

2022 WICPA SCHOOL DISTRICT AUDIT CONFERENCE

YOUR SOURCE FOR KEY UPDATES & INSIGHTS ON TIMELY ISSUES

TUESDAY, MAY 24
KALAHARI RESORT & CONVENTION CENTER
& WICPA CPE LIVESTREAM



2022 WICPA SCHOOL DISTRICT AUDIT CONFERENCE

MATERIALS AT A GLANCE

The following materials are from the afternoon sessions of the 2022 WICPA School District Audit Conference held on Tuesday, May 24, including:

- Current Issues in Business Ethics: 2022
- ESSER & GEER Compliance
- Hot Topics in School District Legal Obligations

**VIEW THOUSANDS OF ADDITIONAL IN-PERSON AND
ONLINE CPE OPPORTUNITIES AT [WICPA.ORG/CPECATALOG](https://www.wicpa.org/cpecatalog)**

UPCOMING WICPA CONFERENCES

YOUR SOURCE FOR KEY UPDATES
& INSIGHTS ON TIMELY ISSUES



NETWORK



LEARN



IMPLEMENT



SUCCEED

SAVE THE DATE!

Business & Industry Fall Conference

Tuesday, Sept. 13
Brookfield Conference Center, Brookfield

Wednesday, Oct. 26
Glacier Canyon Lodge, Wisconsin Dells

Not-for-Profit Accounting Conference

Tuesday, Sept. 20
Brookfield Conference Center, Brookfield

Tax Conference

Thursday, Nov. 3 - Friday, Nov. 4
Brookfield Conference Center, Brookfield

Accounting & Auditing Conference

Wednesday, Nov. 16
Brookfield Conference Center, Brookfield

Accounting Technology Conference

Thursday, Dec. 8
Brookfield Conference Center, Brookfield



WICPA members save up to \$150 on registration!

Registration opens approximately eight weeks prior to a conference. View conferences currently open for registration at wicpa.org/conferences.

2022 WICPA GOLF OUTING

FRIDAY, SEPT. 16 – Ironwood Golf Course, Sussex



SCHEDULE

8:30 a.m.
Registration & Breakfast

9:00 a.m.
Practice Greens
& Driving Range

10:00 a.m.
Shotgun Start

144 PERSON LIMIT

4-Person Scramble
\$90 per Golfer
\$360 for Foursome

HOLE & EVENT PRIZES

\$500 Inside the Circle Contest
\$500+ in Individual Awards
\$500+ in Team Awards

REGISTRATION INCLUDES

18 Holes of Golf With Cart
Practice Greens & Driving Range
Continental Breakfast & Lunch
Beverage Vouchers
Hole & Event Prizes
Entry in the Raffle Drawings
Awards Reception & Appetizers

For more information and to register, visit wicpa.org/GolfOuting.



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12:15 – 1:55 p.m.

Current Issues in Business Ethics: 2022

Boz Bostrom, CPA, MBT, *Associate Professor of Accounting & Finance, College of Saint Benedict and Saint John's University*

Current Issues in Business Ethics – 2022

Boz Bostrom, CPA

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May 24, 2022

1

Learning Objectives

- Understand the attitudes of other related to ethics
- Understand laws, rules and regulations which apply to CPAs
- Understand consequences of violating the laws, rules and regulations
- Understand and learn from current ethical violations

2

Ethical Attitudes

3

Gallup Poll (Dec 2021) – rate honesty and ethical standards “high” or “very high”

- Advertising practitioners vs. Auto mechanics vs. Bankers
- Business executives vs. Car salespeople vs. Clergy
- Day care providers vs. Grade-school teachers vs. Judges
- Lawyers vs. Lobbyists vs. Local officeholders
- Medical doctors vs. Members of Congress vs. Military officers
- Newspaper reporters vs. Nursing home operators vs. Pharmacists
- Police officers vs. State officeholders vs. TV reporters
- Auto mechanics
- Clergy
- Teachers
- Local officeholders
- Medical doctors
- Pharmacists
- Police officers

4

Gallup Poll (Dec 2021) – rate honesty and ethical standards “high” or “very high”

Nurses	81	Nursing home operators	27
Medical doctors	67	Local officeholders	22
Grade-school teachers	64	Lawyers	19
Pharmacists	63	Newspaper reporters	17
Military officers	61	Business executives	15
Police officers	53	TV reporters	14
Day care providers	50	State officeholders	12
Judges	38	Advertising practitioners	11
Clergy	36	Members of Congress	9
Auto mechanics	35	Car salespeople	8
Bankers	27	Lobbyists	5

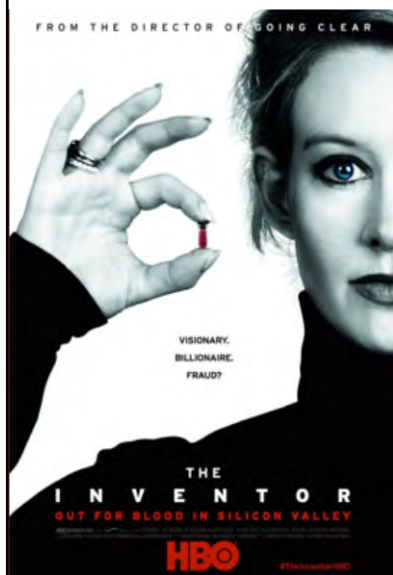
Updates to Previous Cases

Rita Crundwell

- Embezzled over \$50M from Dixon, Illinois, a town of 16,000 people
- Sentenced to nearly 20 years in prison.
- What is the update?
 - Expected to be released in 2029, released in the summer of 2021 due to health reasons



Theranos / Elizabeth Holmes



BAD BLOOD

Secrets and Lies
in a Silicon
Valley Startup

John Carreyrou

Charges

- Investors lost over \$700M
- SEC report in March 2018
 - “Massive fraud.” Company claimed it had \$100M in revenues. Actually was \$100,000. Holmes settled - \$500k fine, forfeiture of (worthless) shares, barred from leadership positions with a public company for 10 years
- June 2018 - Charged with wire fraud and conspiracy to commit wire fraud
 - “Investors and doctors and patients were defrauded.”
 - “Defendants were aware of the unreliability and inaccuracy of their products, but concealed that information”
 - Up to 20 years in prison
- Claimed Theranos technology could run 200 blood tests.
 - It could only run 12, and those were not reliable

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Elizabeth Holmes – What is the update?

- Trial to begin was to begin in June 2021, but Holmes gave birth in July
- Trial took 3 months and wrapped up in December of 2021

10

Elizabeth Holmes – What is the update?

- Found guilty in January of 2022
 - One count of conspiracy to defraud investors
 - Three counts of wire fraud
- Acquitted on 7 counts (additional wire fraud and defrauding patients)
- Faces up to 20 years in prison for each count
- Scheduled for sentencing in September of 2022

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Carlos Ghosn

- Turned around Nissan and was hailed as a hero
- Arrested in Japan
 - Underreported about \$80 million of deferred compensation
 - Personal use of company assets (big one was \$18 million worth of homes)
 - Assigned to Nissan a loss on a personal swap contract of \$16 million.
 - Paid himself an extra \$8 million
- Facing a 99% conviction rate in Japan
- With the help of two Americans (a father-son duo), fled Japan in a box to his home country of Lebanon
 - Father had a business helping clients escape “complex situations overseas” and charged between \$20,000 to \$2 million per job
- Japan and Lebanon do not have an extradition treaty



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Carlos Ghosn – what is the update?

- Ghosn remains in Lebanon
 - France has now issued an international warrant for his arrest
- Two Americans arrested, extradited to Japan
 - Found guilty, 20-24 months in prison
- Nissan executive Greg Kelly accused of conspiring to hide about \$80M of Ghosn's true compensation over 8 years
 - Due to executive compensation limits in Japan, Kelly was afraid Ghosn would leave Nissan
 - Kelly was examining how to pay Ghosn in retirement as a consultant
 - Sentenced to 6 months (delayed for 3 years), allowed to go home while appealing. Likely won't have to serve time

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Issues raised by COVID-19

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In your opinion, what is the biggest ethical challenge presented by working from home?

- A. Communication / Teamwork
- B. Confidentiality / Privacy
- C. Productivity
- D. Separating work/home lives

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Discussion

- What steps do you take when working from home to:
 - Maintain confidentiality?
 - Stay productive?
 - Communicate with co-workers and keep morale high?
 - Balance work / home lives?

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Case study

- You learn that one of your divisions may be acquired by a competitor
- You fear that some good people may lose their jobs
 - This includes the controller, a good friend, who is unaware of the potential acquisition
- Are there any risks of discussing this potential acquisition with the controller?

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1.700 Confidential Information

- 1.700.001 Confidential Client Information Rule
 - A member in public practice shall not disclose any confidential client information without the specific consent of the client

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2.400.070 Confidential Information Obtained From Employment or Volunteer Activities

- Do not disclose employer's (current or past) confidential information gained from your employment relationship
- Same goes for information obtained about an entity due to your volunteer activities
- Changed jobs?
 - Don't use prior confidential information to competitive advantage
- Be alert to the possibility of inadvertent disclosure
 - Close business associates, close relatives, immediate family members

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CEB – The Transaction

- January 5th headline: “Gartner to Acquire CEB for \$2.6 Billion in Cash and Stock”
- Gartner – “World's leading information technology research and advisory company”
- CEB – “Industry leader in providing best practice and talent management insights”
- Merger announced January 2017, deal closed April 2017

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CEB – The Players

- CAO - Unnamed
- William Wright – Corporate controller of CEB
- Christopher Clark – Wright’s brother-in-law and a loan officer
- Christopher Clark’s son - Unnamed

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William Wright’s role (corporate controller)

- CEB maintained policies and procedures concerning confidential information and insider trading.
- Wright was required to, and did, confirm compliance with these policies on an annual basis
- CAO learns of acquisition, worried he could lose job, tells (his good friend) William Wright
- Wright (controller) tells Clark (friend)

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Clark (friend) went all-in

- Liquidated wife's IRA (less than \$5,000)
- Drew down final \$6,000 on a line of credit
- Maxed out loan value on car
- Along with his son, began buying call options on CEB in December 2016
- At one point, Clark and his son held 100% of certain call options in CEB
- Merger announced on January 5, 2017
 - Stock price jumped 21%
- Options sold over the next month, profits totaled almost \$300,000

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FINRA

- A week after deal closes, FINRA asked for list of people with knowledge of transaction
 - Wright presumably identified
- In March, CEB employees (including Wright) had to review of list provided by FINRA
- Wright acknowledged knowing Clark, but made it sound casual
 - In reality, they socialized a lot...social events, holiday parties, children's basketball practices, texts, and calls

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Maybe not the first time Wright tipped off Clark?

