

PERKINS V MONITORING PROCESS (DESK AUDITS)



Perkins Monitoring (Desk Audits)



Why?

State monitoring of Local Eligible Recipients (LEAs) ensures that (we) Iowa are utilizing Federal Grant funds appropriately and correctly in accordance with the Strengthening Career and Technical Education for the 21st Century Act (Perkins V)

Collaboratively ensure that state- and local-level monitoring processes are methodical, consistent, efficient, and standardized to position Iowa well for future Federal audits.

This document describes Iowa's monitoring process for Perkins V grant sub-recipients.

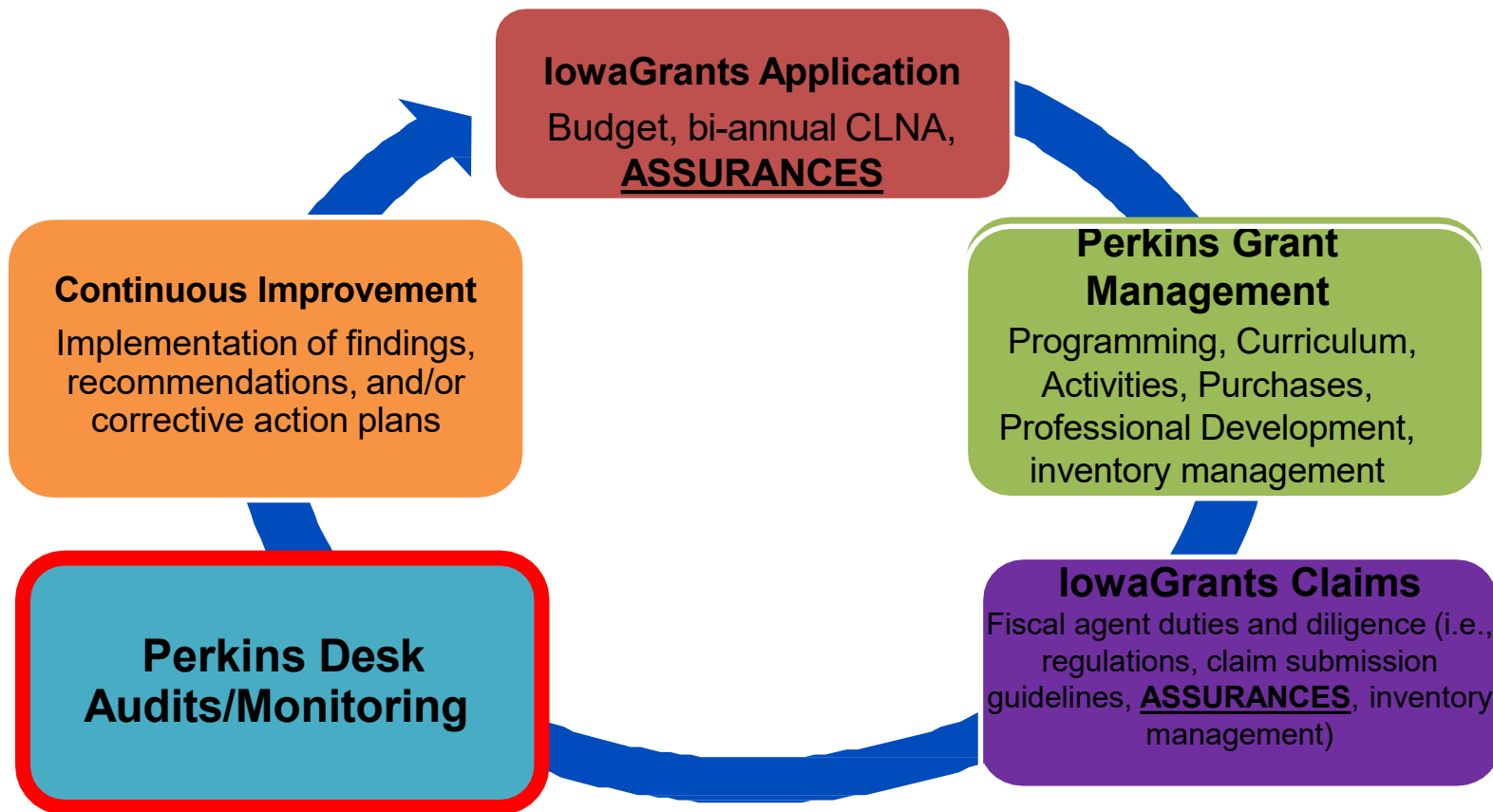
All states are required to, "...evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring (EDGAR 2 CFR Part 200.331-332)."

