



Maria C. Guzman  
Director  
Office of Audit Services  
Tel. (518) 473-4516  
Fax (518) 473-0259  
E-mail: mguzman@mail.nysed.gov

May 22, 2014

Mr. Leonard Sarver  
Board President  
Mount Vernon City School District  
165 North Columbus Avenue  
Mount Vernon, NY 10553

Report: SD-0214-09

Dear Mr. Sarver:

I am writing to transmit the final results of our recently completed audit of the Mount Vernon City School District's (District) use of the American Recovery and Reinvestment Act (ARRA) Race to the Top (RTTT) grant awarded for the July, 1 2012 – June 30, 2013 school year. The audit was conducted pursuant to the Commissioner of Education's authority under Section 305 of the Education Law. Our audit objectives were to verify the allowability and accuracy of amounts reported in the Final Expenditure Report in the ARRA Reporting System and to assess compliance with pertinent federal requirements for the use of these funds.

To accomplish our objectives, we reviewed applicable laws, regulations, policies and procedures; interviewed District and State Education Department (Department) management and staff; and examined records and supporting documentation.

The audit was conducted in accordance with Government Auditing Standards issued by the Comptroller General of the United States. An audit includes examining, on a test basis, evidence supporting transactions recorded in the accounting and operational records and applying other procedures considered necessary. It also includes assessing the estimates, judgments, and decisions made by management. We believe that the audit provides a reasonable basis for our findings, conclusions, and recommendations.

The results of this audit have been discussed with District officials and their comments have been considered in preparing this report. The District's response to the draft report is included as Appendix A.

## **Audit Results**

### Allowability and Accuracy of Reported Expenditures

We did not find any audit exceptions.

### Compliance with Federal Grant Requirements

#### *Time and Effort Requirements*

OMB Circular A-87 (A-87) requires salaries of employees who are charged to federal grants be supported by periodic certifications or personnel activity reports (PARs). Salaries of employees who work on multiple activities or cost objectives (multiple funding streams) must be supported by PARs. These reports must be prepared at least monthly and coincide with one or more pay periods, reflect an after-the-fact distribution of the actual activity of the employee, account for a full FTE, and be signed by the employee.

District officials did not provide us with accurate periodic certification or personnel activity reports (PARs). According to the District's payroll register, only one employee's salary was charged to RTTT (partially, 20%), the rest of the salary was charged to another grant. District officials provided us with three set of PARs for this employee on three different occasions. The first one was for the wrong year, the second did not reconcile with the payroll register (100% charged), and eventually, the 3<sup>rd</sup> was for the correct year and the percentages coincided with the payroll register. We also noted that the employee signed all three sets of PARs on March 4, 2014 (a week prior to the beginning of our fieldwork) while the period that was being certified was July 1, 2012-June 31, 2013.

Subsequent to our fieldwork, a memo came into the Department which indicates that the employee whose partial salary was charged to RTTT rescinded their signature because they believe that the percentages of salary allocated were inaccurate.

### **Recommendation**

1. Ensure that the PARs for employees who work on multiple cost objectives, where at least one is federal, are prepared at least monthly and coincide with one or more pay periods, reflect an after-the-fact distribution of the actual activity of the employee, account for a full FTE, and be signed by the employee.

Section 170.12 of the Regulations of the Commissioner of Education requires the submission of a Board approved corrective action plan, in response to all the findings, within ninety days of the issuance of this report. The corrective action plan should include the expected date of implementation, where appropriate.

I appreciate the cooperation and courtesies extended to our staff during the audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Maria C. Guzman". The signature is fluid and cursive, with the first name being the most prominent.