- In the previous 8 years, Clark traded 18 times on earnings announcements
 - “Guessed” correctly 15 of 18 times
- Consequences
 - Wright is prohibited from being an officer of a public company
 - The case against Clark was surprisingly thrown out. No clear evidence against him, only suspicion

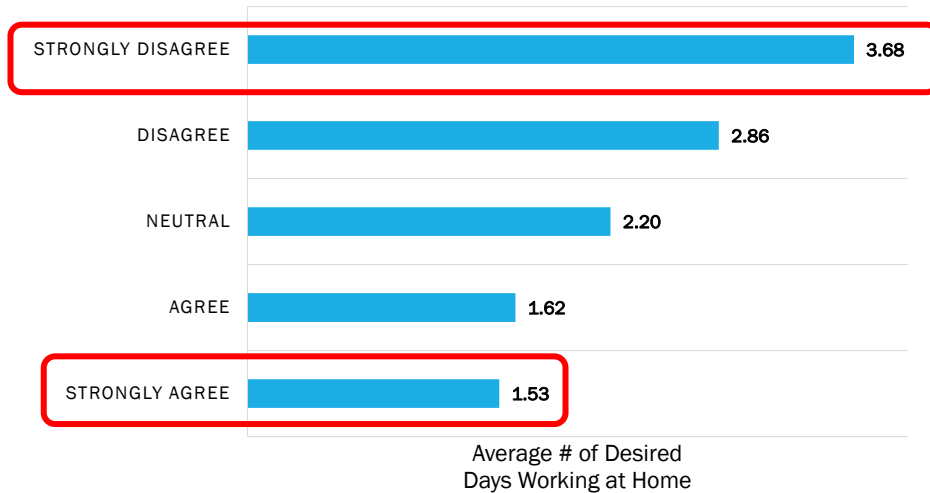
25

Work-from-home considerations - Productivity

- Boz’s capstone class research surveys – Feb/March 2021
 - Nearly 1,300 total responses (mainly those with an accounting/finance background)
- People want to work at home almost half of the time
 - More so with females and younger employees
- About $\frac{1}{4}$ of people report they are less productive when working at home, but...
- About the same ratio report they are more productive working at home, but...
- Nearly $\frac{1}{3}$ of people feel that those who report to them are less productive
 - Only 14% feel that those who report to them are more productive
 - But there is good news...

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It Takes Me Longer To Complete A Task At Home



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Work-from-home considerations - Teamwork

- Nearly 1/3 of people feel that working from home has negatively impacted their relationships with coworkers
- About 18% find it difficult to receive guidance from team members
- 62% are communicating with coworkers less (10% are communicating more)

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Work-from-home considerations - Loyalty

- When asked what increases loyalty to their current job/employer
- Compensation was #1 – 58%
- Good bosses/mentors and good colleagues were both just under 51%
- Well above: challenge, engagement, belief in the company's mission, location, and advancement opportunities
- “Working from home has completely killed our company culture. Everything fun and exciting about my job has been taken away.”

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Disclosure Issues

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Case Study

- During the quarter, you learn a client is at risk of breaching debt covenants they provided to its banks. Quarterly financial statements ultimately show that no breach occurred
- You later learn they pulled-in a material amount of revenue from future periods, by encouraging customers to buy services/products much earlier than normal. As services were performed and products delivered, your client feels that they properly recognized revenue, and you tend to agree.
- Do you have any other concerns?

 **MARKETS BUSINESS INVESTING TECH POLITICS CNBC TV**

RETAIL

Under Armour faces federal investigation over its accounting practices

PUBLISHED SUN, NOV 3 2019 5:27 PM EST | UPDATED MON, NOV 4 2019 8:25 AM EST

- “The company began responding in July 2017 to requests for documents and information relating primarily to its accounting practices and related disclosures,” Under Armour said in the statement.
- “The company firmly believes that its accounting practices and disclosures were appropriate.”
- Stock drops 18% in one day

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Under Armour

- Things were great!
- For 26 straight quarters from 2010 to 2016, Under Armour reported year over year revenue growth of more than 20%.
- But then demand weakened. Options?
 - A. Do your best but report lower results
 - Stock price will take a hit!
 - B. Advance revenues from future periods



Under Armour

- Is advanced revenue okay?
 - Yes! If substance and legal form exist
 - A company must disclose if materially impact reported results
- For 6 quarters in 2015/2016, advanced revenues from future quarters.
 - Partially to continue the 20% streak, partially to beat analyst revenue estimates
- Provided customers with discounts and extended payment terms if they would take delivery a quarter earlier than expected

Under Armour

- Began in September 2015 (Q3 of 2015) when \$45M of Q4's sales were advanced (4% of total revenue)
- Advances often happen to some extent, so why was this a problem?
 - Directed by top management as a means to bolster eroding core operating results
 - Material and not disclosed
- Why must they be disclosed?
 - Future quarter revenues won't be as strong, unless...
 - A company advances more!
- In Q4, \$99M of revenue was advanced from Q1 of 2016 (8.5%).

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Under Armour

- Discussed internally that weather had a negative effect
- The SEC found that Under Armour downplayed the impact of weather in the earnings call
- In the earnings call, an executive said, "Did [weather] affect our business in the way some thought it would? No, it did not. . . . Our business is more diversified than it has ever been, we do not let weather play a decisive role in dictating our success."

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Motives

- Why does a company do this?
- “Bridge the gap” and hope core operating results quickly improve
- They almost did...
- In 2016 Q1, they only advanced \$17M and in 2016 Q2, they only pulled in \$10M
- But it got worse again in the third quarter - \$65M advanced
- “We just brought a bunch of your goods in early to help out your quarter. . . Now you want more. . . More..More..more..30% [price discount] please.”

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Q4 of 2016

- Executive comments: The customer “isn’t setting [Under Armour product in its stores] until February... Really [the customer] doesn’t want any of that product in December but we are shipping it and they are absolutely taking it from us as a favor. **If we were a privately held company, we would not ship that product to them in December.**”
- Pulled forward \$172M (13% of total sales). Decided not to do any more than that
 - “Been living in this bubble for a while,”
 - “Not healthy”

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The streak is over

- Did not meet analyst estimates and streak of 26 straight quarters of 20% growth was ended.
 - Stock price dropped 23%
- In its fourth quarter 2016 earnings call, a senior Under Armour executive stated: “I want to be clear. Our growth story is intact. Our brand is truly stronger than it’s ever been.”
- But without \$172M of non-core revenue advances, they would not have grown

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Violations / Consequences

- Violation of Item 303(a)(3)(ii) of Regulation S-K
- Requires that reports describe, among other things:
 - “any known trends or uncertainties that have had or that the registrant reasonably expects will have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations” in its annual report on Form 10-K
- Fined \$9M

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Lessons Learned?

- Create realistic expectations
- Create a culture of transparency
- Communicate issues timely
- Avoid “borrowing” from the future

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Current Ethical Violations – Bribery of Public Officials

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Case Study

- A business owner is seeking a building permit from a city
- An employee of the city who approves permits also owns a side business venture
- The business owner may do some purchasing from this side business venture
- Would this violate any laws or standards?

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Conflicts of Interest - Three steps as prescribed by the AICPA's Code of Conduct:

- Identify a conflict of interest
- Evaluate a conflict of interest
 - Significance of threat/safeguards. If not at acceptable level, must apply more safeguards
 - Restructuring or segregating certain responsibilities and duties
 - Obtaining appropriate oversight
 - Withdrawing from the decision making process related to the matter giving rise to the conflict of interest
 - Consulting with third parties, such as a professional body, legal counsel, or another professional accountant
 - If can't get to acceptable level, decline services or withdraw from the relationship
- Disclose a conflict of interest (if at acceptable level)
 - To relevant parties – threat and safeguards
 - Documentation

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Dwaine Caraway

- Former Mayor / City Council member of Dallas
- Accepted \$450,000 worth of bribes in exchange for supporting products produced by a vendor
- In addition to cash, custom-made suits, fully funded trips, casino chips, fake loans, and funeral expenses
- Did not pay taxes on (most) of the bribes
- Sentenced to 4 ½ years in prison

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18 U.S. Code § 201 - Bribery of public officials and witnesses (selected language)

- Whoever directly or indirectly, corruptly gives, offers or promises anything of value to any public official with intent to influence any official act...
- Whoever being a public official directly or indirectly, corruptly demands, seeks, receives, accepts, or agrees to receive or accept anything of value personally or for any other person or entity, in return for being influenced in the performance of any official act...
- Shall be fined under this title or not more than three times the monetary equivalent of the thing of value, whichever is greater, or imprisoned for not more than fifteen years, or both

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Jeffrey Blackwell

- Former City of Philadelphia employee in the Investigations Division of the Office of the City Controller. Received bribes from five people:
 1. Store owner paid Blackwell for permits to park a storage container on the street.
 2. Homeowner paid Blackwell for permits to allow that renovation.
 3. Owner of a construction business paid Blackwell to obtain a plumbing permit.
 4. Owner of an auto body shop paid Blackwell in the hope of getting a license to buy and sell cars, as well as a City contract to install decals on police vehicles.
 5. Permits to renovate a house (person was cooperating with FBI)
- Routed payments through a side contracting business and those making payments that they could get anything then needed “at a price.”