Perkins Monitoring (Desk Audits)

Local Grant Management (What are we looking at?)

- Budget Controls
- Records Retention Policies
- Procurement system and internal controls
- Personnel System that complies with all laws and regulations (when applicable)
- Time keeping system (when applicable)
- Property Management System/Inventory
- Travel policies
- **Effective cycle FY25** - Career Technical Student Organization (CTSO)
Perkins grant-related activities

Perkins Monitoring (Desk Audits)



Perkins V CTE Monitoring Timeline

Perkins V CTE Monitoring Timeline (*Effective/new FY25*)

**Call for desk audit
submissions**
(January)

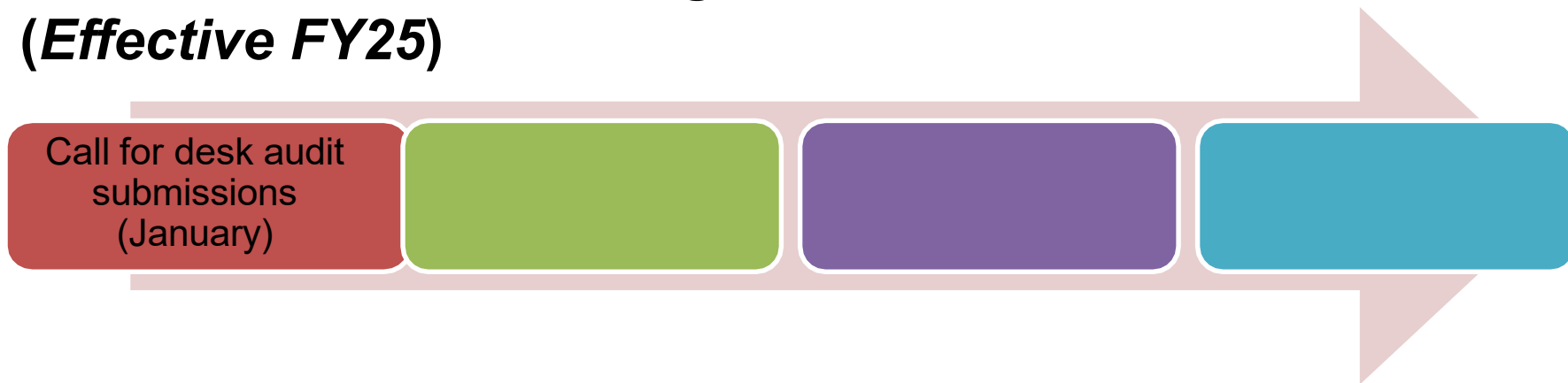
**Desk Audit
Submission
Deadline**
(June 30)

Reviews
(July - December)

Reports
(December/January)

