

Division: Federal Grant Management

Program/Procedure: Legislative Audit Process (December 2015)

An audit is a formal or official examination of records and accounts with the intention to verify that proper accounts have been utilized, proper procedures have been followed, and attending documentation has been maintained. The following steps will be taken by Federal Grants Management to resolve LEA audit finding(s).

- Finance Program Coordinator in the Fiscal and Administrative Services Division, Financial Accountability and Reporting Unit reviews all audit findings and receives CAP
- Once reviewed, copies of audit findings are sent to ADE finance and other parties as necessary for finding determination
- Findings are saved to K:FGM Share: Audit: (Select Year) Leg Audit
- Findings are reviewed by Federal Funding and Program Analysts to determine if funding needs to be returned to ADE or USDE
 - All Questioned costs must be returned.
 - APSCN is used to determine the time the questioned cost was originally incurred
 - ASSIS is used to determine the payment containing the questioned cost thus giving the grant year
 - If expired the amount is returned from the LEA's operating expenses to ED
 - If active the amount is returned from the LEA's operating expenses to ADE and can be reused by the district during the period of availability
- Letters are sent to LEAs requesting funds be returned within two weeks. See sample.



ARKANSAS DEPARTMENT OF EDUCATION

Johnny Key
Commissioner

July 22, 2015

**State Board
of Education**

Superintendent
_____ School District
123 Street Name
City, AR 72XXX

Sam Ledbetter
Little Rock
Chair

Dr. _____:

Toyce Newton
Crossett
Vice Chair

Dr. Jay Barth
Little Rock

The following exceptions were found during the Legislative audit of _____ School District for fiscal year ended June 30, 2014:

Joe Black
Newport

“The District claimed indirect costs in excess of the allowable amount by \$9,418.”

Kim Davis
Fayetteville

As a result of these findings and in accordance with 2 CFR 200.410, which requires all unallowable expenses be refunded, the Arkansas Department of Education requests _____ School District return \$9,418 from Operating Expenses.

Alice Mahony
El Dorado

Mireya Reith
Fayetteville

It has been determined the \$9,418 overage was reimbursed from SOF 6501 Grant Year 2014. This grant is active but all funds must be obligated by September 30, 2015 and expended by December 2015. The amount returned will be added back to the district allocation and may be spent on allowable costs before the expiration of the funds.

Vicki Saviers
Little Rock

Please send a check payable to ADE in the amount of \$9,418 by August 7, 2015. The check should be charged as follows:

Diane Zook
Melbourne

2001 5905 000 000 00 69400
5905 Repay Prior Year Federal Expenditure Errors

Pursuant to 2 CFR 200.511c, the district must also submit a corrective action to Alisa Moore, CPA, Finance Program Coordinator for Financial Accountability and Reporting.

If you have any questions please contact Kristy Hobson at 501-682-0116 or kristy.hobson@arkansas.gov.

Sincerely,

Four Capitol Mall
Little Rock, AR
72201-1019
(501) 682-4475
ArkansasEd.org

Greg Rogers
Assistant Commissioner, Fiscal and Administrative Services