



south dakota
DEPARTMENT OF EDUCATION

Learning. Leadership. Service.

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April 17, 2013

Deb Johnson, Superintendent
Chamberlain School District
PO Box 119
Chamberlain, SD 57325

Dear Ms. Johnson:

The South Dakota Department of Education's Grants Management's office performed an on-site fiscal monitoring review of the fiscal administration of your 21st Century Community Learning Center programs on March 26, 2013. The fiscal monitoring review was conducted by me and Kelsey Hanson. The purpose of this review was to ensure fiscal compliance with the rules and regulations governing these programs; and to determine if the grant expenditures were appropriate.

The findings of our monitoring review are presented below.

Finding: Time Effort Documentation:

Condition: The Chamberlain School District does not have personal activity reports for their 21st Century Community Learning Center grant, indicating the employees' activities for employees compensated from a federal award. The District does maintain employee Timesheet/Activity Report using a Purchase Order – Voucher, indicating the amount of time the employee worked; however the timesheet alone does not indicate the actual activity of the employee.

Criteria: In accordance with OMB Circular A-87 Attachment B, paragraph 8. H, (3) & (4) (attached) the distribution of salaries and wages to an award must be supported by personal activity reports reflecting the distribution of activities of each employee whose compensation is charged in whole or in part to a federal award.

Further Action Required: The Chamberlain School District must develop a plan to ensure that all employees compensated in whole or in part by federal funds complete personnel activity reports to document their work activities in accordance with OMB Circular A-87.

We are requesting that your organization design and submit a plan to correct the compliance issue identified in the review, or submit additional clarifying documentation within 30 business days of receipt of this letter.

Recommendation:

The Department of Education recommends that you have written policies and procedures for procurement purchases.

We would like to thank you and your staff for their hard work and the assistance they provided prior to and during the review in gathering materials and providing access to the information in a timely manner.

If you have questions, please do not hesitate to contact me at (605) 773-3727 or mark.gageby@state.sd.us.

Sincerely



Mark Gageby
Management Analyst

Attachment

Cc: Holly Nagel
Lindsey Hargens

OMB Circular A-87, Attachment B, paragraphs 8.h.(3) & (4):

h. Support of salaries and wages. These standards regarding time distribution are in addition to the standards for payroll documentation.

(3) Where employees are expected to work **solely** on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(4) Where employees work on **multiple** activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

- (a) More than one Federal award,
- (b) A Federal award and a non-Federal award,
- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost activity.

(5) Personnel activity reports or equivalent documentation must meet the following standards:

- (a) They must reflect an after-the-fact distribution of the actual activity of each employee,
- (b) They must account for the total activity for which each employee is compensated,
- (c) They must be prepared at least monthly and must coincide with one or more pay periods, and
- (d) They must be signed by the employee.

"Cost objective" means a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred.



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July 1, 2013

Deb Johnson, Superintendent
Chamberlain School District
PO Box 119
Chamberlain, SD 57325

RE: 21st Century Community Learning Center Monitoring Review

Dear Ms. Johnson:

The Department of Education received sufficient documentation pertaining to your finding in your fiscal monitoring review.

Thank you for providing the additional information and for working with the Department of Education to meet the 21st Century Community Learning Center Federal grant requirements.

If you have questions or concerns please contact me at mark.gageby@state.sd.us or 605-773-3727.

Sincerely,

Mark Gageby
Management Analyst

Cc: Holly Nagel