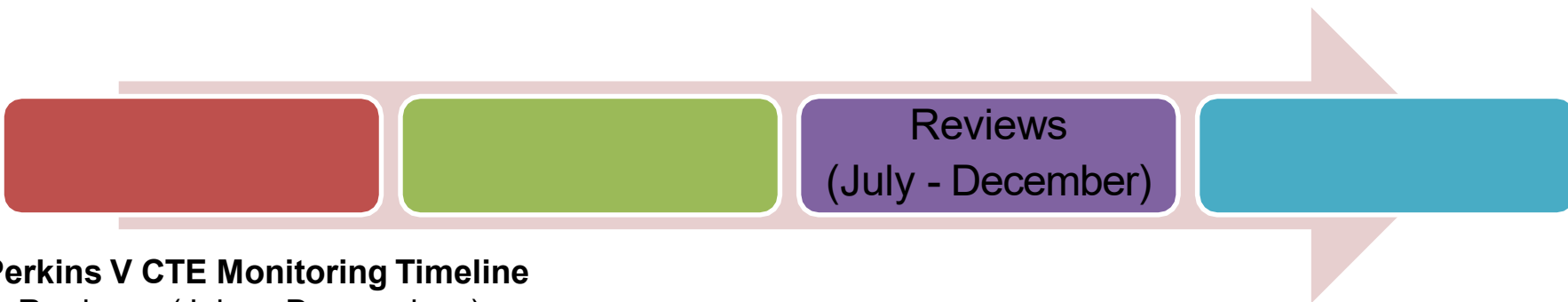
Perkins Desk Audit Form for Submission

Perkins V CTE Monitoring Timeline (*Effective FY25*)



Perkins V Secondary and Postsecondary Monitoring
[FY26 Community College Perkins Desk Audit Form](#)
[FY26 Secondary Perkins Desk Audit Form](#)

Perkins Desk Audit Reviews



Perkins V CTE Monitoring Timeline

Reviews (July – December)

- IowaGrants history (back to prior desk audit)
 - Applications
 - Budgets
 - Claims (executive assurances, templates)
 - CLNAs
- Notes/findings from Bureau of School Improvement
- Inventory documents (inventory lists and notes)
- Job descriptions, time & effort (if applicable)**more on next slide*
- Beginning AY20-21, performance data
- ***Beginning AY24-25, CTSO grant related activities***

Perkins Desk Audit Reviews

Time & Effort

- Time & Effort requirements (EDGAR) – [2 C.F.R. § 200.430](#)
 - Documentation for personnel expenses - Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed.
 - How staff demonstrate allocability - if employee paid with federal funds, then must show that the employee worked on that specific federal program cost objective 200.430(a).
 - Who must participate? Must be maintained for all employees whose salaries are paid in whole or in part with federal funds; used to meet a match/cost share requirement; NOT contractors. 200.430(I)(1) and (I)(4).
- Job description requirements (EDGAR) - [2 C.F.R. § 200.413\(C\)](#)
- Documentation for personnel expenses §200.430(8)(I)(1)
 - Records must be supported by a system of internal controls which provides reasonable assurance charges are accurate, allowable and properly allocated;
 - Be incorporated into official records;
 - Reasonably reflect total activity for which employee is compensated not to exceed 100%
 - Encompasses all activities (federal and non-federal);
 - Comply with established accounting policies and practices; and
 - Support distribution among specific activities and cost objectives

Perkins Desk Audit Reviews

Administrative Costs

Federal Perkins V statute

SEC. 135. [20 U.S.C. 2355] LOCAL USES OF FUNDS. (p. 70),
<https://www.govinfo.gov/content/pkg/COMPS-3096/pdf/COMPS-3096.pdf>

d) ADMINISTRATIVE COSTS.—Each eligible recipient receiving funds under this part **shall not use more than 5 percent of such funds** [i.e., district/consortium allocation] for costs associated with the administration of activities under this section.

Common Perkins V Administrative Costs

- Developing the local application
- Supervising local application activities
- Supervising Perkins-funded staff
- Ensuring compliance with applicable Federal laws
- Supporting and developing local data systems for Perkins
- Professional development for Perkins administrators

Perkins Desk Audit Reviews

Administrative Costs - Direct

Direct costs generally include:

- Salaries/wages (including vacations, holidays, sick leave, and other excused absences of employees working specifically on objectives of a grant or contract – i.e., direct labor costs).
- Other employee fringe benefits allocable to direct labor employees.
- Consultant services contracted to accomplish specific grant/contract objectives.
- Travel of (direct labor) employees.
- Materials, supplies, and equipment purchased directly for use on a specific grant or contract.
- Communication costs such as long-distance telephone calls or telegrams identifiable with a specific award or activity.

