



State of Arizona
Department of Education

Arizona Charter Schools Program (AZ CSP) Monitoring Procedures for Awarded Schools <small>Rev, 2/22/2016</small>		
Federal Regulation	34 CFR § 200.331 “Requirements for pass-through entities.”	Follow up
	<ul style="list-style-type: none"> • All schools, upon their first Project Year award, receive training in the following: <ul style="list-style-type: none"> ○ Arizona Department of Education Grants Management Enterprise to understand: <ul style="list-style-type: none"> ▪ Budget training and approval process; ▪ Process to request funds; ▪ Funding Application Revisions; ▪ Completion Reports; ▪ How and whom to contact regarding problems or questions. ○ The AZ CSP Monitoring Handbook to evaluate progress toward written goals: <ul style="list-style-type: none"> ▪ Business and finance requirements of the 	(d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include: <ol style="list-style-type: none"> (1) Reviewing financial and

	<p>grant;</p> <ul style="list-style-type: none"> ▪ Academic evaluation of the school’s progress toward its stated educational outcomes; ▪ Governance evaluation. 	<p>performance reports required by the pass-through entity. (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.</p>
Planning	Activities	Follow up
Purpose	<ul style="list-style-type: none"> • Confirm the school continues to meet the federal definition of a charter school: ESEA 5210 (1) (a-l) • Confirm that the school is moving forward with Planning Project Year activities as defined in its application. • Confirm that school Planning Project Year activities and expenditures are reasonable, allocable and allowable per ESEA. • Observe progress in Planning Project Year toward meeting educational 	

	objectives defined in the school's application.	
Procedure	<ul style="list-style-type: none"> • AZ CSP Awarded Schools receive various monitorings in Planning Period Year. • First monitoring is the personal interview and final approval of the Project Year Budget application. • All schools receive an onsite monitoring either at the school site (if available) or temporary office space housing the Planning operation or at ADE. • Final Project Year monitoring is a desk review comparing Special Payments and Cash Management withdrawals with actual personnel, services and expense/capital item expenditures. • All monitoring visits will also review progress toward educational objectives. 	<p>All transactions throughout the Project Year are reviewed by AZ CSP staff for GME approval and School Finance Division payment.</p> <ul style="list-style-type: none"> • Special payments • Amendments
Timeframe	<ul style="list-style-type: none"> • Desk review and approval of amendments are completed 90 days before the end of the Project year. • Project Year Completion Report is reviewed within 90 after the completion of the Project year. 	
	<ul style="list-style-type: none"> • Project Year Budget approval takes place before release of new Project Year funds. • Amendment payments are reviewed per each event. • Onsite office review completed by 	

	March 31.	
Ongoing Risk Assessment	<p>In evaluating risks posed by awarded schools, the AZ CSP team will review the school’s management systems over and above the AZ CSP Monitoring Handbook for the following:</p> <p>Operations:</p> <ul style="list-style-type: none"> • Finance - review school’s Income and Expense Statement and Balance Sheet most recently approved by its board using the AZ State Board for Charter Schools Financial Framework; • Enrollment trends to measure if the awarded school is on target to meet its enrollment cap; • Annual review of the mandatory state audit presented to the school’s authorizer. <p>Compliance:</p> <ul style="list-style-type: none"> • Review the school’s status and relationship with its Authorizer; • Review of school’s other federal grants for compliance; • Timeliness of compliance with the school’s applicable reporting requirements. • The applicants ability to implement statutory, regulatory or other requirements imposed on non-Federal entities, i.e. <ul style="list-style-type: none"> ○ Special Education Policies and Procedures. ○ Lottery/Enrollment Policies and Procedures. 	<p>§200.207 Specific conditions. If the Federal awarding agency or pass-through entity determines that noncompliance cannot be remedied by imposing additional conditions, the Federal awarding agency or pass-through entity may take one or more of the following actions, as appropriate in the circumstances:</p> <p>(a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity.</p> <p>(b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of</p>

		<p>the activity or action not in compliance.</p> <p>(c) Wholly or partly suspend or terminate the Federal award.</p> <p>(d) Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency).</p> <p>(e) Withhold further Federal awards for the project or program.</p> <p>(f) Take other remedies that may be legally available.</p>
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Implementation	Project Year 1	Follow up
Purpose	<ul style="list-style-type: none"> • Confirm that school is moving forward with Implementation activities as defined in its application. • Confirm that school Implementation activities and expenditures are 	Schools which do not open after the maximum 18 months Planning Period has expired

