

84.287

**TWENTY-FIRST COMMUNITY LEARNING CENTERS**

**State Project/Program 21<sup>st</sup> CENTURY COMMUNITY LEARNING CENTERS (PRC 110)**

**U.S. Department of Education**

**Federal Authorization:** Title IV, Part B 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 Authorization:**

**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 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 purpose of this part is to provide opportunities for communities to establish or expand activities in community learning centers that — (1) provide opportunities for academic enrichment, including providing tutorial services to help students, particularly students who attend low-performing schools, to meet the challenging State academic standards; (2) offer students a broad array of additional services, programs, and activities, such as youth development activities, service learning, nutrition and health education, drug and violence prevention programs, counseling programs, arts, music, physical fitness and wellness programs, technology education programs, financial literacy programs, environmental literacy programs, mathematics, science, career and technical programs, internship or apprenticeship programs, and other ties to an in-demand industry sector or occupation for high school students that are designed to reinforce and complement the regular academic program of participating students; and (3) offer families of students served by community learning centers opportunities for active and meaningful engagement in their children's education, including opportunities for literacy and related educational development.

## **II. PROGRAM PROCEDURES**

Eligibility - LEAs, community-based organizations (CBO), faith-based (FBO) Indian tribes or tribal organizations (as such terms are defined in section 4 of the Indian Self Determination and Education Act (25 U.S.C. 450b), another public or private entity, or a consortium of two or more such agencies, organizations, or entities are eligible to apply for funding. Grants will be made based on a competitive process. The actual recipient to be funded will be selected on the basis of criteria specified in the Request for Proposal (RFP) and Federal regulations. State Board of Education approval is required before allocation of funds.

## **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                            |
|----------------------------|---------------------------------|---------------------------------|-----------------|-------------|-------------------------------------|---------------------------------------|-----------------------|------------------------------------|----------------|-----------|-------------------------|------------------------------|
| Gross 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 |
| N                          | Y                               | Y                               | Y               | Y           | N                                   | N                                     | N                     | N                                  | Y              | Y         | Y                       | N                            |

### 1. Activities Allowed or Unallowed

**Compliance Requirement** – Funds may be used by a LEA, Charter School, or other operating agency only in accordance with the approved State plan and only for those services or activities included in its project application or approved amendments that occur during out of school time hours (before school, afterschool, intersession, summer)

**Audit Objective** – The auditor is to determine that expenditures that have been made 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 fiscal monitoring reports and supporting documentation and review expenditures including salaries to determine that expenditures are in accordance with the project application.
- Review in Comprehensive Continuous Improvement Program (CCIP) grants management system sample Program Attendance Update Forms for 2<sup>nd</sup> and 3<sup>rd</sup> installment requests to determine compliance with NCDPI attendance thresholds. Review in CCIP Reduction In Funds Forms if applicable.
- Upon approval of the grantee's budget for the first year of the grant award, funds will be allotted in three installments as follows:
- Initial installment equal to 34% of total approved grant award;
- Second installment equal to 34% of the total approved grant award if subgrantee meets 50% of NCDPI determined attendance threshold for "regular attendees".

- Final allotment equal to 32% of the total approved grant award if subgrantee meets 75% of NCDPI determined attendance threshold for “regular attendees”.

#### **A. Allowable Costs/Cost Principles**

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

#### **B. 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 administrator determines if the eligibility requirements are met when the project is approved.

**Eligibility for Individuals** – This compliance requirement does not apply at the local level. No testing is required.

#### **F. Equipment and Real Property Management**

**Compliance Requirement:** Federal Guidance places a threshold amount of more than \$10k to require quotes/bids.

**Audit Objective:** To determine if the bidding process for equipment purchases was followed.

**Suggested Audit Procedure:** No testing is required. Fiscal monitors within the Federal Program Monitoring & Support Division monitor for compliance with this requirement.

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

##### **1. Matching**

No match requirement has been imposed on sub recipients.

##### **2. Sustainability Plan**

**Compliance Requirement** – A Sustainability Plan must be in place.

**Audit Objective** – To determine if the required plan exists.

**Suggested Audit Procedure** - Program Administrators within the Federal Program Monitoring & Support Division monitor for compliance with this requirement.

##### **3. Level of Effort**

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

#### **4. Earmarking**

Addressed in the US Department of Education Cross-Cutting Section and the Federal Compliance Supplement.

#### **H. Period of Performance**

**Compliance Requirement** - Expenditures may not be incurred before the initial project is approved and the period of availability has begun. Any expenditures prior to the initial approval of the project are considered unallowable and must be refunded to the SEA.

**Audit Objective** – To determine that no expenditures were incurred prior to the date the project was approved.

**Suggested Audit Procedure:**

- Review transactions to verify that no expenditures were incurred prior to the effective date of the project application beginning date.

#### **I. Procurement and Suspension and Debarment**

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

#### **J. Program Income**

**Compliance Requirement:** Program fees are not allowed to be charged.

**Audit Objective** – To determine if program fees have been charged.

**Suggested Audit Procedure** - No testing is required. Fiscal monitors within the Federal Program Monitoring & Support Division monitor for compliance with this requirement.

#### **L. Reporting**

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

#### **M. Subrecipient Monitoring**

**Compliance requirement:** Subrecipients are monitored programmatically and fiscally based on the annual risk assessments:

## Programmatic Monitoring Risk Assessment

| Low Risk (0-5)   | Moderate Risk (6-10)   | High Risk (11-30)   | New/Novice Program  |
|--|--|---|---|
| Low Risk subrecipients have little to no monitoring findings or compliance issues. Data reports and documentation are submitted on time. Subrecipient meets all deadlines. | Moderate Risk subrecipients have a few monitoring and compliance findings with either acceptable management responses or quick resolution of the issue. Previous compliance monitoring showed a few items of concern, which have all been resolved. Data reports and documentation are submitted mostly on time. Subrecipient meets most, but not all deadlines. | High Risk subrecipients have numerous findings in previous audits. Previous monitoring showed program has issues of concern, that may or may not have been resolved. Data reports and documentation are submitted late. Subrecipient has met minimal deadlines. | Subrecipient has not operated a 21st CCLC Program prior to Cohort 12 or has never received a 21st CCLC grant. |
| Associated Monitoring Event:   | Associated Monitoring Event:   | Associated Monitoring Event:  | Associated Monitoring Event:  |
| None   | Modified CPMR - Returning Grantees   | CPMR - Returning Grantees   | PQR   |
| • Fiscal Monitoring Risk Assessment  |  |   |   |

| Low Risk (0-5)  | High Risk (6 > )   | New/Novice Program  |
|---|--|---|
| Subrecipients have little to no monitoring findings or compliance issues. Little to no questioned costs have been identified in previous monitoring events. Most deadlines are met. | Subrecipients have numerous findings in previous monitorings. Previous monitoring showed program has issues of concern, that may or may not have been resolved. Questioned costs may have been identified in previous monitoring events. Deadlines are sometimes missed. | Subrecipient has operated a 21st CCLC Program prior to Cohort 12 or has never received a 21st CCLC grant. |
| Associated Monitoring Event:  | Associated Monitoring Event:   | Associated Monitoring Event:  |
| Desk Review   | Fiscal Monitoring Review   | Desk Review   |

**Audit Objective:** To determine if subrecipients were monitored according to the risk assessment.

**Suggested Audit Procedure:** Review Programmatic and Fiscal Monitoring Calendars and compare to the Risk Assessments

**N. Special Tests and Provisions**

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