Maria C. Guzman

Attachment

c: J. King, B. Berlin, S. Cates-Williams, K. Slentz, K. Wagner, D. Juron, J. Delaney, M. Zollo, C. Szuberla, A. Timoney (DOB), J. Dougherty (OSC), J. Johnson (Interim Superintendent), H. Coles (DS Southern Westchester BOCES)



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## Mount Vernon City School District

165 North Columbus Avenue • Mount Vernon, New York 10552 • 914-665-5201 • Fax 914-665-6077  
email: [jjohnson@mtvernoncsd.org](mailto:jjohnson@mtvernoncsd.org)

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**Judith Johnson**  
*Interim Superintendent of Schools*

May 14, 2014

**BY EMAIL & CERTIFIED MAIL/RETURN RECEIPT REQUESTED**

Maria C. Guzman, Director  
Office of Audit Services  
89 Washington Avenue  
Albany, NY 12234

**Re: Audit Report SD-0214-09 / Audit Letter from SED dated April 8, 2014**

Dear Director Guzman:

We are in receipt of the State Education Department's draft results of the recently completed audit of the Mount Vernon City School District's use of the American Recovery and Reinvestment Act (ARRA) Race to the Top (RTTT) grant awarded for the July 1, 2012-June 30, 2013 school year. For the recommendation included in the audit report, the following is our action(s) taken or proposed.

**SED Recommendation:**

Ensure that the PARs for employees who work on multiple cost objectives, where at least one is federal, are prepared at least monthly and coincide with one or more pay periods, reflect an after-the-fact distribution of the actual activity of the employee, account for a full FTE on a percentage basis, and be signed by the employee.

**Response:**

The Mount Vernon City School District will ensure that going forward employees who work on multiple cost objectives:

1. Certify upon his/her acceptance of employment in or assignment to federal grants that the employee understands the salary allocation percentages to different cost objectives;
2. Certify that the employee understands his/her responsibility to maintain accurate periodic certification and/or personnel activity reports (also known as "PARs," "Employee Payroll Certification" or "EPCs") on a monthly basis. These monthly reports will be signed by the employee and certified by the Lead Administrator (Assistant Superintendent for Accountability, School Turnaround, Grants Management). (See Attachments 5A and 5B); and
3. These certifications will be maintained in the Collection Binder.
4. The employee who rescinded her signature subsequently sent to SED a revised payroll certification statement.

Letter to Director Guzman, NYSED

May 14, 2014

Page 2 of 2

The Mount Vernon City School District will ensure that it will maintain accurate records through the following protocols:

1. A Senior Typist in the Curriculum and Instruction Department is now directly responsible for maintaining monthly payroll certification forms (also known as "PARs," "Employee Payroll Certification" or "EPCs"). The Senior Typist will maintain a collection binder in her office, organized by employee, containing the PARs/EPCs on a monthly basis. The binder will be available in her office for inspection.
2. The Senior Typist in the Curriculum and Instruction Department responsible for the maintenance of PARs/EPCs is directly supervised by the Assistant Superintendent for Accountability, School Turnaround, Grants Management.
3. The Senior Typist will send out a reminder on a monthly basis, if necessary, that the PAR/EPC is due, and she will have available a report of the status of forms collection, updated on a monthly basis.

The Mt. Vernon City School District's procedures and forms are attached as supporting evidence of this practice. Specifically, enclosed please find:

1. The Mount Vernon City Public Schools Time and Effort Certification Procedures / Federal Grant Funded Programs. (*Attachment #1*)
2. The Cover Page of the PAR/EPC Collection Binder. (*Attachment #2*)
3. Employee Payroll Certification Statement for staff who are partially funded and 100% funded by grants. (*Attachments #3A and #3B*)
4. A redacted sample email of a monthly PAR/EPC submission reminder. (*Attachment #4*)
5. A sample form acknowledgment of procedures and forms (*Attachments #5A and 5B*)
6. A redacted monitoring report of collection actions. (*Attachment #6*)
7. A revised Employee Payroll Certification Statement for Staff Paid for a Single Cost Objective from a Single Federal Grant or from a Combination of a Single Federal Grant and State/Local Funds. (*Attachment #7*)

In the event you have questions or concerns, please do not hesitate to contact me. Thank you.

