

CAREER AND TECHNICAL EDUCATION – STATE: MONTHS OF EMPLOYMENT (PRC 013)

State Authorization: North Carolina General Statute, 115C-154.1; 157; 451
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.

I. PROGRAM OBJECTIVES

The objective of Career and Technical Education State Months of Employment is to provide funds to the Local Education Agencies (LEAs) to be used for employing licensed personnel including Career and Technical Education teachers, Career Development Coordinators, Curriculum Instructional Management Coordinators (CIMC) and Special Populations Coordinators.

II. PROGRAM PROCEDURES

Each LEA will receive a base allotment of 50 months of employment (MOEs). Remaining months will be allotted based on average daily membership (ADM) of student population in grades 8-12. The allotted MOEs cover all salaries and associated benefits of assigned personnel. Months of employment can be assigned to a position, or portion of a position, at the discretion of the LEA. For example: if an LEA is allotted 100 months of employment, they can hire ten (10) teachers for ten (10) months; or eight (8) teachers for twelve (12) months and one (1) teacher for four (4) months; or any other combination that equals 100 months. For LEAs with less than 3,000 ADM, all fractions of a month are rounded up to the nearest whole month. Months can be transferred to Career and Technical Education Program Support (PRC 014) by submitting an ABC transfer form. The dollar amount

transferred is equal to the average salary plus benefits associated with the Career and Technical Education MOEs. Converting certified position allotments to dollars for the purpose of hiring the same type position is not allowable. Months may also be transferred to a non-CTE fund source. Such transfers are outlined in the *Career and Technical Education Fiscal and Policy Guide (Revised August 2021)*. The amount transferred to a non-CTE fund is based on the monthly salary of an A0 licensed teacher.

The N.C. Department of Public Instruction (DPI) publishes monthly Cash Certification Calendars establishing deadlines for requesting funds to assist the LEAs with their cash management efforts. The LEAs have access to request State funds five (5) days per week, except for banking holidays, so that funds may be deposited no more than two (2) business days prior to the date of disbursement. The LEAs must enter requests for funds for a particular Funds Requirement Date (date of intended disbursement) according to the deadlines established on the Cash Certification Calendar. Once approval is received from the State Controller's Office, DPI processes the requests so that the funds are deposited into the respective LEAs State Treasurer account after 2:00 p.m. the day before the funds requirement date.

In North Carolina the following terms are synonymous at the secondary education level and below: Career and Technical Education (CTE), Vocational and Technical Education (VTE), Vocational Education (VE), and Workforce Development Education (WDE).

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 State agency noted by "Y."

If the Matrix indicates "Y," the auditor must determine if a particular type of compliance requirement has a direct and material effect on the State program for the auditee.

CC	1	2	3	4	5	6	7	8	9	10	12	13	14
Cross-cutting requirements	Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Conflict of Interest	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	N	N	N	N	N	N	Y	N	N

1. Activities Allowed or Unallowed

A. Compliance Requirements

Career Technical Education State Months of Employment funds can be used in grades 6-12 only to provide (*Career and Technical Education Fiscal and Policy Guide-revised August 2021*):

- Instructional services to youth in Career and Technical Education program areas identified in the *Career and Technical Education Essential Standards* (revised July 2021).
 - If personnel employed through months of employment (PRC 013) are not providing instructional services to students enrolled in Career and Technical Education courses/program areas as identified in the North Carolina CTE Essential Standards, salaries must be prorated. This includes personnel who are:
 - i. Assigned to instruct in non-Career and Technical Education courses.
 - ii. Assigned to instruct in courses not identified in the State Board of Education's approved North Carolina CTE Essential Standards or approved Local Course Option (LCO).
 - iii. Assigned more than an equitable share of duties relating to essential school services of a supportive and/or operational nature. Duties that take less than 5% of a person's time are typically considered de- minimus, requiring no further explanation.
- Support services to Career and Technical Education students in career guidance, counseling, and placement services for participants in Career and Technical Education programs, and to improve, expand and extend career guidance and counseling programs to meet employment needs of Career and Technical Education students and potential students. A 747 license is required.
- The coordination of CTE curriculum resources, assessments, and instructional support for teachers and personnel within the local school system. An 830 license is required.
- Appropriate career and technical programs and/or support services for CTE students who have academic, socioeconomic, and/or other disadvantages or disabilities that prevent them from succeeding in regular programs. A 770 license is required.

The school units must comply with the requirements of the North Carolina General Statutes and particularly Chapter 115C (Public School Laws of North Carolina) which include Article 10 - Vocational Education. In addition, the Department of Public Instruction has the authority to issue policies (e.g., *North Carolina Public Schools Allotment Policy Manual and Financial Policy and Procedures Manual* and *Career and Technical Education Fiscal and Policy Guide*) and letters/memos with which the LEAs must comply. These rules and regulations have the force of law governing procedures for disbursement of monies allocated to the school units by and through the State. (G.S. 115C-436(b))

Only those individuals in positions allotted by the State Board of Education who are professionally licensed by the Department of Public Instruction can be paid with Career Technical Education State Months of Employment funds. The Department of Public Instruction determines and establishes the salary for each grade and type of license, which it authorizes. (G.S. 115C-272, 115C-284 and 285, 115C-296 and 302, 115C-316, and 115C-416)

No administrators, supervisors or coordinators or non-licensed para-professional positions may be paid from Career Technical Months of Employment except Special

Populations Coordinators, Curriculum and Instructional Management Coordinators, and Career Development Coordinators as described in 1.A above.

