



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY 12234

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January 14, 2015

Mr. Robert Vecchio
Board President
William Floyd Union Free School District
240 Mastic Beach Rd.
Mastic Beach, NY 11951

Report: SD-0815-01

Dear Mr. Vecchio:

I am writing to transmit the final results of our recently completed audit of the William Floyd Union Free 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

Personal Service Expenditures

According to OMB Circular A-87, costs must be necessary and reasonable; consistent with policies, regulations, and procedures that apply to the award; accorded consistent treatment; and adequately documented in order to be allowable under federal awards. William Floyd Union Free School District (District) claimed personal service expenditures using the incorrect contractual per diem rate for some substitute teachers.

During our review of the payroll records, we found personal service expenditures totaling \$358 that should not have been charged to the RTTT grant. Specifically, out of the 292 payments to substitute teachers reviewed, we found 10 instances where the per diems paid exceeded the contractual rates by a total of \$300 and is therefore, disallowed. We also calculated \$58 charged to the grant for the employee fringe benefits related to the salaries that are disallowed.

Compliance with Federal Grant Requirements

Section 1512 Reporting

New York State compiles ARRA data from each of its sub-recipients of ARRA awards and submits it to the federal government. Under Section 1512 of ARRA, recipients of ARRA funds must submit a quarterly report that describes, among other things, how the entity used those funds, including the estimate of the number of jobs created and the number of jobs retained.

For the period ending June 30, 2013, the District submitted a 1512 quarterly report that shows jobs funded at 1.9 FTEs. Based on supporting documents, the reported number should be 2.4 FTEs. The District used budgeted data instead of actual in its calculation.

Recommendations

1. Only claim allowable costs.
2. Contact the Department's Race to the Top Program Office for instructions, reference this report, and submit a revised Final Expenditure Report through the ARRA online management portal reflecting a reduction of \$358 for disallowed costs for RTTT. The Grants Finance Office will send Form FS-80, Notice of Overpayment to your District confirming the amount overpaid, and provide remittance instructions.
3. Ensure the District submits accurate 1512 Quarterly Reports.

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 "Maria" being the most prominent.

Maria C. Guzman

Attachment

c: B. Berlin, S. Cates-Williams, K. Wagner, D. Juron, J. Delaney, M. Zollo, C. Szuberla, A. Timoney (DOB), J. Dougherty (OSC), P. Casciano (Superintendent), D. Beggins (Assistant Superintendent for Business), D. Lucera (DS Eastern Suffolk BOCES)



William Floyd Union Free School District

of the MASTICS – MORICHES – SHIRLEY

Our rich history builds a promising future!

Paul Casciano, Ed.D.
Superintendent of Schools

David Beggins
Assistant Superintendent for Business

November 14, 2014

New York State Education Department
Office of Audit Services
89 Washington Avenue
Room 524 EB
Albany, NY 12234

RE: Report SD-0815-01

Dear Mr. Guzman:

Below, please find the District's response to findings and recommendations of the audit pertaining to the ARRA-RTTT grant for the period July 1, 2012- June 30, 2013.

Based on our conversations and review of the draft report submitted, we are in agreement with the amount that is being disallowed. This was a directly related to the sub-salary rate changes based on days worked in the district.

Recommendation #1

Only claim allowable costs.

Response

The district will internally audit sub-teacher attendance to make sure the daily charges being submitted to the grant are accurate. This will ensure the daily rate being coincides with the days worked.

Recommendation #2

Contact the Department's Race to the Top Program Office for instructions, reference this report, and submit a revised Final Expenditure Report through ARRA online management portal reflecting a reduction of \$358 for disallowed costs for RTTT. The Grants Office will send Form FS-80, Notice of Overpayment to your District confirming the amount overpaid, and provide remittance instructions.



BOARD OF EDUCATION

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Response

The District has already initiated this and submitted a revised FCR to reflect the reduction of \$300 in salary and \$58 fringe benefits for a total reduction of \$358.

Recommendation #3

Ensure the District submits accurate 1512 Quarterly Reports.

Response

The District will review final reports data prior to submittal to ensure accuracy.

Very truly yours,

A handwritten signature in cursive script, appearing to read "David Beggs".

David Beggs
Assistant Superintendent for Business