	<p>reasonable, allocable and allowable per ESEA.</p> <ul style="list-style-type: none"> ● Observe progress toward meeting educational objectives defined in the school’s application. 	<p>will be deemed At Risk and their funds will be placed on Administrative Hold.</p>
<p>Monitoring Personnel and Their Qualifications</p>	<ul style="list-style-type: none"> ● Program and compliance monitors shall consist of the following qualified personnel: <ul style="list-style-type: none"> ○ ADE AZ CSP Program Staff with state and federal program management and policy experience; ○ ADE Grants Management Enterprise Federal Monitor with training and minimum one-year’s federal audit experience; ○ External contractor(s) with previous charter monitoring experience at the state or school district policy level; i.e. Arizona State Board for Charter Schools or a school district federal program officer. <ul style="list-style-type: none"> ▪ State agency or school district potential candidates shall present qualifications to AZ CSP staff previous to contracting work. ▪ Contractor files are retained by AZ CSP and ADE Procurement. ▪ ADE personnel records are maintained by the Human Resources Unit. 	

<p>Procedure</p>	<ul style="list-style-type: none"> • AZ CSP Awarded Schools receive minimum of two onsite monitoring visits and various desk monitorings based on amendment and special payment events in its first Implementation Year. • The first onsite monitoring is to observe the school’s educational and operational activities including classroom observations, student learning environment, teacher planning and preparation. This monitoring may take place in two parts with two separate visits: 1) an observation to review the school and classroom dynamic. 2) A formal review based on the AZ CSP Monitoring Handbook documenting key academic procedures. • The second monitoring is an onsite visit to conduct financial, operational and educational monitoring using the AZ CSP Monitoring Handbook. (In some instances the order of academic and operation monitoring may be reversed.) • Both monitoring visits will also review progress toward educational objectives. 	<p>Follow up to first visit may include the following:</p> <ul style="list-style-type: none"> • Document visit describing operations observed for permanent record and school copy. • Provide list of online quality academic and operational resources. • Provide technical assistance to improve operational compliance • Provide technical assistance to improve instruction and instructional planning. <p>Follow up to second visit may include the following:</p> <ul style="list-style-type: none"> • Immediate follow up of previous
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		<p>unresolved issues;</p> <ul style="list-style-type: none"> • Corrective Action Plan issued to be completed and approved by the school's Governing Body within a defined period.
Timeframe	<ul style="list-style-type: none"> • Onsite reviews completed by March 31. • Final reconciliation of the school's Completion Report with its General Ledger by June 30. • Review schools final academic data based on state mandated assessments by August 1. 	

Implementation	Project Year 2	Follow up
Purpose	<ul style="list-style-type: none"> • Confirm that school is moving forward with Implementation activities as defined in its application. • Confirm that school Implementation activities and expenditures are reasonable, allocable and allowable per ESEA. • Track and analyze student data toward meeting AZ CSP grant outcomes. 	Schools which do not open after the maximum 18 months Planning Period has expired will be deemed At Risk and their funds will be placed on Administrative Hold.

<p>Procedure</p>	<ul style="list-style-type: none"> • AZ CSP Awarded Schools receive minimum of two onsite monitoring visits and various desk monitorings based on amendment and special payment events in its second Implementation Year. • The first onsite monitoring is to observe the school’s educational and operational activities including classroom observations, student campus environment, teacher planning and preparation for second formal monitoring using the AZ CSP Monitoring Handbook. This monitoring may take place in two parts with two separate visits: 1) an observation to review the school and classroom dynamic. 2) A formal review based on the AZ CSP Monitoring Handbook documenting key academic procedures. This monitoring will also include a comprehensive review of school governance and leadership. It may be necessary for an additional visit to complete this latter portion of the monitoring. <p>The second monitoring is an onsite visit to conduct financial, operational and educational monitoring using the AZ CSP Monitoring Handbook. (In some instances the order of academic and operation monitoring may be reversed.)</p>	<p>Follow up to first visit may include the following:</p> <ul style="list-style-type: none"> • Document visit describing operations observed for permanent record and school copy. • Provide list of online quality academic and operational resources. • Provide technical assistance to improve operational compliance • Provide technical assistance to improve instruction and instructional planning. <p>Follow up to second visit may include the following:</p> <ul style="list-style-type: none"> • Immediate follow up of previous
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		<p>unresolved issues</p> <ul style="list-style-type: none"> • Corrective Action Plan to be completed and approved by school's Governing Body within a defined period.
Timeframe	<ul style="list-style-type: none"> • Onsite reviews completed by March 31. • Final reconciliation of the school's Completion Report with its General Ledger completed by June 30. • Review schools final academic data based on state mandated assessments available by August 1. • Review of high school graduation and dropout rates and data become available by August 1, twelve months after senior class graduates. 	