The North Carolina Public Schools Allotment Policy Manual and the *North Carolina Public Schools Uniform Chart of Accounts*, revised annually, should be used to monitor the appropriateness of expenditures and the proper use of allotments within the intent and limitations for which they are appropriated. School units are required to expend funds for the purposes they were allotted and to control their funds by the requirements and allotment basis for each category.

Audit Objective - To determine that the LEA is complying with the requirements of the applicable North Carolina General Statutes, maintaining their records according to generally accepted accounting procedures, expending state allotted funds for the purpose for which they were allotted, and controlling their funds by the requirements and allotment basis for each category of funds. To determine that funds are providing only the services listed above.

Suggested Audit Procedures

- Determine that individuals are serving in positions consistent with their area(s) of licensure and the allotments from which their positions are funded. Use the Licensure In-Field-Subject-EC Crosswalk <https://bit.ly/3skNOuX> to determine appropriate licensure areas for specific courses. Determine source of funds for personnel completing administration functions of Career and Technical Education (This procedure could be performed by interview or confirmation.) Administration functions are not eligible for funding from PRC 013.
- Determine that services are being provided in grades 6-12 for appropriate Career and Technical Education programs as identified in the Career and Technical Education Essential Standards <https://files.nc.gov/dpi/2021-cte-essential-standards-and-course-inventory.pdf> and the approved annual application (Career and Technical Education Local Application System <https://ccip.schools.nc.gov> Public Access or request hard copy).
- Determine that personnel employed through these funds are providing programs and services in accord with General Statute 115C-154.1.
- Determine that the school unit has a system of qualitative and quantitative evaluation of all Career and Technical Education programs, services, and activities that is maintained and utilized periodically.
- Determine that over-expended resources have been refunded to DPI as obligations are incurred to prevent penalties from being incurred. Ensure that the school unit is paying any penalties for overdrafts monthly as incurred.
- Obtain the school's unit's Salary Exception List provided to them from the Division of Financial and Business Services through the Internet based LicSal system. This list reflects certified individuals who have been overpaid or underpaid based on their assigned certified salary.
- Determine that action is taken to resolve underpaid or overpaid individuals. Overpaid individuals must be refunded to the Department of Public Instruction at gross pay plus matching benefits. Underpaid individuals must have payment made to adjust their salary as a prior year adjustment. The need for a refund or salary adjustment should be included in the auditor's recommendation. The status of any refund or salary adjustment should be addressed in the management's response.

- Determine individuals with exceptions by the fund source. Career and Technical Education State Months of Employment funded positions will reflect a 1 in the fund code position and 013 in the program report code position of the expenditure code.
- Determine if fund transfers out of Career and Technical Education Months of Employment (PRC0 13) to other non-CTE categories are in accordance with the Allotment Policy Manual and CTE Fiscal and Policy Guide. (transfers are only allowable up to the amount of increase in state allotment from the previous year)

B. Compliance Requirement

LEAs must develop an educational plan and submit an application for meeting the Career and Technical Education needs of youth and certain adults in their areas. The application must be submitted to the Career and Technical Education Division of DPI for approval.

Audit Objective - To determine that all expenditures are in agreement with an approved application.

Suggested Audit Procedures

- Examine approved Career and Technical Education application at Career and Technical Education Local Application System <https://ccip.schools.nc.gov> Public Access or request hard copy
- Review expenditures and supporting documentation to ensure that expenditures agree with the local application.

2. Allowable costs/Costs Principles

Compliance Requirement - DPI chooses to follow the Uniform Grant Guidance 2 CFR 200.430 Compensation – Personal Services requirements to allocate employee costs. 2 CFR 200.430 Compensation – Personal Services establishes principles and standards for determining costs applicable to grants, contracts, and other agreements with State and local governments and federally recognized Indian Tribal governments. A cost is allowable only to the extent of benefits received by the programs and costs must meet the basic guidelines of allowability, reasonableness, allocability and remain the net of all applicable credits.

Audit Objective - To determine that the LEA followed requirements of the system detailed in 2 CFR 200.430 Compensation – Personal Services to allocate employee costs.

Suggested Audit Procedures

- Review 2 CFR 200.430 documentation for personnel employed through these funds;
- Report any deviations from the requirements; and
- Verify that the necessary adjustments were made for any differences between the reported time and effort and how they were charged on payroll.

3. Cash Management

Compliance Requirement - The local auditor is not required to test compliance with this requirement. Cash request procedures detailed in the Program Procedures is for information only. DPI monitors compliance with the Cash Management requirements.

12. Reporting

A. Compliance Requirement

The school unit must electronically submit monthly expenditures to the Department of Public Instruction as specified under the Uniform Education Reporting System (UERS) to report expenditures made for the month for each allotment category.

Audit Objective - To determine that the expenditures being reported monthly are accurate and supported by documentation.

Suggested Audit Procedures

- Obtain copies of required reports and review for accuracy
- Trace data to supporting documentation