Perkins Desk Audit Reviews

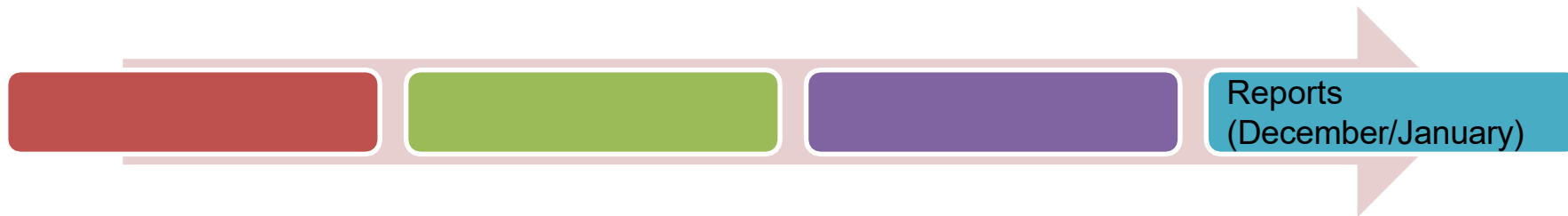
Administrative Costs - Indirect

Federal Uniform Grants Guidance (UGG) definition and [link](#)

- "Indirect costs represent the expenses of doing business that is not readily identified with a particular grant, contract, project function, or activity, but is necessary for the general operation of the organization and the conduct of activities it performs."
- "In theory, costs like heat, light, accounting, and personnel might be charged directly if little meters could record minutes in a cross-cutting manner. Practical difficulties preclude such an approach. Therefore, cost allocation plans or indirect cost rates are used to distribute those costs to benefiting revenue sources."
- "Looking at it another way, indirect costs are those costs that are not classified as direct."

Perkins Monitoring Final Report (December)

Perkins V CTE Monitoring Timeline



Final Report (December/January)

- Recommendation(s)/Comment(s)
- Action Items (when applicable)

Rubric/Evaluation Tool

- Starting with FY19 cycle, modifications and simplification were made to the desk audit submission, assessment & evaluation process
- (11) metrics
 - Each metric has a scale
 - Each metric has a weight
 - Each scale has a point value
 - Total points decide the “risk-level”; e.g., Very-Low (small N) | Very-High (large N)
 - [Uniform Guidance \(2 CFR Part 200, Subpart F – Audit Requirements provided guidance for the rubric's framework.](#)

Risk-Level	Range
Very High	273 - 219
High	218 - 165
Medium	164 - 111
Low	110 - 56
Very Low	55 - 5

Rubric/Evaluation Tool

Metric	Scale	Point Value	Weight	Total Metric Points
<i>M.1.Number of Years Since Last Monitored</i>	8+ Years	7	X	XX
	6-7	5		XX
	4-5	3		XX
	0-3	0		XX
<i>M.2.Explains how decisions were made for Total Budget</i>	No plan	7	X	XX
	Split-equally	5		XX
	Formulae	3		XX
	Program decisions	1		XX
	District/Consortia Wide Plan w/CLNA	0		XX
<i>M.3.Perkins activities are addressed in narrative.</i>	<3 Covered	5	X	XX
	<5 Covered	3		XX
	<7 Covered	1		XX
	All covered	0		XX
<i>M.4. Was there a fiscal agent/essential personnel change from previous the desk audit</i>	Yes	5	X	XX
	No	0		XX
<i>M.5.Unexpended Funds</i>	26% or more of grants	7	X	XX
	16-25% of grants	5		XX
	6-15% of grants	3		XX
	5% or less of grants	1		XX
	100% of grants spent	0		XX

