



Washington Office of Superintendent of  
**PUBLIC INSTRUCTION**

*IDEA PART B SECTIONS 611 & 619  
FEDERAL GRANTS  
FISCAL MONITORING  
PROCEDURES HANDBOOK*

**2023**

# IDEA PART B SECTIONS 611 & 619 FEDERAL GRANTS

Fiscal Monitoring Procedures Handbook for Educational Service  
Districts and Subrecipients

**2023**

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# I. FISCAL MONITORING PROCEDURES

## Overview

The Office of Superintendent of Public Instruction (OSPI) is the prime recipient of the Individuals of Disabilities Education Act (IDEA) grants awards under the Special Education – IDEA, Part B Section 611 (for students with disabilities ages 3 to 21) and Section 619 (for students with disabilities ages 3 to 5.) The OSPI Special Education Operations team is responsible for administering those grants. That administrative responsibility includes the general supervision requirements of IDEA, as well as program and fiscal monitoring of subrecipients required by federal and state statutes and regulations.

## Purpose and Authority

This manual contains the OSPI Special Education standards for fiscal monitoring and oversight. These procedures are developed to standardize guidelines concerning oversight, evaluation, and monitoring of each Educational Service District (ESD) and subrecipients in Washington.

This document sets forth the Policies and Procedures and identifies each component of the OSPI Special Education plan for fiscal monitoring of subrecipients of IDEA Part B and Preschool funds. The federal regulatory provisions under which the OSPI Special Education team monitors for fiscal accountability and compliance are:

- [31 U.S.C. §7501-7507](#) Single Audit Act Amendments of 1996
- [2 CFR §200.75-77](#) – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
  - [2 CFR §200 Subpart F](#) Subpart F – Audit Requirements
  - [2 CFR §200.332](#) – Requirements for pass-through entities
- 34 CFR Part 300 – Assistance to States for the Education of Children with Disabilities
  - [34 CFR §300 Subpart F](#) – Monitoring, Enforcement, Confidentiality, and Program Information
- [34 CFR Part 75, 76, 77](#) Education Department General Administrative Regulations (EDGAR)

## II. PROCEDURES AND METHODOLOGY

### Technical Assistance

OSPI Special Education provides technical assistance to ensure that all subrecipients of IDEA awards are compliant with applicable federal and state statutes and regulations referred above. Technical assistance is provided as an integral part of the procedures outlined below based on the result of noncompliance or can be provided in specific areas of need, at the request of the subrecipient.

### Universal Monitoring

The OSPI Special Education Operations team reviews information throughout the school year using established universal monitoring tools and processes to fulfill its oversight responsibilities. These universal monitoring tools and processes consists of but are not limited to reviewing:

1. Spending plans and budgets
2. Budget revision requests (number of budget revisions within the school year)
3. Activities planning form
4. Semi-annual update reporting
5. End of grant reporting

### Annual Monitoring Activities

Monitoring efforts are conducted to gauge and measure compliance of ESDs/subrecipient use of federal funds.

- Monitor activities to ensure grant funds are used for authorized purposes in compliance with laws and regulations.
- Assess organizations' internal controls to ensure reliable financial reporting and accountability.
- Assist and recommend areas of improvement and provide guidance to improve administrative efficiencies and programmatic effectiveness.

Fiscal annual reviews are embedded in the applications. The ESDs/subrecipients will respond to the following questions. OSPI Operations team will review February/March of each year.

1. **Contracts/Procurement:** Did the ESD/subrecipient contract for services? List the planned contractors and the services provided. Describe the procurement process implemented by the ESD/Subrecipient. OSPI will request supporting documentation, such as, contracts, invoices, and purchase orders from selected contractors for review.
2. **Time & Effort Documentation:** Describe the ESD's/subrecipient's process to ensure payroll charges are accurate, allowable, and properly allocated to federal programs, and how the ESD/subrecipients ensures time and effort is received from employees in a timely manner. Include names and positions of staff. Be prepared to provide a Payroll Distribution Report

from which OSPI will request supporting documents for selected employees. Do NOT include object 4 benefits.

3. **Professional Development:** Provide supporting evidence such as, agendas, sign-in sheets, electronic invitations, etc., related to professional development provided by the ESD/subrecipients using federal funds.
4. **End-of-Year Expenditures:** Upload an end-of-year expenditure report (objects 5–9) to verify allowable expenditures.

Based on the results from monitoring activities, the Operations team determines if ESDs/subrecipients will be selected for additional monitoring and may be subject to an on-site visit. ESDs/subrecipients selected will be notified by letter.

## Monitoring Report

The final report will identify **Actions Required**, which will include one or more actions, specific timelines for completion (i.e., 45-60-90 days) and/or **Actions Recommended**, which will not have any timelines associated with them because implementation is optional, and/or include technical assistance notes, as may be appropriate.

The ESDs/subrecipients have 30 calendar days from the date of this report to request reconsideration of any of the required actions identified. After the reconsideration window has closed, the results of the monitoring review will be considered final.

## Compliance Determination

- **Compliant** means all documentation listed under the regulatory provision, or component thereof, are compliant.
- **Action Plan Approved** means the ESD/subrecipient has completed the required Corrective Action Plan (COP) and it has been approved.
- **N/A** means not applicable.
- **Noncompliant** means documentation provided by the ESD/subrecipient has not met requirements.
- **Evidence Needed** means documentation is missing. A request to upload the missing documentation or additional documentation will be issued through the grants system.

## Corrective Action Plan

Corrective actions are required when documentation provided by ESDs/subrecipients do not fully meet compliance. The areas of concern must be addressed within 30 calendar days. Once ESDs/subrecipients have corrected the noncompliance issues, OSPI Special Education will send notification that the required actions were successfully resolved. Failure to address the required actions within 45 calendar days could lead OSPI Special Education to implement mechanisms outlined in [34 CFR §300.600](#) and [2 CFR §200.339](#), such as:

- temporarily withhold cash payments pending correction of the deficiency,
- disallow all or part of the cost of the activity or action not in compliance,
- wholly or partly suspend or terminate the Federal award,
- initiate suspension or debarment proceedings as authorized under [2 CFR part 180](#),
- withhold further Federal awards for the project or program,
- technical assistance with a recommended corrective action plan,
- additional restrictions on the grant,
- Corrective Action plan of Improvement plan,
- take other remedies that may be legally available.

Any remedies for noncompliance **must** be promptly removed once the condition that prompted the remedies has been satisfied.

## Timeline for Monitoring Activities

- **September**
  - Identify Issues by District Regional Planning
  - Consolidated Service Agreement (CSA) Planning and Reporting Form
  - Previous year's End-of-Year Report
  - Grant Due
- **December**
  - 1st Update Due
- **January**
  - 2nd Update Due
- **February/March**
  - Program/Fiscal Review
- Operations will issue final reports in 60 calendar days after the date of ESDs/subrecipients review.

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