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Jeffrey Blackwell

- Investigated by US attorney (DOJ), FBI, IRS, Philadelphia Office of Inspector General
- Charged with honest services wire fraud, filing a false tax return, and two counts of failure to file a tax return.
- 22 months in prison, three years of supervised release, and ordered to pay \$25,612 in restitution
- FBI: “Public corruption does so much damage to people’s trust in the system, at every level. That’s why the FBI is committed to holding crooked public employees like Blackwell accountable.”

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School District Fraud

Case Study

- You are on the Board of Directors for a school district. It is near the end of the current fiscal year and you are reviewing the initial budget for next fiscal year
- You notice that total expenses for the next fiscal year are expected to grow slightly over the current fiscal year's budget
- What additional questions may you have?

Sweetwater School District

- In June 2017, the fiscal 2018 budget is prepared, including raises of 1% over fiscal 2017's budget
- Problem: Board had recently approved raises of 3.75%
- General fund shows a current projected surplus and a balance of \$22M
- CFO was Karen Michel
 - Worked with Sweetwater Schools since 1996
 - CFO from 2014 – 2018

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Things start to unravel

- September 2017 – financial statements completed for fiscal year ended June 30, 2017. Expenses higher than budgeted, but fiscal 2018 budget not adjusted
- In December 2017, first interim report shows actual expenses much higher than budgeted, but full year budget not adjusted
- In March 2018, second interim report shows actual salary expenses \$12.5M higher than budgeted, but full year budget not adjusted
- Internal auditor: “‘It’s just so bad. Next year is gonna be so bad. It’s gonna be so bad. There’s going to be layoffs.’”

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Bond offering

- March 2018, Using falsified budgets, credit agency issues a bond rating of “A”
- April 2018, \$28M of bonds are issued
- September 2018, CFO Karen Michel retires, new CFO leads preparation of financials which show salaries are nearly \$19M more than budgeted
- October 2018, credit agency decreases bonds to “BBB+ with negative outlook”
 - Too late, as bonds had already been issued
- December 2018, final financials show a negative general fund balance of \$7M
 - Positive \$22M had been expected

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Outcome

- Michel fined \$28,000
 - Prohibited from participating in future security offerings
- SEC findings: “Michel included misleading budget projections which indicated that the district could cover its costs, when in reality the district’s finances were severely strained. Although Michel was aware of information showing that the projections were untenable, she omitted this fact,”
- June 2020 – Superintendent fired
- Audit firm was replaced

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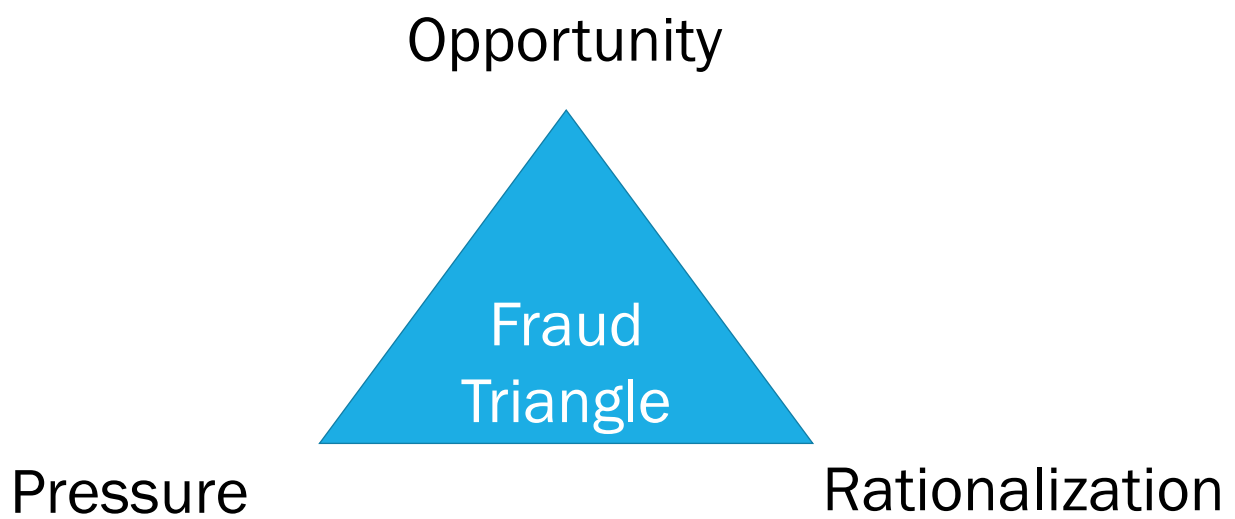
Reducing the risk of Fraud

Discussion

- Why do people commit fraud?

Common Frauds

- Embezzlement
 - Rita Crundwell
- Insider Trading
 - Scott London
- Foreign Bribery
 - Wal-Mart Mexico
- Bribery of Government Officials
 - Ray Nagin
- Falsified Financials Statements
 - Autonomy



Case Study

- Your spouse serves as the President for a small non-profit organization in your local community
- The Treasurer abruptly resigned and community members have encouraged you to take on that role given your financial savvy
- The non-profit does not have an active board of directors
- You indicated you would not be comfortable taking on the role and they asked you what would need to change so that you could do so?

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Embezzlement – The Sharpers

- Anthony Sharper, CPA and his wife Deana Sharper were involved with a Charlotte area high school booster club
 - Anthony was interim President and Treasurer
 - Deana ran the concession stand and school store
- Embezzled over \$200,000 from a Charlotte high school booster club – from 2017-2020
 - Writing checks to themselves
 - Wiring funds to themselves
 - Using club debit/credit cards to pay for personal expenses

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Embezzlement – The Sharpers

- Did not pay tax on embezzled income = two counts of tax fraud!
- How did they cover the theft?
- A fake PPP loan of \$230,000
- Some reimbursed the booster club, some was used personally

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Charges

- Wire fraud
 - Maximum penalty of 20 years in prison and a \$250,000 fine.
- Two counts of making false statements to a financial institution
 - Maximum prison term of 30 years and a \$1 million fine per count
- Making a false statement to SBA
 - Maximum statutory penalty is 30 years in prison and a \$1 million fine
- Two counts of engaging in monetary transactions in criminally derived property
 - Maximum prison term of 10 years and a \$500,000 fine per count
- Two counts of filing a false tax return
 - Maximum penalty of three years in prison and a \$250,000 fine per count.
- Their attorney, “They are very nice people and as the legal process runs its course, everybody will find out more.”

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What do you think? Embezzlement is more common at?

- A. Large companies
- B. Small companies

- HISCOX, a specialty insurance company, found in a 2016 study that 80 percent of embezzlement occurred at small businesses (defined as those with less than 150 employees).

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How could this have been prevented?

- Oversight / separation of duties
- Avoid pressures and opportunities

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Ethical Leadership

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Discussion - Ethical Treatment of Employees

- What are ethical and unethical ways you have seen company leadership treat its employees?
- Watch the attached Simon Sinek video, and make note of some of the most powerful things you hear:
- <https://www.youtube.com/watch?v=ENlwAZZw8J0>

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Takeaways

- “The people who are doing the caring aren’t cared for.”
- “Why aren’t the people who are managing us caring for us?”
- “How many people are coming home fulfilled by the work they do?”
- “We would put ourselves at risk for our companies if we knew that our companies would put themselves at risk for us. But they don’t. So we don’t.”
- Question to consider...How could you better lead those who report to you?

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Key Takeaways

- Understand the relevant rules
- Discuss your decision with others who don’t have a stake in the outcome
 - Assume your decision will be discovered
 - Focus on the long-term
- Document your decision and support for your position
- “Ethics is knowing the difference between what you have the right to do and what is right to do.” – Potter Stewart, former Associate Justice of the U.S. Supreme Court

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Thank you!

- Questions, comments, or to stay in touch with Boz:
- bbostrom@csbsju.edu (612) 414-9629
- <https://www.linkedin.com/in/bozbostrom/>

2:05 – 3:05 p.m.

ESSER & GEER Compliance

Rachel Zellmer, *Federal Fiscal Monitoring Consultant, Wisconsin
Department of Public Instruction*

Auditing the Education Stabilization Funds

Wisconsin Institute of CPAs
Rachel Zellmer
Federal Fiscal Monitoring Consultant
May 24, 2022



Session Objectives

- Provide an overview of the federal stimulus funds awarded to Local Educational Agencies (LEAs)
- Review the requirements in the compliance supplement for auditing the stimulus funds.
- Share resources to support the auditing process.

