Objective - To determine that expenditures are allowable.

Suggested Audit Procedures:

- Obtain a copy of the Budget Balance Reconciliation Report (305/705) from the finance officer and compare to local accounting records for conformity.
- Obtain a copy of the project plan application from the local program coordinator and review expenditures to determine that expenditures are in accordance with the project application.

B. Allowable Costs/Cost Principles

Addressed in the NC Department of Public Instruction Cross-Cutting Requirements.

C. Cash Management

Addressed in the NC Department of Public Instruction Cross-Cutting Requirements.

E. Eligibility

Eligibility for Subrecipients – No testing is required. The Department of Public Instruction program consultant determines if the eligibility requirements are met when the project is approved.

F. Equipment and Real Property Management

Addressed in the NC Department of Public Instruction Cross-Cutting Requirements

G. Matching, Level of Effort, Earmarking**1. Matching**

This compliance requirement does not apply at the local level. No testing is required.

2. Level of Effort

Sub-section 2.2, Level of Effort – Supplement Not Supplant, of the US Department of Education Cross-Cutting Section has been determined to apply to this program.

3. Earmarking

This compliance requirement does not apply at the local level. No testing is required.

H. Period of Availability of Federal Funds

Compliance Requirement - Expenditures may not be incurred before the beginning date of the project. Any expenditures prior to the beginning date are considered unallowable and must be refunded to DPI.

Audit Objective - To determine that no expenditures were incurred prior to the beginning date of the approved project.

Suggested Audit Procedures

- Review transactions to verify that no expenditures were incurred prior to the approved application beginning date.
- Review the allotment report, Budget Utilization and Development System (BUD) communication form, or project approval letter from DPI to determine the project beginning date.

I. Procurement and Suspension and Debarment

Addressed in the US Department of Education Cross-cutting Section and NC Department of Public Instruction Cross-cutting Requirements.

L. Reporting

Addressed in the NC Department of Public Instruction Cross-Cutting Requirements.

N. Special Tests and Provisions

Addressed in the NC Department of Public Instruction Cross-Cutting Requirements.