

84.013 **TITLE I, PART D GRANTS TO STATE AGENCIES AND LOCAL EDUCATIONAL AGENCIES**
STATE
PROJECT/PROGRAM: **TITLE I, PART D GRANTS TO STATE AGENCIES AND LOCAL EDUCATION AGENCIES (PRC 050)**

U. S. Department of Education

Federal Authorization: Elementary and Secondary Education Act of 1965, Title I, Part D, as amended by Every Student Succeeds Act (ESSA) P.L. 114-95. Effective 07/01/2017

State Project/Program: Prevention and Intervention Programs for Children and Youth who are Neglected, Delinquent, or At-Risk (PRC 047)

N. C. 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 2021-22 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.

Auditors may request documentation of monitoring visits by the State Agencies.

This compliance supplement must be used in conjunction with the OMB 2022 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

The Neglected and Delinquent Program under Part D of the ESEA consists of 2 subparts. Subpart 1 is the State Agency Neglected and Delinquent formula grant program; subpart 2 is the Local Educational Agency (LEA) program. The Title I, Part D, Subpart 1, State Agency Neglected and Delinquent (N and D) program provides formula grants to the State Education Agency (SEA) for supplementary education services to help provide education continuity for children and youths in state-run institutions for juveniles and in adult correctional institutions so that these youths can make successful transitions to school or employment once they are released. Subpart 2 funds are awarded to LEAs with high proportions of youths in local correctional facilities to support dropout prevention programs for at-risk youths. The objectives are (1) to improve educational services for children and youth in local and State institutions for neglected or delinquent children and youth so that such children and youth have the opportunity to meet the same challenging State academic content standards and challenging State student academic achievement standards that all children in the State are expected to meet; (2) to provide such children and youth with the services needed to make a successful transition from institutionalization to further schooling or employment; and (3) to prevent at-risk youth from dropping out of school, and to provide dropouts, and children and youth returning from correctional facilities or institutions for neglected or delinquent children and youth, with a support system to ensure their continued education.

II. PROGRAM PROCEDURES

Subpart 1 funds are allocated by formula to SEAs, which make subgrants to the state agencies responsible for educating neglected or delinquent children and youths. The Subpart 2 Local Education Agency Program requires each SEA to reserve from its Title I, Part A, allocation, funds generated by the number of children in locally operated institutions for delinquent youths. Funds are allocated to State agencies and LEAs based on an October caseload count submitted on an annual basis to the SEA.

Funds are distributed according to the cash request procedures discussed in the DPI Cross-Cutting Requirements, DPI-0.

III. COMPLIANCE REQUIREMENTS

Noted below in the following matrix are the types of compliance requirements that are applicable to the federal program. These Types are determined by the federal agency, noted as "Y," on the "Matrix of Compliance Requirements" located in Part 2 of the OMB 2022 Compliance Supplement; however, the State Agency may have added the Type and this is noted by "Y." If the State determines that the federal requirement does not apply at the local level or if the State modifies the federal requirements, this is noted in the supplement under

the type of compliance requirement. If the federal and/or State agencies have determined that the type is not applicable, it is noted by "N."

If the Matrix indicates "Y," the auditor must determine if a particular type of compliance requirement has a direct and material effect on the federal program for the auditee. For each such compliance requirement subject to the audit, the auditor must use the OMB 2020 Compliance Supplement, Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and Part 4 (which includes any program-specific requirements) to perform the audit.

If there is no program listed on the "Matrix" in Part 2 or Part 4, the State has determined the Type that is applicable. If a Type is determined direct and material, the auditor should refer to the requirements found in Part 3 and listed in this supplement.

CC	A	B	C	E	F	G	H	I	J	L	M	N
Cross Cutting Requirements	Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment/ Real Property Management	Matching, Level of Effort, Earmarking	Period of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	N	Y

A. Activities Allowed or Unallowed

Compliance Requirement – Funds may be used by a State agency or an LEA only in accordance with the approved State plan and only for those services or activities in its project application. Expenditures must be reported to the SEA each month.

Audit Objective – To determine that expenditures are allowable and are properly recorded.

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 appropriateness. Test expenditure and related records to determine if expenditures were made only for those services or activities in the project application.

Examine expenditures for appropriate approval and documentation.

Obtain a copy of the project plan and review expenditures to determine that expenditures are in accordance with the project plan.

Determine that personnel paid from these funds do not exceed budgeted personnel in approved program budget.

B. Allowable Costs/Costs 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

Compliance Requirement - To be eligible for state N and D funds, juvenile institutions must provide 20 hours a week of instruction from nonfederal funds; adult correctional institutions must provide 15 hours. Institutions for Neglected or Delinquent children and youth must be a public or private residential facility, other than a foster home, that is operated for the care of children who have been committed to the institution or voluntarily placed in the institution under applicable State law, due to abandonment, neglect, or death of their parents or guardians; or a public or private residential facility for the care of children who have been adjudicated to be delinquent or in need of supervision.

Audit Objective – To determine that funds are used only for eligible institutions.

Suggested Audit Procedure - Identify the source of the information used to determine that institutions receiving funds meet eligibility requirements.

Eligibility for Subrecipient – 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

Addressed in the US Department of Education Cross-Cutting Section.

3. Earmarking

Addressed in the US Department of Education Cross-Cutting Section.

H. Period of Performance

Addressed in the US Department of Education Cross-Cutting Section

Compliance Requirement - Expenditures may not be incurred before the project begins. 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 date the project began.

Suggested Audit Procedure - Review transactions to verify that no expenditures were incurred prior to the approved application beginning date.

I. Procurement and Suspension and Debarment

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

J. Program Income

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

L. Reporting

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

M. Sub-recipient Monitoring

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

N. Special Tests and Provisions

Addressed in the US Department of Education Cross-cutting section.

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