Stimulus Packages Overview

Coronavirus Aid, Relief, and Economic Security (CARES) Act - ESSER I and GEER

- March 2020

Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) - ESSER II

- December 2020

American Rescue Plan Act (ARPA) - ESSER III

- March 2021

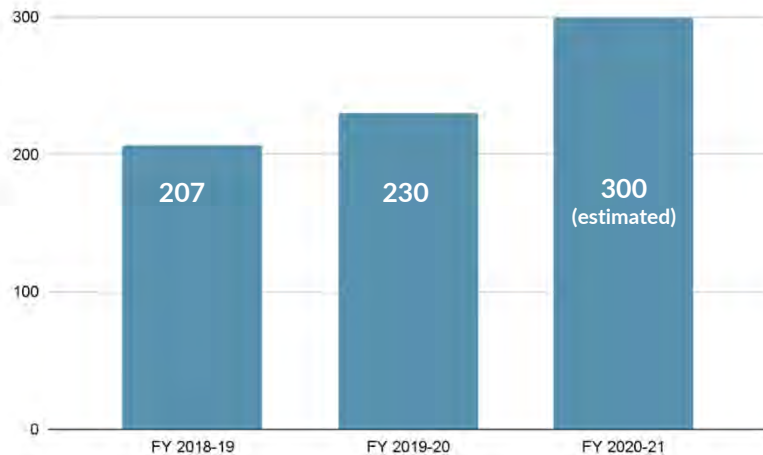


Education Stabilization Funds

	Coronavirus Aid, Relief, and Economic Security Act (CARES Act)		Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA)	American Rescue Plan Act (ARPA)		
Grant program	ESSER I	GEER	ESSER II	ESSER III	ARP-HCY	ARP-IDEA
Performance period	3/13/2020 - 9/30/2022		3/13/2020 - 9/30/2023	3/13/2020 - 9/30/2024		
Formula Grants to LEAs in Wisconsin	\$158M (\$40K minimum)	\$46.6M	\$686M (\$100K minimum)	\$1.3B (\$320,863 minimum; 20% EBIS)	\$1.8M - Part 1 \$5.6M - Part 2	\$47.6M
Additional funds for in-person instruction	No	No	Yes - added to the formula grant	Yes - added to the formula grant	No	No
LEAs provide equitable services	Yes	Yes	No	No	No	No
EANS provided by DPI	No	No	\$77.1M	\$73M		
Statewide initiatives	\$16M	All funds to LEAs	All funds to LEAs	\$154M - Motion 57	Yes	No
Maintenance of Effort	State level only		State level only	State level and LEAs - Maintenance of Equity		

Impact on the Single Audit

Number of Single Audits Each Fiscal Year



LEAs that expend more than \$750,000 in total federal awards are subject to the audit requirements of Uniform Guidance ([2 CFR 200.501\(b\)](#)).

Compliance Supplement

[2022 Compliance Supplement](#)

Released on May 13, 2022. Includes all programs under the Education Stabilization Fund umbrella.



Compliance Supplement

Significant Change in Allowable ESF Cost Language:

The 2021 Compliance Supplement indicated that funds must be used only for activities to “prevent, prepare for, and respond to the coronavirus.”

The 2022 language aligns with clarifications from US Department of Education that grantees may use funding under ESF “to support a very wide range of activities, including activities indirectly linked to the impact of COVID-19, as outlined in the ED Volume 2 COVID Handbook.”

Education Stabilization Funds (ESF) 84.425

For major program purposes, auditors must evaluate 84.425 in its entirety.

All ESF subprogram expenditures, even those expenditures of subprograms not addressed in this ESF Compliance Supplement, must be considered as part of the ESF program for major program determination purposes.

Education Stabilization Funds 84.425

- **84.425C Governor's Emergency Education Relief (GEER) Fund**
 - LEAs only received GEER funds from the CARES Act, not CRRSAA or ARPA
- **84.425D Elementary and Secondary School Emergency Relief (ESSER) Fund**
 - LEAs received ESSER I grants under CARES Act and ESSER II grants under CRRSSA

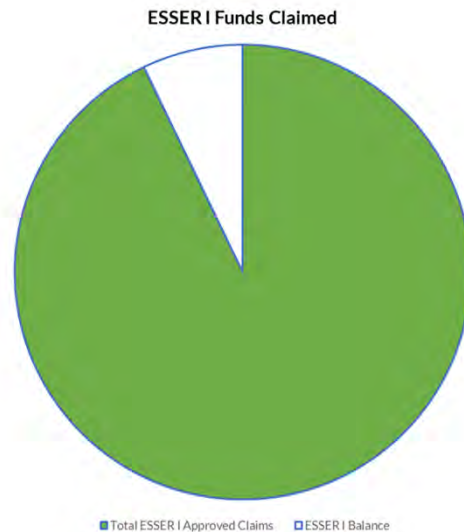
Note: Only the CARES Act (ESSER I and GEER) required LEAs to provide equitable services to private schools.

Education Stabilization Funds 84.425

- **84.425U American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER)**
 - LEAs may receive multiple grants under ARP ESSER, including ESSER III, EBIS grants, etc.
- **84.425W American Rescue Plan – Elementary and Secondary School Emergency Relief – Homeless Children and Youth (ARP-HCY)**
 - LEAS may receive grants from both APR-HCY Part I and Part II
- **ARP-IDEA is not a COVID-19 Pandemic Relief Program**

ESSER I: Formula Grants to LEA

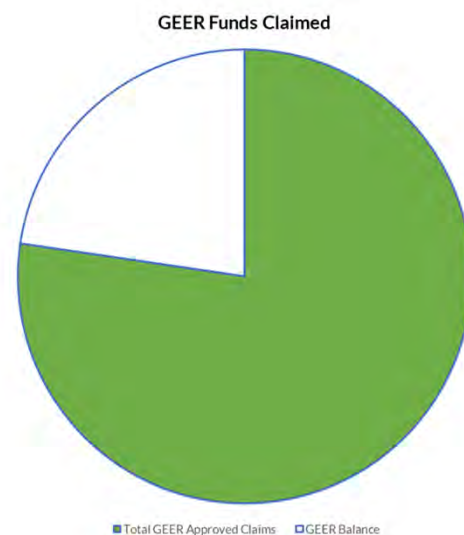
- 442 subrecipients
- \$158 million awarded
 - \$147 million claimed (93%)
 - \$11 million balance (7%)
- Available through September 30, 2022



Data Source: DPI STAR payments as of May 6, 2022

GEER: Formula Grants to LEAs

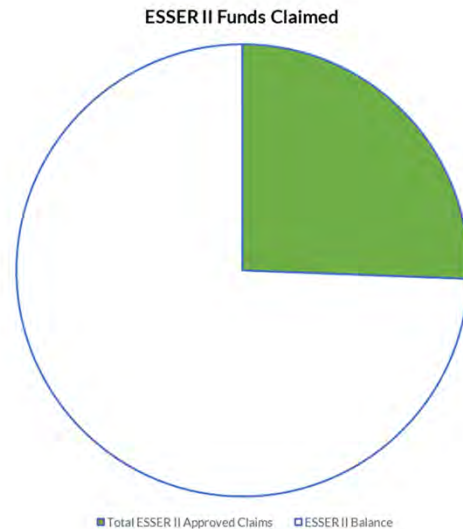
- 159 subrecipients
- \$46.6 million awarded
 - \$36 million claimed (77%)
 - \$10.6 million balance (27%)
- Available through September 30, 2022



Data Source: DPI STAR payments as of May 6, 2022

ESSER II: Formula Grants to LEAs

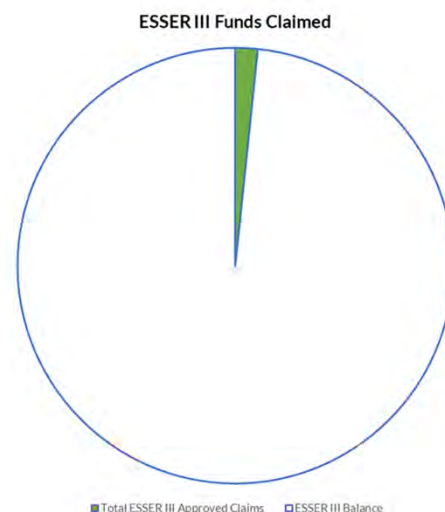
- 450 subrecipients
- \$685 million awarded
 - \$175 million claimed (26%)
 - \$510 million balance (74%)
- Available through September 30, 2023



Data Source: DPI STAR payments as of May 6, 2022

ESSER III: Formula Grants To LEAs

- 454 subrecipients
- \$1.387 billion awarded
 - \$23 million claimed (2%)
 - \$1.364 billion balance (98%)
- Available through September 30, 2024
- This data does not include grants recently awarded to LEAs with the approval of the state plan.



Data Source: DPI STAR payments as of May 6, 2022

ARP ESSER: Other Grant Programs

- **EBIS Grants for LEAs**
 - Opened in WISEgrants May 16, 2022
 - 100% of funds must be used for Evidence Based Improvement Strategies
- **LTRS Grants for LEAs and CESAs**
 - Potentially opening in WISEgrants in June
- **Supplemental Funds based on in-person instruction**
 - Will be added to formula grants later this summer

ESSER III: Other Grant Programs

- **Reading Initiatives with CESAs and UW-System**
 - Opening this Summer
- **Competitive Out-of-School Time Grants**
 - Open competition early fall for implementation January 1, 2023 through September 30, 2024
- **Competitive Summer School Grants**
 - Open competition early fall for implementation January 1, 2023 through September 30, 2024

ESSER and GEER: Allowed Costs

Funds must be used to prepare for, prevent, or respond to the COVID-19 pandemic.