Sincerely,



Judith Johnson  
Interim Superintendent

cc: T. Costello  
G. Karabas  
H. Muhammad  
P. DeNisco  
L. Renna

# 1

**MOUNT VERNON CITY PUBLIC SCHOOLS  
TIME AND EFFORT CERTIFICATION PROCEDURES  
Federal Grant Funded Programs**

**1. Purpose and Scope**

The federal government requires time and effort certification to be completed when individuals are compensated by or have agreed to contribute time (in kind/match) to a federally-funded program or project. These procedures provide an overview of time and effort certification, including Mount Vernon City Public Schools' (MVCSD) requirements for the process as defined by the Office of Management and Budget (OMB) Circular A-87 (see 2 CFR Part 225).

**2. Definitions**

Office of Management and Budget (OMB) – OMB is a branch of the Executive Office of the President. OMB helps the President formulate his spending plans; evaluates the effectiveness of agency programs, policies, and procedures; assesses competing funding demands among agencies, and sets funding priorities. OMB's circular A-87 is the location for the regulations on the maintenance of time and effort certification for all persons who are fully or partially compensated for personnel services with federal grant funds.

2 CFR Part 225 – This is the location in the Code of Federal Regulations that contains "Cost Principles for State, Local, and Indian Tribal Governments" (OMB Circular A-87). These cost principles include regulations defining what costs are allowable to federal grants. In addition, they include regulations on the maintenance of time and effort certification for all persons who are fully or partially compensated for personnel services with federal grant funds.

Cost Objective – a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred (OMB A-87/ 2 CFR Part 225)

Examples:

- Title I, Part A – The cost objective under this grant would include set of work activities allowable under the terms and conditions of Title I, Part A regulations.
- Special Education – The cost objective under this grant would include activities that are allowable under the terms and conditions of a specific grant that serves special education students.

Single Cost Objective – An employee is considered to be working on a single cost objective if:

- the employee is paid fully or partially with federal grant funds and;
- the employee works solely on activities allowable under the terms and conditions of a specific federal grant.

TIME AND EFFORT PROCEDURES  
MOUNT VERNON CITY SCHOOL DISTRICT

**Multiple Cost Objectives** – An employee is considered to be working on multiple cost objectives if:

- the employee is paid partially with federal grant funds and;
- the employee works on activities allowable under the terms and conditions of the federal grant and;
- the employee works on activities not allowable under the terms and conditions of the federal grant.

Or if the employee's salary is comprised of:

- more than one federal grant or;
- a federal grant and a non-federal grant or;
- an indirect cost activity and a direct cost activity or;
- two or more indirect activities which are allocated using different allocation bases.

**Personnel Activity Report (PAR)** – A type of time and effort certification used by an employee working on multiple cost objectives which records and calculates the difference between the employee's budgeted allocation of effort to be spent on activities allowable under the terms and conditions of a grant and the employee's actual effort spent on activities allowable under the grant.

**Semi-Annual Certification** – A type of time and effort certification used for an employee working on a single cost objective that confirms effort has been spent solely on activities allowable under the terms and conditions of a specified grant.

**Variance Report** – A report used by grant managers to record and monitor the outcomes of their employees' and the variance that may occur when personnel deviate from the PARs on an ongoing basis throughout the course of the fiscal year.

### 3. Requirements Regarding Time and Effort Certification

OMB Circular A-87/2 CFR Part 225 – "Cost Principles for State, Local, and Indian Tribal Governments" is the federal government's cost principles that are applicable to MVCS. These principles define what costs are allowable and allocable to federal grants. OMB Circular A-87/2 CFR Part 225 also sets forth criteria for acceptable methods of charging salaries and wages to federally-funded programs.

