

84.425

EDUCATION STABILIZATION FUND

State Project/Program: CARES Act - GEER I – Specialized Instructional Support Personnel for COVID-19 Response (PRC 169)
CARES Act – GEER I – Supplemental Instructional Services (PRC 170)

U. S. Department of Education

Federal Authorization: The Elementary and Secondary School (K-12) Emergency Relief Fund, authorized by the Coronavirus Aid, Relief and Economic Security Act of 2020 (CARES Act), is intended to assist eligible public-school units during the novel coronavirus pandemic.

State Authorization: General Assembly of North Carolina Session 2019 – Session Law 2020-4 House Bill 1043, 2020 COVID-19 Recovery Act

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 2023-24 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 2024 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 objective of the GEER Fund is to provide local educational agencies (LEAs), institutions of higher education (IHEs), and other education-related entities with emergency assistance as a result of Novel Coronavirus Disease 2019 (COVID-19).

Under the GEER Fund, the US Department of Education (ED) allocates funds to governors based on the number of children counted under section 1124(c) (indicators of poverty) of the Elementary and Secondary Education Act of 1965 (ESEA). The governor uses these GEER funds to provide emergency support through grants to LEAs that the SEA deems to have been most significantly impacted by COVID-19 and provide support to any other LEA, or education-related entity within the state that the governor deems essential for carrying out emergency educational services.

II. PROGRAM PROCEDURES

CARES Act funds are provided to DPI based on the same proportion as the most recent Title I award. Allocations to eligible units are made in proportion to the amount of funds such units received under Title I, Part A in the most recent fiscal year. All local education agency, charter, lab, regional and innovative schools (PSUs), who are eligible to receive Title 1 funds, are also eligible to receive funds under the ESSER Fund. Units that seek funds must complete and submit to NCDPI a brief application form provided by NCDPI and the State Board of Education.

GEER funds had different allocation methods as follows:

PRC 169 – LEAs shall receive a base amount of funding equal to 50% of the average salary and benefits of a state funded instructional support position (\$38,664) plus a dollar per ADM. Charter schools, lab schools, regional schools, and the ISD shall receive the higher of 12.5% of the average salary and benefits of a state funded instructional support position (\$9,666) or a dollar per ADM.

PRC 170 - 50% of the funds appropriated shall be allotted based on 2019-20 allotted ADM for LEAs and funded ADM for other public school units. 50% of the funds appropriated shall be allotted based on the students in poverty per the 2017 census for LEAs. Other public school units shall receive an average dollars per student in poverty.

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 2024 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 2024

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	N	Y	Y	Y	Y	N	Y	Y	Y

A. Activities Allowed or Unallowed

Compliance Requirement - Funds may be used by an LEA only in accordance with State and Federal laws, regulations and policies, and only for those services or activities included in its project application for grant funds.

Audit Objective - To determine that activities 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.
- Review the budget section of the applications. Compare this section with the actual budget to determine funds are used as indicated in approved grant application.
- Obtain a copy of the ESSER application and review the PSU plan as described in Parts A through D. Review a sample of expenditures to determine that expenditures are in accordance with the plan described in the grant application.
- Test expenditures and related records to determine if expenditures were made only for those services or activities allowed and in the ESSER Fund application.

B. Allowable Costs/Cost Principles

Compliance Requirement- For the most up to date information, see the COVID Allotment Manual at [COVID Funds | NC DPI](#). In summary:

PRC 169 – Funds shall be used to employ or contract with fully and/or provisionally licensed specialized instructional support personnel to provide physical and mental health supports to students.

For this allotment, the term “specialized instructional support personnel” shall refer to school counselors, school nurses, school psychologists, school social workers, and “school nurse extenders,” such as a licensed practical nurse (LPN) or certified nurse

assistant (CNA) working under the direction of a registered nurse (RN), as defined by the NC Department of Health and Human Services.

PRC 170 - Funds shall be used for providing supplemental instructional services to at-risk students, students in poverty, and students with disabilities. Services may include employing or contracting with instructional personnel, such as certified teachers or teacher assistants; paying stipends for NC Education Corps members; providing tutoring services or after school programming; or purchasing instructional resources, curriculum materials, or devices. No more than 10 percent of allotted funds may be used for purchasing instructional resources, curriculum materials, or devices.

Audit Objective – To determine costs are allowable.

Suggested Audit Procedures - Test expenditures and related records to ensure expenditures are in alignment with cost principles of Subpart E of the Uniform Guidance including determining if costs are:

- supported with adequate documentation;
- necessary and reasonable for the performance of the award;
- reasonable as defined in Uniform Guidance 200.404;
- allocable to the grant.

C. Cash Management

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

E. Eligibility

Compliance Requirement – Not applicable

F. Equipment and Real Property Management

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

G. Matching, Level of Effort, Earmarking

Compliance Requirement – Not applicable at local level

H. Period of Performance

Compliance Requirement - Funds are available from March 13, 2020, until March 1, 2024, the late liquidation extension. Expenditures may not be incurred before the grant begins or after the grant period ends. Any expenditures prior to the beginning date or after the end date are considered unallowable and must be refunded to DPI.

Audit Objective - Determine that no expenditures were incurred prior to the date the grant began or obligated after the grant period ends.

Suggested Audit Procedure - Review transactions to verify that no expenditures were incurred prior to or after the approved period of availability.

I. Procurement and Suspension and Debarment

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

J. Program Income

Compliance Requirement – Not applicable.

L. Reporting

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

M. Subrecipient Monitoring

Compliance Requirement – Not applicable at local level.

N. Special Tests and Provisions

Compliance Requirement – Not applicable at the local level.