- [Overview of the Allowed Activities ESSERs I, II, and III](#)
- [US Department of Education's May 2021 ESSER and GEER FAQ](#)
- [DPI's Guidance on Allowable Costs](#)
- [ESSER I Private Allowable Cost](#)
- [GEER Private Allowable Costs](#)

ESSER and GEER: Allowed Costs

Supplement, not supplant



Allowed Costs: Personnel Expenses

- Sec 18006 Requirement (applies to all stimulus packages)
WISEgrants 
- Possible expenses due to the pandemic
 - Staffing in general (no supplement, not supplant provision)
 - Hazard/premium pay
 - [Staff](#) and [Teacher](#) Targeted [Financial Incentives](#) (Retention and Recruitment Bonuses)

Time and Effort

Time & Effort Documentation

§200.430 (i)
Standards for
Documentation of
Personnel
Expenses

- Documentation records should be adjusted in a timely manner if there are significant changes in the employee's work activity
- Comply with the subrecipient's established accounting policies and practices
- All necessary adjustments must be made such that the final amount charged to the Federal award is ACCURATE, ALLOWABLE, and PROPERLY ALLOCATED

Time and Effort

- **Stimulus Cost Objective: Public Education Response to COVID-19**
- **Procedures for Short-Term Work (substitute teachers • substitute paraprofessionals • extended contract time)**
 - Time sheets would be acceptable documentation, but make sure the time sheet identifies the work and possibly even the funding source, especially with substitutes

Allowed Costs Equipment and Real Property

[Equipment and Real Property](#): non-federal entities must follow [2 CFR sections 200.313\(c\)-\(e\)](#)

Written procedures for:

- Inventory
- Property records
- System of control
- Disposal of equipment
- Property once the grant period ends

Uniform Grant Guidance Definitions

Equipment (§200.33):

Tangible personal property (including IT systems) having a useful life of more than one year and a per-unit cost equal or greater to the capitalization level established by the sub-recipient; or \$5,000.

Acquisition cost (§200.2) –

Freight, installation, accessories, auxiliary apparatus to make the equipment usable is included in the threshold cost of equipment.

Capital Equipment Threshold Example

Subrecipient's capitalization threshold is \$3,000

Purchase of a SMARTboard for \$2,500; freight, installation and wall-mounting brings the price to \$3,100



NON-CAPITAL
EQUIPMENT



CAPTIAL
EQUIPMENT

Capital Equipment Threshold Example

Subrecipient's capitalization threshold is \$6,000

Purchase of playground equipment for \$3,500; freight and installation brings the price to \$5,100



NON-CAPITAL
EQUIPMENT



CAPTIAL
EQUIPMENT

Laptops are “Supplies”

A computing device is a supply if the acquisition cost is **less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000**, regardless of the length of its useful life. (§200.94)

*If the LEA's threshold is low enough to capitalize laptops and computers, then those items **MUST** be inventoried according to the Uniform Grant Guidance Equipment Management Requirements...*

Allowed Costs: Construction

LEAs that propose to use federal funds for construction must comply with all applicable federal regulations regarding construction. Failure to fully comply with any step or requirement may result in the denial of a project or return of applicable federal funds.



Allowed Costs: Construction

- **Procurement Procedures**
 - 2 CFR §200.318 - 2 CFR §200.320
- **Davis-Bacon and Related Acts**
- **34 CFR Part 75 Requirements**
- **Construction Services Budgeting**
 - Assurances and additional requirements
- [Technical Assistance Document](#)



Allowed Costs: Minor Remodeling

Per the 2022 Compliance Supplement, subrecipients may use ESF for minor remodeling without triggering ED's construction regulations.

- Examples provided include extension of utility lines and “minor alterations in a previously completed building. “
- Minor remodeling projects over \$2,000 and use laborers and mechanics must still meet the Davis-Bacon prevailing wage requirement.

Procurement

LEAs must:

- Follow their written procedures
- Ensure that procurements made with federal funds were made in compliance with the federal regulations for procurement (2 CFR §200.318)
- Verify that their vendors were not suspended, debarred, or otherwise excluded.

General Procurement Standards

- Maintain oversight to ensure contractors perform the work as specified in the contract (§200.318(b))
- Maintain written standards for “Conflict of Interest” (§200.318(b))
- Only contract with reliable vendors (§200.318(h))
- Subrecipient is responsible for all contract disputes and cannot defer to the Federal agency in such cases (§200.318(k))

General Procurement Standards

LEAs must maintain sufficient records to detail the history of procurement. Records must include at a minimum: 200.318(i)

- [Rationale for the method of procurement](#)
- Selection of contract type
- Contractor selection or rejection
- The basis for contract price



Contracting Provisions

All contracts using Federal funds must contain the applicable provisions set forth in the Uniform Grant Guidelines, Appendix II – “Contract Provisions for non-Federal Entity Contracts Under Federal Award” (§200.327)

There are 11 possible provisions, including:

- Debarment and Suspension
- Termination for cause and for convenience
- Equal Employment Opportunity
- Davis Bacon Act
- Contract Work Hours and Safety Standards Act

Cash Management

- LEAs must establish written procedures for cash management that must follow the Uniform Grant Guidance ([2 CFR section 200.302\(b\)\(6\)](#)).
- Documentation must include procedure to request reimbursement for only allocable, allowable, and reasonable contract costs that have already been paid.



CARES Act

Equitable Participation



CARES Act: Equitable Participation

Equitable Participation of Private School Children 2021 Cross-Cutting Audit Objectives

- **Documentation of timely consultation with the private school**
 - Private School Affirmation Form in WISEgrants
- **Review program expenditure and other records to verify that educational services that were planned were provided.**
 - "Private" Subbudget in WISEgrants

CARES Act: Equitable Participation

- **Calculation of private school share**
 - Proportional Share Screen in WISEgrants
- **Written contracts for third party providers should:**
 - Describe the services to be provided
 - Provide that the agency, consortium, or entity retains ownership of materials, equipment, and property purchased with Federal funds

ARP ESSER

Maintenance of Equity



ARP ESSER: Maintenance of Equity

FY 2021-22 & FY 2022-23

LEAs may not reduce per-pupil spending or staffing for high-poverty schools at a greater rate than the reductions (if any) that are applied to all schools in the LEA



ARP ESSER: Maintenance of Equity

Exceptions:

- Total enrollment of less than 1,000 students (249 LEAs)
- Operates a single school (56 LEAs)
- Serves all students within each grade span with a single school (97 LEAs)
- Demonstrates an exceptional or uncontrollable circumstance



ARP ESSER: Maintenance of Equity

Exceptions (cont'd):

- LEA faces one-time implementation challenges due to the enactment of the ARP Act in March 2021 and the impact of the pandemic
- Remaining 139 LEAs must certify an exception for FY22 in WISEgrants
- List will be posted to [ARP Maintenance of Effort and Maintenance of Equity page](#)



ARPA - HCY

Education for Homeless Children and Youth



American Rescue Plan - Homeless Children and Youth (ARP-HCY)

- ARP-HCY funds are specifically dedicated to support the identification, enrollment, and school participation of children and youth experiencing homelessness, including through wrap-around services.
- Funds should address the specific and urgent needs due to the extraordinary impact of the pandemic on students experiencing homelessness, include academic, social, emotional, and mental health needs.

Part I and Part II Comparison

ARP-HCY Part I	ARP-HCY Part II
Allocation: Competitive, Discretionary	Allocation: Formula
Application period closed July 2021	Application opened February 2, 2022
49 subrecipient LEAs	437 eligible LEAs
Grant Period: April 23, 2021-September 30, 2024	Grant Period: April 23, 2021-September 30, 2024
	LEAs must have at least \$5,000 in order to manage funds, otherwise must join a consortium

ARP HCY II Application and Budget

- Opened in WISEgrants on February 2, 2022.
- All LEAs must make a fund management choice by **March 4, 2022**.
- (This includes LEAs joining a consortium)
- Initial budgets are due to DPI by **June 3, 2022**.

ARP - HCY II: Use of Funds

- Overall, costs must be “reasonable and necessary” and align with the purpose of, and other requirements in, the EHCY statute.
- Grant funds may be used for the 16 activities authorized under Section 723(d) of the McKinney-Vento Homeless Assistance Act.

https://dpi.wi.gov/sites/default/files/imce/homeless/pdf/ARP-HCY_Allowable_Costs_09-2021.pdf

ARP-HCY II: Use of Funds

USDE **encourages** LEAs to award contracts to community-based organizations (CBOs) that are well-positioned to identify historically underserved populations such as rural children and youth, Tribal children and youth, students of color, children and youth with disabilities, English learners, and LGBTQ+ youth, and connect them to educationally related support and wraparound services.

ARPA - IDEA Supplemental Funds

**Additional funding for
Students with Disabilities**



ARPA - IDEA Supplemental Funds

FY 2021-2022, all LEAs received American Rescue Plan funds to supplement existing IDEA formula funds.

- The average [flow-through](#) increase was 23%
- The average [preschool](#) increase was 77%

The awarded ARPA-IDEA funds follow the existing IDEA allowable costs and procedures (including the 27-month availability time frame).

ARPA - IDEA Supplemental Funds

Even though there are currently four funding sources for IDEA formula, there is still only one FY 2021-2022 flow-through and preschool application in WISEgrants.

DPI must track ARPA-IDEA supplemental funds separately because they are from a separate federal funding source. To do this, DPI created new project codes for ARPA-IDEA Flow-through and Preschool.

ARPA - IDEA Supplemental Funds

Under the Grant Awards Report section of WISEgrants, the LEA will see up to four subaward documents for these funds.

Grant Award Report for **The Neatest** School District - 2021-2022

Act Name	Grant Name	Grant Award Document
ARPA	ARPA - IDEA Flow-through	Grant Award
ARPA	ARPA - IDEA Preschool	Grant Award
IDEA	IDEA - Flow-through	Grant Award
IDEA	IDEA - Preschool	Grant Award

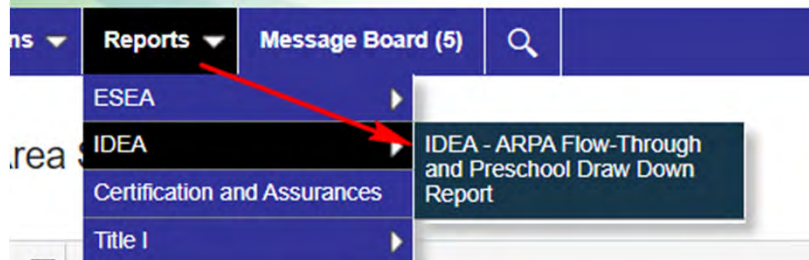
ARPA - IDEA Supplemental Funds

DPI will continue to draw down the oldest line of IDEA formula credit first so the LEA does not lose access to funding due to the Tydings rule (27 months availability of funding).