OMB Circular A-87/2 CFR Part 225 requires that institutions develop a process to determine or confirm how individuals paid with federal funds expend effort during a specified time period. Failure to adequately document employees' time and effort related to federal funds could result in audit findings, questioned costs consisting of salaries, wages, and related benefits, and even the potential repayment of disallowed costs.

Reviewed:  
Adopted:



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**MOUNT VERNON CSD**

**GRANTS**

**PAYROLL CERTIFICATION FORMS**

**2013 - 2014**

MOUNT VERNON SCHOOL DISTRICT  
2013-2014 FEDERAL PROGRAM

Employee Payroll Certification (EPC) Statement  
For Staff who are Partially Funded By Federal Funds

Location: \_\_\_\_\_  
Supervisor: \_\_\_\_\_

To Whom It May Concern:

I hereby certify that for the period \_\_\_\_\_ sixty-seven percent (67%)  
of my time and effort funded through \_\_\_\_\_ was spent as the  
District's Standard Administrator for Federal Grants and Funded Programs.  
Thirty-three percent (33%) of my time and effort was funded by  
\_\_\_\_\_.

Employee Name (Print): \_\_\_\_\_ Date:\* \_\_\_\_\_

\_\_\_\_\_

Signature:  
\_\_\_\_\_

(Optional) Lead Administrator Name (Print):\*\* \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

*\*EPCs must be signed twice a year, by staff that is fully funded with federal funds. Additionally, the signature date must be an "after-the-fact" date. In other words, the duties that staff are certifying to, have been already been performed.*

*\*\*Lead administrators of Title I, fully-funded staff (ex. Building Principal), may co-sign with or sign for (with staff permission) Title I staff. Signature dates must also be an "after-the-fact" date. Lead Administrators may not sign for split-funded (salary comes from more than one funding source) staff, but may co-sign with split-funded staff.*

#36

**MOUNT VERNON SCHOOL DISTRICT  
2013-2014 FEDERAL PROGRAM**

**Employee Payroll Certification (EPC) Statement  
For Staff who are Fully Funded (100%) By Title I, Part A Funds**

School Building: \_\_\_\_\_

Supervisor: \_\_\_\_\_

**To Whom It May Concern:**

I hereby certify that for the period February 1, 2014 to June 30, 2014 one hundred percent (100%) of my time and effort was spent as a Title I (Reading/ELA/Mathematics) teacher/teaching assistant\* in

\_\_\_\_\_  
Name of School

Employee Name (Print): \_\_\_\_\_ Date:\* \_\_\_\_\_

\_\_\_\_\_  
Signature:

\_\_\_\_\_

(Optional) Lead Administrator Name: \*\* \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

*\*EPCs must be signed twice a year, by staff that is fully funded with federal funds. Additionally, the signature date must be an "after-the-fact" date. In other words, the duties that staff are certifying to, have been already been performed.*

*\*\*Lead administrators of Title I, fully-funded staff (ex. Building Principal), may co-sign with or sign for (with staff permission) Title I staff. Signature dates must also be an "after-the-fact" date. Lead Administrators may not sign for split-funded (salary comes from more than one funding source) staff, but may co-sign with split-funded staff.*

#4

**From:**  
**Sent:**  
**To:**  
**Cc:**  
**Subject:**  
**Attachments:**

**Importance:**

Good Morning

Please complete the attached EPC for the months of March and April 2014.

Please submit the completed forms to my attention by Wednesday, May 7<sup>th</sup>.

Thank you and have a great day.

*Administrative Assistant  
Office of Curriculum and Instruction  
Mount Vernon Board of Education  
165 North Columbus Avenue  
Mount Vernon, NY 10553  
914-665-5226*

DATE:

TO: \_\_\_\_\_

FROM: Office of Grants and Funded Programs

SUBJECT: Acknowledgment of Payroll Procedures for Employees Funded Through Federal Programs

Please be advised that your salary is split-funded (salary comes from more than one federally funded source). Attached please find the Mount Vernon City Public Schools Time and Effort Certification Procedures, as well as an Employee Payroll Certification (EPC) form. **This form must be completed monthly.** The signature date must be an after the fact date. In other words, the duties that you are certifying to have been already performed. These forms are due no later than the fifteenth of each month. These forms must be submitted to the Office of Grants and Funded Programs, attention Ms. Patty DeNisco.