Rubric/Evaluation Tool

<i>M.6.Programing is current and ongoing (STICS/Self-Studies)</i>	50% or more programs conditional, or denied	7	X	xx
	25% or more programs conditional, or denied	5		xx
	10% or more programs conditional, or denied	3		xx
	<10% of programs conditional, or denied	1		xx
	All programs approved	0		xx
<i>M.7.Improvement plan(s) completion & submission when/if indicators of performance were not been met.</i>	Improvement plan(s) required, none completed	5	X	xx
	Improvement plan(s) required, semi- completed	3		xx
	Improvement plan(s) required, all completed	1		xx
	No improvement plan needed/All met	0		xx
<i>M.8.Were there any findings in last school improvement bureau or Perkins Desk Audit review?</i>	Yes, none addressed	5	X	xx
	Yes, some addressed	3		xx
	Yes, all addressed	1		xx
	No findings	0		xx
<i>M.9.Is fiscal agent doing due diligence on financials (i.e., EDGAR regulations, claim submission guidelines, assurances)</i>	No	5	X	xx
	Yes	0		xx
<i>M.10.Did they include all of the required documentation?</i>	No	5	X	xx
	Yes	0		xx
<i>M.11.Comprehensive inventory of equipment? (over \$500; dispositions)</i>	No	5	X	xx
	Yes	0		xx

Perkins Monitoring Compliance

M11

Equipment Inventory

Three-Year Inventory
Funding sources
Correct Locations

All district/HS access for consortiums

Inventory Compliance in 60 Days

M2

Budget Decisions

CLNA Yes: No action required.
No: Schedule PD 30 Days

Complete PD within 60 Days

M4

Fiscal Agent Change

Yes: Review FA Checklist
No: Review FA Checklist

Schedule and complete PD within 60 days

M10

Required Documentation

Invoices
Receipts
GL - Salaries Only
Job Descriptions
Salaries & Percentages
Supplanting

M9

Fiscal Agent Due Diligence

Consortium Agreement
New Perkins Contacts
Claim Due Dates
Predetermined use Unspent Funds

M5

Unexpended Funds

Review five year average of
unexpended funds and
correlation with staff turnover.

Rubric/Evaluation Tool

- Assessment results/scores/internal process
 - Data recorded for every cycle (data integrity)
 - Data stored in database by fiscal year (data management)
 - Database “data-lake” will allow the opportunity for gap analysis, future trend analysis, etc. (data analytics); e.g. SPSS, RStudio, Tableau
- Perkins V presented an excellent opportunity to revamp the state’s desk audit monitoring process
- My goal always
 - Transparency
 - Simplicity
 - Efficiency
 - Easy-to-understand processes
 - Not just a federal & state requirement, but a self-reflective exercise

Summary

<u>Step #</u>	<u>Step in Process</u>	<u>Perkins V Monitoring Description/Context</u>
#1	Notification	• The recipient is informed that a desk audit will occur. • The notice usually includes the scope, documents requested, and a submission deadline.
#2	Document Request	• Community College Perkins Desk Audit Form • Secondary Perkins Desk Audit Form
#3	Submission of Documents	The recipient submits requested documents electronically via email .
#4	Review	Document analysis and review to verify: Proper use of Perkins V funds Alignment with state and federal CTE performance indicators Compliance with eligibility, reporting, and program quality standards Identification of Findings or Questions: The state may note areas needing clarification, corrections, or additional evidence. Follow-Up (if needed): The recipient may respond to requests for clarification or submit corrective actions.
#5	Report	A report summarizing: • Finding(s) / no finding(s); (I.e., compliant, non-compliant) • Minor finding(s) (requires correction(s)) • Major finding(s) (potential finance or programmatic action(s)) • Recommendation(s)/comment(s) for improvement may also be included
#6	Closure	(If applicable): Once all findings/action items are resolved, the audit is closed and documented in the state archives.

Resources:

[Perkins Monitoring Presentation](#)

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