Due to the practice of “first in - first out,” an LEA would not know which source of funding would pay for claimed expenditures in FY 2021-2022, so **LEAs should only use Project 341 (flow-through) and Project 347 (preschool) for all grant expenditures on their ledger and should not use the DPI-created ARPA-IDEA project codes.**

ARPA - IDEA Supplemental Funds

WISEgrants



The IDEA & ARPA Flow-through and Preschool Drawdown Report ties together IDEA formula claims and the STAR AIDS Register payments.

IDEA & ARPA Drawdown Report

The *ARPA-IDEA Funding / Coding Procedures for Local Education Agencies* technical assistance document includes all correspondence from the US Department of Education and a link to a recorded presentation on using the IDEA & ARPA draw down report in WISEgrants.

<https://bit.ly/arpa-idea-SEFA>

SEFA

Schedule of Expenditures of the Federal Awards



SEFA

The US Department of Education requests that grantees include whether the program is COVID-19 relief assistance along with the CFDA number in column 'c,' labeled "Additional Award Identification" on the SEFA page of Form SF-SAC.

The US Department of Education will have grantees resubmit this form if the guidelines are not followed.

PART II: FEDERAL AWARDS								
1. Federal Awards Expended During Fiscal Period								
Schedule of Expenditures of Federal Awards								
	a	b	c	d	e	f	g	h
Row Number (auto-generated)	CFDA #		Additional Award Identification ³	Federal Program Name	Amount Expended	Cluster Name	Federal Program Total ⁴ (auto-generated)	Cluster Total ⁵ (auto-generated)
	Federal Awarding Agency Prefix ¹	CFDA Three-Digit Extension ²						

SEFA Example - ESSER

Example 1:
 A grantee listing the program “Elementary and Secondary School Emergency Relief Fund” (ALN 84.425D) on the SEFA would complete the SEFA in the following manner highlighted in yellow:

	a	b	c	d
Row Number (auto generated)	Federal Awarding Agency Prefix	CFDA Three-Digit Extension	Additional Award Identification	Federal Program Identification
1	84	425	COVID-19, 84.425D	Elementary and Secondary School Emergency Relief Fund

SEFA Example - Title I-A

Example 2:

A grantee listing the program “Title I Grants to Local Educational Agencies” (ALN 84.010A) on the SEFA would complete the SEFA in the following manner highlighted in yellow:

	a	b	c	d
Row Number (auto generated)	Federal Awarding Agency Prefix	CFDA Three-Digit Extension	Additional Award Identification	Federal Program Identification
1	84	010	84.010A	Title I Grants to Local Educational Agencies

SEFA & ARPA-IDEA

The US Department of Education clarified that the regular IDEA formula allocations and ARPA-IDEA allocations are NOT considered “COVID-19 programs.”

CFDA # (labeled as the ALN # on the SEFA)

IDEA Part B Flow-through Grant Awards

IDEA 611 Regular Allocations: 84.027A

IDEA 611 ARPA Allocations: 84.027X

IDEA Part B - Preschool Grant Awards

IDEA 619 Regular Allocations: 84.173A

IDEA 619 ARPA Allocations: 84.173X

SEFA Example - IDEA & IDEA ARPA

	a	b	c	d
Row Number (auto generated)	Federal Awarding Agency Prefix	CFDA Three-Digit Extension	Additional Award Identification	Federal Program Identification
1	84	027	84.027A	Special Education Grant to States
2	84	027	84.027X	IDEA 611 ARPA Allocations
3	84	173	84.173A	Special Education Preschool Grants
3	84	173	84.173X	IDEA 619 ARPA Allocations

PART II: FEDERAL AWARDS

1. Federal Awards Expended During Fiscal Period

Schedule of Expenditures of Federal Awards

	a	b	c	d	e	f	g	h
Row Number (auto-generated)	CFDA #		Additional Award Identification ³	Federal Program Name	Amount Expended	Cluster Name	Federal Program Total ⁴ (auto-generated)	Cluster Total ⁵ (auto-generated)
	Federal Awarding Agency Prefix ¹	CFDA Three-Digit Extension ²						
1	84	027	84.027A	Special Education Grant to States	\$82,519.03	Special Education		
2	84	027	84.027X	IDEA 611 ARP Allocations	\$157,284.00	Special Education		
3	84	173	84.173A	Special Ed Preschool Grants	\$7,500.25	Special Education		
4	84	425	COVID-19, 84.425D	Elementary and Secondary School Emergency Relief Fund	\$110,000.41	Education Stabilization Fund		
5	84	010	84.010A	Title I Grants to Local Educational Agencies	\$78,459.12			

WISEgrants



Fiscal Years for Stimulus Funds

Grant	Available through	WISEgrants Fiscal Year
CARES Act	September 2022	2020-2021
CRRSAA	September 2023	2021-2022
ARPA	September 2024	2021-2022



Gaining Access to WISEgrants

LEAs can give you access to WISEgrants (DPI can not.)

1. Obtain a WAMS ID (if you don't already have one):
<https://dpi.wi.gov/sites/default/files/imce/wisedash/pdf/wams-guide.pdf>
2. Ask the LEA's District Security Administrator to assign you a WISEgrants User role in WISEsecure
3. Ask the LEA's WISEgrants Administrator to assign you "view only" access to any needed grants in WISEgrants

The LEA may submit a help ticket to DPI if they need assistance:

<https://dpi.wi.gov/wisegrants/web-portal/help-ticket>

Identifying the Subaward in WISEgrants

The screenshot shows the WISEgrants Federal Grants Portal interface. The top navigation bar includes 'Home', 'Admin Menu', 'Programs', 'Authorizations', 'Reports', and 'Message Board (1)'. The 'Reports' dropdown menu is open, showing options like 'ESEA', 'IDEA', 'Certification and Assurances', 'Title I', 'Title II', 'Detailed Ledger Report', 'Subrecipient Authorizers', 'Subrecipient WISEgrants Administrators', 'Grant Sub-Budget Summary', 'Grant Award Report' (highlighted), 'ESSA Tydings Report (2021-2022)', 'IDEA Tydings Report (2021-2022)', 'WUFAR Combinations by Grant', and 'ESSER III LEA Plan Report'. The main content area displays a table of grant awards for the 2021-2022 fiscal year, with columns for 'Act Name', 'Grant Name', and 'Grant Award Document'.

Act Name	Grant Name	Grant Award Document
ARPA	ARPA - IDEA Flow-through	Grant Award
ARPA	ARPA - IDEA Preschool	Grant Award
ARPA	Elementary and Secondary Education Act	Grant Award
CRRSA Act	Elementary and Secondary Education Act	Grant Award
ESEA	Title I-A	Grant Award
ESEA	Title II-A	Grant Award
ESEA	Title IV-A	Grant Award
IDEA	IDEA - Flow-through	Grant Award
IDEA	IDEA - Preschool	Grant Award



Wisconsin Department of Public Instruction - Jill K. Underly PhD, State Superintendent
125 South Webster Street - P.O. Box 7841 - Madison, WI 53707-7841
(608) 266-3390 (800) 441-4563 (Language assistance available)
For telephone accessibility for those who are deaf, deafblind, or hard of hearing, visit www.wisconsinrelay.com
Start a Help Ticket | About Us | Copyright | Privacy | Non-Discrimination | Accessibility | DPI Home | Agencies | Logout

Authorized Assurances

WISEgrants Wisconsin Information System for Education **Federal Grants Portal**

ARPA Michael Dennison, WIGAM

Home Admin Menu Programs Authorizations Reports Message Board (1) Community Sch Dist 2021-2022

Documents To Be Authorized

Drag a column header and drop it here to group by

Act Grant

2021-2022 Authorized Documents

Drag a column header and drop it here to group by

ESEA
IDEA
Certification and Assurances
Title I
Title II
Detailed Ledger Report
Subrecipient Authorizers
Subrecipient WISEgrants Administrators
Grant Sub-Budget Summary

Parent Document

The authorized grant and construction assurances can be found on the Certifications and Assurances Screen.

1. First select the applicable fiscal year
2. The click the following: Reports > Certification and Assurances.

There you will find the authorized assurance and any document pending authorization.