Attached hereto is a copy of the resolution appointing you to your position with the district and indicating the federal funding source for your salary.

-----  
I hereby acknowledge that my salary is split-funded. I also acknowledge receipt of the employee payroll procedures and forms and understand the timeline and procedures for submissions.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

DATE:

TO: \_\_\_\_\_

FROM: Office of Grants and Funded Programs

SUBJECT: Acknowledgment of Payroll Procedures for Employees Funded Through Federal Programs

Please be advised that your salary is fully (100%) funded through federal funds. Attached please find the Mount Vernon City Public Schools Time and Effort Certification Procedures, as well as an Employee Payroll Certification (EPC) form. **This form must be completed twice a year.** The signature date must be an after the fact date. In other words, the duties that you are certifying to have been already performed. These forms are due no later than February 15<sup>th</sup> and June 30<sup>th</sup> each year. These forms must be submitted to the Office of Grants and Funded Programs, attention Ms. Patty DeNisco.

Attached hereto is a copy of the resolution appointing you to your position with the district and indicating the federal funding source for your salary.

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I hereby acknowledge that my salary is 100% federally funded. I also acknowledge receipt of the employee payroll procedures and forms and understand the timeline and procedures for submissions.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

#C

**EMPLOYEE PAYROLL CERTIFICATION (EPC) – MONTHLY REPORTS**

**2013-2014**

**RTTT (80%)**

7/13	8/13	9/13	10/13	11/13	12/13	1/14	2/14	3/14	4/14	5/14	6/14
X	X	X	X	X	X						

**Title II A (20%)**

7/13	8/13	9/13	10/13	11/13	12/13	1/14	2/14	3/14	4/14	5/14	6/14
X	X	X	X	X	X						

**Title I (67%)**

7/13	8/13	9/13	10/13	11/13	12/13	1/14	2/14	3/14	4/14	5/14	6/14
X	X	X	X	X	X	X	X	X	X		

**Title I**

7/13	8/13	9/13	10/13	11/13	12/13	1/14	2/14	3/14	4/14	5/14	6/14
---	---	X	X	X	X	X	X				



#7

REVISED EMPLOYEE PAYROLL CERTIFICATION STATEMENT  
FOR STAFF PAID FOR A SINGLE COST OBJECTIVE FROM A SINGLE FEDERAL GRANT OR  
FROM A COMBINATION OF A SINGLE FEDERAL GRANT AND STATE/LOCAL FUNDS

In accordance with OMB Circular A-87, Section 8 (h) 2, this is to certify that the employee listed below performed the following responsibilities **IN HER CAPACITY AS DISTRICT STANDARDS ADMINISTRATOR FOR DATA AND ASSESSMENT AND IN FULLFILLMENT OF ACTIVITIES DEFINED IN THE STATE'S RTTT APPLICATION :**

- Implement Data Systems to Support Instruction
- Implement school-based Data Inquiry Teams
- Increase principal and teacher capacity to collect, report, and analyze student performance data, and integrate these data into the LEA's performance management system
- Identify local technology systems for delivering online curriculum content and sharing student work, including performance assessments
- Develop a strategy to increase district's data system capacity to collect, report, and analyze student performance data,

**and her salary and benefits were charged to the federal grants as indicated below:**

Employee: \_\_\_\_\_

Employed: \_\_\_\_\_ Full Time

Period Covered By Certification (Indicate Dates per Monthly Period for Full Year Staff):

Beginning Date: \_\_\_\_\_

Ending Date: \_\_\_\_\_