

# Race to the Top

## Fiscal Oversight and Accountability

*Fiscal oversight and accountability information will be collected annually from the State and selected subrecipients.*

	STATE Information / Documentation	SUBRECIPIENT Information / Documentation
<b>Allocation of Funds</b>	<p><b>Requirement:</b> The State allocated funds to participating LEAs based on their relative share of funding under Title I, Part A of the Elementary and Secondary Education Act of 1965.</p> <p><b>Documentation:</b></p> <ul style="list-style-type: none"> <li>• Allocation and disbursement information</li> <li>• LEA budgets for scope of work activities</li> </ul>	<p><b>Questions:</b></p> <ul style="list-style-type: none"> <li>• What guidance did the State provide about the accountability and oversight responsibilities associated with Race to the Top funds?</li> <li>• What is the LEA’s total Race to the Top allocation?</li> </ul>
<b>Fiscal Management</b> <i>EDGAR 80.20, 80.21, and ARRA Sections 14002(b), 14003, 14004, 1604, 1605, and 1606</i>	<p><b>Requirement:</b> The State is practicing fiscal responsibility and administering the use of Race to the Top funds (both internally and externally with LEAs and contractors) to ensure compliance with Federal regulations and prevent fraud, waste, and abuse.</p> <p><b>Documentation:</b></p> <ul style="list-style-type: none"> <li>• The State Chart of Accounts identifying all Race to the Top related fund, program, and account codes.</li> <li>• A summary report of the Race to the Top revenues evidencing that the revenues have been tracked with unique fund codes.</li> <li>• Expenditure reports to demonstrate tracking of Race to the Top funds to allowable (project-based and approved) costs.</li> <li>• Expenditure reports that demonstrate compliance with cash management principles.</li> <li>• Alignment of spending to proposed and approved budget.</li> <li>• Evidence of use of funds only during the period of allowability.</li> <li>▪ For the account that the RTT funds are residing in at the State level, provide: <ul style="list-style-type: none"> <li>• Documentation (i.e. monthly or quarterly bank statement, report from State Treasury account) evidencing whether or not the account is an interest bearing account.</li> <li>• An example of evidence of receipt of RTT funds drawn down from G5 (e.g. wire transfer, cash receipt form, bank statement) into a non-interest bearing account.</li> <li>• Evidence of corresponding outlay of RTT funds from the State’s account to allowable expenditures, including subrecipient accounts (e.g. journal entry).</li> </ul> </li> </ul>	<p><b>Questions:</b></p> <ul style="list-style-type: none"> <li>• What internal controls does the LEA have in place to ensure that Race to the Top expenditures are allowable?</li> <li>• How does the LEA ensure that it complies with the principles of cash management (i.e. ensuring that funds are used to meet immediate obligation needs, within 3-5 days)?</li> <li>• How does the LEA’s financial recordkeeping system account for the use of Race to the Top funds?</li> <li>• What guidance has the LEA received from the State regarding the obligation and drawing down of Race to the Top funds?</li> <li>• How were Race to the Top funds received (or requested for reimbursement) from the State?</li> <li>• How are Race to the Top revenues and expenditures tracked separately (please identify any Race to the Top specific codes)?</li> </ul> <p><b>Documentation:</b></p> <ul style="list-style-type: none"> <li>▪ From the LEA’s accounting system: <ul style="list-style-type: none"> <li>• The Chart of Accounts identifying all Race to the Top related fund, program, and account codes.</li> <li>• An example of a General Ledger report of revenues showing the fund, account, or program code that has been designated specifically as Race to the Top revenues.</li> <li>• An example of a General Ledger report of expenditures showing the fund, account, or program code that has been designated specifically as Race to the Top expenditures.</li> </ul> </li> <li>▪ If funds were received on a <u>reimbursement basis</u>, please provide: <ul style="list-style-type: none"> <li>• An example of a request for reimbursement form previously submitted to the State and the corresponding Race to the Top obligations of those funds totaling the amount received (e.g. expenditure report).</li> <li>• For the example reimbursement request form provided, the corresponding evidence of receipt of funds (e.g. wire transfer, cash receipt form, bank statement) from the State.</li> </ul> </li> <li>▪ If funds were <u>received as an advance</u>, please provide: <ul style="list-style-type: none"> <li>• An example receipt of Race to the Top funds (e.g. wire transfer, cash receipt form, bank statement) into a non-interest bearing account and corresponding SFBS obligations of those funds totaling the amount received (e.g. expenditure report).</li> </ul> </li> </ul>

<p style="text-align: center;"><b>Subrecipient Monitoring</b> (EDGAR §80.40)</p>	<p><b>Requirement:</b> The State’s monitoring strategy includes all components (detailed in first bullet below).</p> <p><b>Documentation:</b></p> <ul style="list-style-type: none"> <li>• Race to the Top-specific monitoring plan, protocols, and schedule for all subrecipients, vendors, and contractors.</li> <li>• Evidence that the State’s monitoring strategy outlines its ability to: <ul style="list-style-type: none"> <li>▪ Assess LEA progress and alignment to their scopes of work, determine the quality of LEA implementation through established methods, tools, and processes, and identify and work to mitigate potential obstacles and/or risks that could impact the LEAs’ ability to achieve its goals.</li> <li>▪ Monitor grant and subgrant activities to assure compliance with applicable Federal requirements; and</li> </ul> </li> <li>• Sample monitoring reports and corrective action follow-up.</li> </ul>	<p><b>Questions:</b></p> <ul style="list-style-type: none"> <li>• Has the LEA been monitored by the State? If so, when? If not, has the LEA been notified of when it will be monitored?</li> <li>• Did the State provide the LEA with a copy of its monitoring instruments?</li> <li>• If the LEA has been monitored by the State, what issues did the State discuss during its monitoring? What recommendations did the State make?</li> <li>• What actions has the LEA taken in response to any monitoring recommendations?</li> </ul> <p><b>Documentation:</b></p> <ul style="list-style-type: none"> <li>• Notification from the State that this entity has been selected for a State monitoring review (if applicable).</li> <li>• A copy of the State’s monitoring report(s) for the entity, to date (if applicable).</li> <li>• Documentation evidencing corrective actions taken by the entity, in response to the State’s monitoring recommendations (if applicable).</li> <li>• A copy of the entity’s response to the State, resolving any findings (if applicable).</li> <li>• A copy of audits covering the Race to the Top program (if applicable).</li> </ul>
<p style="text-align: center;"><b>Quarterly ARRA Section 1512 Reporting</b> (ARRA Sections 14008 and 1512)</p>	<p><b>Requirement:</b> The State is ensuring compliance with ARRA Section 1512 quarterly reporting regulations.</p> <p><b>Documentation:</b></p> <ul style="list-style-type: none"> <li>• An explanation of/example for section 1512 reporting process.</li> <li>• Sample of documentation supporting the data in Section 1512 quarterly report.</li> <li>• Evidence of State ensuring the validity of LEA-reported numbers.</li> </ul>	<p><b>Questions:</b></p> <ul style="list-style-type: none"> <li>• How does the LEA report the jobs to the State, and how does the LEA calculate expenditures and jobs created/saved?</li> </ul> <p><b>Documentation:</b></p> <ul style="list-style-type: none"> <li>• Guidance from the State regarding 1512 reports.</li> <li>• Snapshots from the program used to enter and submit data or a copy of completed State-provided template (if applicable).</li> </ul>

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