Grant Award Authorized Assurances

Assurance is hereby provided that:

1. **Applicant agrees to comply** with all terms and conditions set forth in the grant program's Application Guidelines document provided with this application. Services provided under this grant will be used to address the needs set forth in the guidelines document. Applicant agrees to implement the activities within the prescribed timeline as outlined in their work plan section of their proposal. Applicant will provide full information within the fiscal year timeline established for new and reapplying programs.
2. **Statutes and Regulations:** The Applicant shall comply with all applicable statutory and regulatory requirements. These requirements include, but are not limited to, applicable provisions of:
 - a. Title VI of the Civil Rights Act of 1964 [45 U.S.C. 20004 through 20004-4]
 - b. Title IX of the Education Amendments of 1972 [20 U.S.C. 1681-1683]
 - c. Section 504 of the Rehabilitation Act of 1973 [29 U.S.C. 794]
 - d. The Age Discrimination Act [42 U.S.C. 6101 et seq.]
3. **Allowable Costs:** Costs incurred shall be allowable under the principles established in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards: Final Rule [2 CFR Subpart E-Cost Principles].
4. **Budget Modifications:** The Applicant will obtain an approved budget amendment when it is anticipated that claimed expenditures will vary significantly from the amount in the current approved budget. A significant variance is an increase of 10 percent (summary of all line items) of the current total approved budget [2 CFR § 200.308(e)]. This applies to all grants unless there are more restrictive or specific requirements of the grant award which may be the case with discretionary grants.
5. **Confidentiality:** The Applicant shall comply with provisions regarding confidentiality of student information [WI Statute § 118.125, pupil records].
6. **Conflict of Interest:** No board or staff member of an LEA or CSEA may use his or her position to obtain financial gain or anything of substantial value for the private benefit of himself or herself or his or her immediate family, or for an organization with which he or she is associated, such as a royalty, commission, contingent fee, brokerage fee, consultant fee, or other benefit [Wis. Stat. 19.98 (1) (a)] [2 CFR § 200.112].
7. **Contracts and Procurement:** The Applicant will use its own procurement procedures that reflect applicable state and local laws and regulations, provided the procurements conform to applicable federal law and the standards in [2 CFR §§ 200.310-200.320] Procurement Standards.
8. **Debarred and Suspended Parties:** A contract (see 2 CFR § 180.220) must not be made to parties listed on the government-wide Excluded Parties List System in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR Part 1588 Comp., p. 188) and 12686 (3 CFR Part 1989 Comp., p. 235), "Debarment and Suspension." The Excluded Parties List in SAM contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties deemed ineligible under statutory or regulatory authority other than Executive Order 12549.
9. **Cooperation with Evaluation:** The Applicant shall cooperate with the performance of any evaluation of the program by the WDOI or USDE or by their contractors [2 CFR §200.326(f)].
10. **Copyright, Acknowledgement, and Publications:** The Applicant/Recipient will comply with all copyright and materials acknowledgement requirements as addressed in the project's grant guidelines. The U.S. Department of Education and the WDOI reserve royalty-free, nonexclusive, and irrevocable licenses to reproduce, publish or otherwise use, and to authorize others to use, for their purposes. The copyright in any work developed under this subgrant or contractor under this subgrant, and any rights of copyright to which the Applicant or a contractor purchases ownership with grant support. The content of any grant-funded publication or product may be reprinted in whole or in part with credit to the USDE and WDOI acknowledged. However, reproduction of this product in whole or in part for resale must be authorized by the WDOI. When issuing statements, press releases, and other documents describing projects or programs funded in whole or in part with federal grant funds, the grant award recipient shall clearly acknowledge the receipt of federal funds in a statement.
11. **Fiscal Control:** The Applicant will use fiscal control and fund accounting procedures and will ensure proper disbursement of, and accounting for, federal funds received and distributed under this program [2 CFR §200.302 (a), (1), (3); §200.303(a), (b)].
12. **Indirect Costs:** If the fiscal agent intends to claim indirect costs, the total amount budgeted for indirect costs is limited to and cannot exceed the negotiated indirect rate established with the WDOI. Indirect costs cannot be charged against capital objects.
13. **Legal and Regulatory Compliance:** Administration of the program, activities, and services covered by this application will be in accordance with all applicable state and federal statutes, regulations and the approved application [34 CFR §78.700].
14. **OMB Standard Form 424B:** The Applicant will comply with all applicable assurances in OMB Standard Form 424B (Assurances for Non-Construction Programs), including the assurances relating to the legal authority to apply for assistance; access to records; conflict of interest; merit systems; nondiscrimination; Hatch Act provisions; labor standards; flood insurance; environmental standards; wild and scenic rivers; systems; historic preservation; protection of human subjects; animal welfare; lead-based paint; Single Audit Act; and general agreement to comply with all applicable federal laws, executive orders and regulations.
15. **Programmatic Changes:** The Applicant will obtain the prior approval of the WDOI whenever any of the following actions is anticipated:
 - a. Any revision of the scope or objectives of the project;
 - b. Changes in key persons where specified in the application or grant award;
 - c. A disengagement from the project for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director;
 - d. Contracting out or otherwise obtaining services of a third party to perform activities central to the purposes of the award;
 - e. Changes in the amount of approved cost-sharing or matching provided by the subrecipient [2 CFR §200.300 (1.2.3.6.7.8)].

FEDERAL ASSURANCES (cont'd)

16. **Record Retention:** In accordance with 2 CFR §200.333(b), this is written notification to the subrecipient that WDOI requires an extension to the record retention period for grants addressed in the Wisconsin Records Retention Schedule for School Districts. <https://dhs.wisconsin.gov/education/documents/2019-2020-APPRSVOL/2019-2020-APPRSVOL-20201105-2020-1.pdf>
All applicants will ensure records are maintained for a period of at least three years after the end of the project year [2 CFR §200.333]. If any litigation, claim, negotiation, audit, or other action involving the records starts before the end of the period, the records will be retained until completion of the action and resolution of all issues.
17. **Reporting:** The Applicant will ensure all required financial and program data is reported to the WDOI timely on a schedule established by the WDOI. The Applicant will report to WDOI using the accounts in the Wisconsin Uniform Financial Accounting Requirements (WUFRAR) [2 CFR §200.302(b)(2)].
18. **Grant Evaluation:** The Applicant shall ensure that all grant evaluation reporting will be timely on a schedule established by the WDOI. Grant evaluation information provided to the WDOI shall accurately assess the completeness of grant goals, activities, benchmarks and target dates [2 CFR §200.338(b)(1)].
19. **Single Audit:** Any entity that expends in total (all sources) \$750,000 or more in federal funds during a fiscal year (July 1-June 30) is required to conduct a single audit. If a single audit is required, a copy of the audit is to be submitted to DPI School Financial Services auditor [2 CFR §200.301].
20. **Text Messaging and E-Mailing While Driving:** The Applicant/Recipient and their grant personnel are prohibited from text messaging while driving a government-owned vehicle, or while driving otherwise privately owned vehicle during official grant business, or from using government supplied electronic equipment to text message one-to-one when driving [Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving October 1, 2009" <http://www.federalregister.gov/documents/2009/08/13/24203.pdf>]
21. **Time and Effort Supporting Documentation:** For costs to be allowable, compensation for personal services must adhere to the Standards for Documentation of Personnel Expenses as identified in 2 CFR §200.430(b)(1). The subrecipient must retain records that accurately reflect the work performed and be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.
22. **Trafficking in Persons:** The grant condition specified in 2 CFR §175.10 includes the following language: "1. Trafficking in persons. 1. You as the recipient, your employees, subrecipients under this award, and subrecipients' employees may not: 1. Engage in severe forms of trafficking in persons during the period of time that the award is in effect; 2. Procure a commercial sex act during the period of time that the award is in effect; or 3. Use forced labor in the performance of the award or subawards under the award." A subrecipient is required to inform the federal agency immediately of any information received from any source alleging a violation of this condition. The federal agency may unilaterally terminate this award, without penalty, if a subrecipient is determined to have violated this condition.

OTHER ASSURANCES

Construction: Approved construction projects must comply with applicable Uniform Administrative requirements, as well as USDE regulations regarding construction [34 CFR §78.700]. As is the case with all construction contracts using laborers and mechanics financed by federal education funds, the Applicant using these funds for construction contracts over \$2,000 must meet all Davis-Bacon Act prevailing wage requirements and including language in the contracts that all contractors and subcontractors must pay wages that are not less than those established for the locality of the project [20 U.S.C. § 7202(b)].

CERTIFICATION/SIGNATURE

I, THE UNDERSIGNED, CERTIFY that the information contained in this application is complete and accurate to the best of my knowledge, that the necessary assurances of compliance with applicable state and federal statutes, rules, and regulations will be met; that I am authorized by the agency designated in this application to bind the agency to the certifications and assurances contained in this application; and that the indicated agency designated in this application is authorized to administer this grant.

I FURTHER CERTIFY that the assurances listed above have been satisfied and that all facts, figures, and representation in this application are correct to the best of my knowledge.

LEA Code	Local Educational Agency
Name of Applicant Agency Authorizer	Title of Individual Signing District Authorizer
Signature of Applicant Agency Authorizer	Date Signed Mo./Day/Yr. 04/16/2021
Digitally Signed	

Construction Assurances

CONSTRUCTION PROGRAMS

Each Applicant that submits a plan or application for federal funds that includes construction provides the assurances that the Applicant:

- (1) Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-federal share of project costs) to ensure proper planning, management and completion of project described in this application.
- (2) Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance, and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
- (3) Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal interest in the title of real property in accordance with awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
- (4) Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
- (5) Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.
- (6) Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
- (7) Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
- (8) Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§472-473) relating to prescribed standards of merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 300, Subpart F).
- (9) Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
- (10) Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to:
 - (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin;
 - (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681, 1683, and 1685-1686), which prohibits discrimination on the basis of sex;
 - (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicap;
 - (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age;
 - (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse;

- (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism;
- (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 d(3) and 290 e(3)), as amended, relating to confidentiality of alcohol and drug abuse patient records;
- (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §5501 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing;
- (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and
- (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
- (11) Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-644) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
- (12) Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
- (13) Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §5327-5333) regarding labor standards for federally-assisted construction subagreements.
- (14) Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
- (15) Will comply with environmental standards which may be prescribed pursuant to the following:
 - (a) notification of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514;
 - (b) notification of violating facilities pursuant to EO 11738;
 - (c) protection of wetlands pursuant to EO 11990;
 - (d) evaluation of flood hazards in floodplains in accordance with EO 11988;
 - (e) assurance of project consistency with the approved State Management plan developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.);
 - (f) conformity of Federal actions to State (Clean Air) implementation Plans under Section 176(c) of the Clean Air Act of 1965, as amended (42 U.S.C. §§1601 et seq.);
 - (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and
 - (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
- (16) Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

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PI-1509

ASSURANCES (cont'd)

- (17) Will assist the awarding agency in ensuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
- (18) Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
- (19) Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
- (20) Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from engaging in, or using labor agents who engage in, the acts described therein.
- (21) Has or will obtain a full title or other interest in the site, including right of access, that is sufficient to insure the Applicant's undisturbed use and possession of the facilities for 50 years or the useful life of the facilities, whichever is longer. [34 CFR §75.603]
- (22) Will complete its construction within a reasonable time and in accordance with the application and approved drawings and specifications. [34 CFR §75.606]
- (23) Will insure that the construction is functional, economical, and not elaborate in design or extravagant in the use of materials, compared with facilities of a similar type constructed in the State or other applicable geographic area. Applicant will, in developing plans for the facilities, consider exclusion of architecture and design and inclusion of works of art but may not spend more than one percent of the cost of the project on inclusion of works of art. [34 CFR §75.607]
- (24) In planning for and designing facilities, will observe:
 - (a) The standards under the Occupational Safety and Health Act of 1970 (Pub. L. 91-576) (See 36 CFR part 1910); and
 - (b) State and local codes, to the extent that they are more stringent. [34 CFR §75.609]
- (25) Will comply with the Federal regulations on access by the handicapped that apply to construction and alteration of facilities. These regulations are:
 - (a) For residential facilities—24 CFR part 40; and
 - (b) For non-residential facilities—41 CFR subpart 101-19.6. [34 CFR §75.610]
- (26) In planning the construction, will, in accordance with the provisions of Executive Order 11988 of February 10, 1978 (43 FR 6030) and rules and regulations that may be issued by the Secretary to carry out those provisions:
 - (a) Evaluate flood hazards in connection with the construction; and
 - (b) As far as practicable, avoid unconsolidated, hazardous, or unnecessary use of flood plains in connection with the construction. [34 CFR §75.611]
- (27) Will comply with the regulations on relocation assistance and real property acquisition in 34 CFR part 15. [34 CFR §75.613]
- (28) Will insure that, when construction is completed, sufficient funds will be available for effective operation and maintenance of the facilities. [34 CFR §75.615]
- (29) Will operate and maintain the facilities in accordance with applicable Federal, State, and local requirements. [34 CFR §75.615]
- (30) To the extent feasible, will design and construct facilities to maximize the efficient use of energy and will comply with the ASHRAE standards incorporated into 34 CFR §75.616 in designing and constructing facilities built with grant funds.
- (31) Will not use, within the Coastal Barrier Resources System, funds made available under a program administered by the Secretary for any purpose prohibited by 31 U.S.C. chapter 55 (sections 3501-3510). [34 CFR §75.617]
- (32) Will use its own procurement procedures that reflect applicable state and local laws and regulations, provided the procurements conform to applicable federal law and the standards in 2 CFR §200.318-200.326.
- (33) Will ensure an architect, inspector, or engineer has approved the final construction plans and specifications and attest that the final plans and specifications meet all of the federal, state, and local requirements for construction.
- (34) Will, upon request by the Wisconsin Department of Public Instruction at any time, provide additional or more detailed information, including but not limited to plans, drawings, etc., as determined necessary to ensure compliance with federal regulations. Applicant will retain a copy of the final construction plans and specifications approved by Applicant's architect, inspector, or engineer, and Applicant will submit the plans and specifications as necessary for auditing and monitoring.



ARP ESSER: Maintenance of Equity

District Authorization



Wisconsin Department of Public Instruction
ELEMENTARY AND SECONDARY EDUCATION
EDUCATION SERVICE UNIT 1566000

INSTRUCTIONS. Eligible LEAs must submit this certification in WISEgrants, which will notify the U.S. Department of Education which

The document below must be digitally signed by an individual assigned as a district authorizer. To view authorization button, scroll to the bottom of the window.

CERTIFICATION

American Rescue Plan LEA Certification of Exception from Local Maintenance of Equity Requirements

Submit this certification to the Wisconsin Department of Public Instruction (DPI) through WISEgrants. DPI will notify the U.S. Department of Education which local educational agencies (LEAs) in the State are excepted from the local maintenance of equity requirements under section 2004(c)(2) of the American Rescue Plan (ARP) Act due to such certifications for fiscal year (FY) 2021-2022.

LEA Code	Local Educational Agency
	School District
State	Wisconsin

On behalf of the local educational agency (LEA), I, **THE UNDERSIGNED, CERTIFY** that for the 2021-2022 school year,

ARP LEA Certification of Exception from Maintenance of Equity Requirement

Click to Add Digital Signature

Private School Affirmation Forms

WISEgrants Wisconsin Information System for Education **Federal Grants Portal**

CARES Act Michael Dennison, WIGAM

Home Admin Menu Programs Authorizations Reports Message Board (5) Sch Dist: 2020-2021

CARES Private

- ARPA
- CARES Act
 - Private School Affirmation Forms
- Carl D. Perkins Act
- ESEA
 - Assurances
- IDEA
 - Sec. 18006 Certification
 - Sec. 18006 Certification LEA Status Report
- Continuous Improvement Performance Reporting (CIPR)
 - CARES Act Equitable Participation Monitoring
- Private School Report View (PI-1207)
 - Elementary and Secondary School Emergency Relief Fund
 - Governor's Emergency Education Relief Fund

Drag a column header and drop it here to group by that column

Private School	ESSERF Funds	Status	Reason Returned	Submitted By	Reviewed Date	Reviewed By
Saint Paul Lutheran Sch	Yes	Accepted			12/10/2020	Shomberg, Constance

GEERF Private School Affirmation Forms

Drag a column header and drop it here to group by that column

Private School	Sch#	GEERF Funds	Status	Reason Returned	Submitted By	Reviewed Date	Reviewed By
Saint Paul Lutheran Sch	7210	Yes	Accepted			12/10/2020	Shomberg, Constance

Proportional Share Screen

Home Admin Menu Programs Application Authorizations Reports Message Board (5) Sch Dist:

ESSERF Proportional Share for Equitable Participation

Data Overview and Instructions

Public School and Participating

Public School and Participating

Certify Low-Income Public and Private Enrollment

☐ School District certifies that the low-income enrollment counts submitted are accurate and acknowledges that this data will be used to calculate the private schools' proportionate share of ESSER funds based on a low-income model.

Certified at 10:59 AM on 01/28/2021 by WISEgrants Administrator

Reset Enrollment Certification

Proportional Share Calculation

	Public	Private	Total
Allocation: \$89,177.00			
<u>Using Low Income Enrollment</u>	236	25	261
Per Pupil Amount	\$341.67	\$341.67	
Proportional Share Amount	\$80,635.14	\$8,541.86	\$89,177
Proportional Share Percent	90.42 %	9.58 %	100 %
<u>Using Total Enrollment</u>	632	112	744
Per-Pupil Amount	\$119.86	\$119.86	
Proportional Share Amount	\$75,752.51	\$13,424.49	\$89,177
Proportional Share Percent	84.95 %	15.05 %	100 %

Claims Screen

WISEgrants Wisconsin Information System for Education
Federal Grants Portal

CRRSA Act - Elementary and Secondary School Emergency Relief Fund II

Home Admin Menu Programs Application Authorizations Reports Message Board (1) Community Sch Dist: 2021-2022

Maintain Claims - C

- Grant Contacts
- Select Fund Management
- View / Edit Funding
- Budget
- Submission History
- Enter Claims
- Community Service Fund

Messages

Claim data can be user through this feature located below this message panel. A tutorial screencast is available to walk the

Instructions

Upload General Education - Claim

LEAs may enter data manually or use a template to upload expenditure information for the claim.

1. Click "Download" to download an Excel file listing the approved budget items.
2. Enter data on the template.
3. Save the file to your computer as a CSV file.
4. Click "Select File" to find the file on your computer.
5. Click on the file name.
6. Click "Open".
7. Click "Upload" to upload the file. (This may take a few seconds.)
8. Review the data to make sure it is correct. Data will only upload in the Obligations and Amount Requested this claim columns.
9. Changes may be made to individual records or the template may be re-loaded.

Note: Every time a file is uploaded, all previous draft claim data is deleted and replaced with data from the new file.

Download

Select Files...

Claims History

Status	Claim Type	Submitted to Authorizer Date	Submitted By	Subrecipient Authorization Date	Authorized By	DPI Approval Date	DPI Reviewer	Report Period Ending Date	Amount Requested This Claim	Amount Claimed to Date	View Claim
Approved	Partial	12/13/2021		12/13/2021		12/13/2021	Angeline Gester	12/13/2021	\$22,022.39	\$223,014.15	View
Approved	Partial	10/06/2021		10/06/2021		10/06/2021	Angeline Gester	10/06/2021	\$200,991.76	\$200,991.76	View

DPI's Webpages

- CARES Act : <https://dpi.wi.gov/cares>
- CRRSAA: <https://dpi.wi.gov/crrsaa>
- ARPA: <https://dpi.wi.gov/arp/esser-iii>

Submit questions to: essergrants@dpi.wi.gov

Resources for LEAs

Resources for written procedures on allowed costs:

- [Allowable Costs Written Procedures technical assistance](#)
- [Allowable Costs webpage](#)
- [Written Procedures PowerPoint](#)
(additional guiding questions)



THANK YOU!

3:15 – 4:15 p.m.

Hot Topics in School District Legal Obligations

Todd Gray, PhD, CPA, *School Business Management Consultant,
Todd Gray/Budget Analytics, Inc.*

Shana Lewis, *Attorney/Shareholder, Renning, Lewis & Lacy, S.C.*

Lisa Salo, CPA, *Accounting Manager, Kenosha Unified School
District*

**Note: Panel Discussion (No materials)*