

You Have a Friend in Me

How to Flip the Switch from Non-Compliant to Compliant

April 03, 2024 | 10:30-11:30 AM



Cory Green, Associate Commissioner and Chief Grants Officer

Cal Lopez, Federal Compliance Officer

Department of Grants Compliance and Administration

Texas Education Agency



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Training & Presentation Check-In

Department of Grant Compliance and Administration

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Please select the event you are attending.

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Attendee Name *
Please enter your name.

Role *
Please enter the title of your role at your LEA, ESC, or organization.

Email (Optional)
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Compliance Resolution Process Risk Mitigation and Internal Controls to Flip the Switch from Non-Compliance to Compliance



Department of Grant Compliance and Administration

1. This presentation is intended solely to provide general information and guidance to Texas LEAs, ESCs, non-profit subgrantees, and participating Private Schools receiving equitable services. The content in this presentation reflects the Texas Education Agency's current understanding of statute and applicable federal guidance.
2. The content of this presentation is subject to change as a result of future guidance and or other updates provided by federal agencies with regulatory oversight of these programs.
3. This presentation does not constitute legal advice, and entities are, therefore, advised to seek legal counsel regarding the information and guidance provided in this presentation before acting upon the information provided.



Presentation Acronyms

FCO: Federal Compliance Officer

FFCR: Federal Fiscal Compliance and Reporting

FFM: Federal Fiscal Monitoring

FPC: Federal Program Compliance

GA: Grant Administration

GCA: Department of Grant Compliance and Administration

LEAs: School districts and open-enrollment charter schools

NCR: Non-Compliance Resolution

SMD: Special Monitoring Division

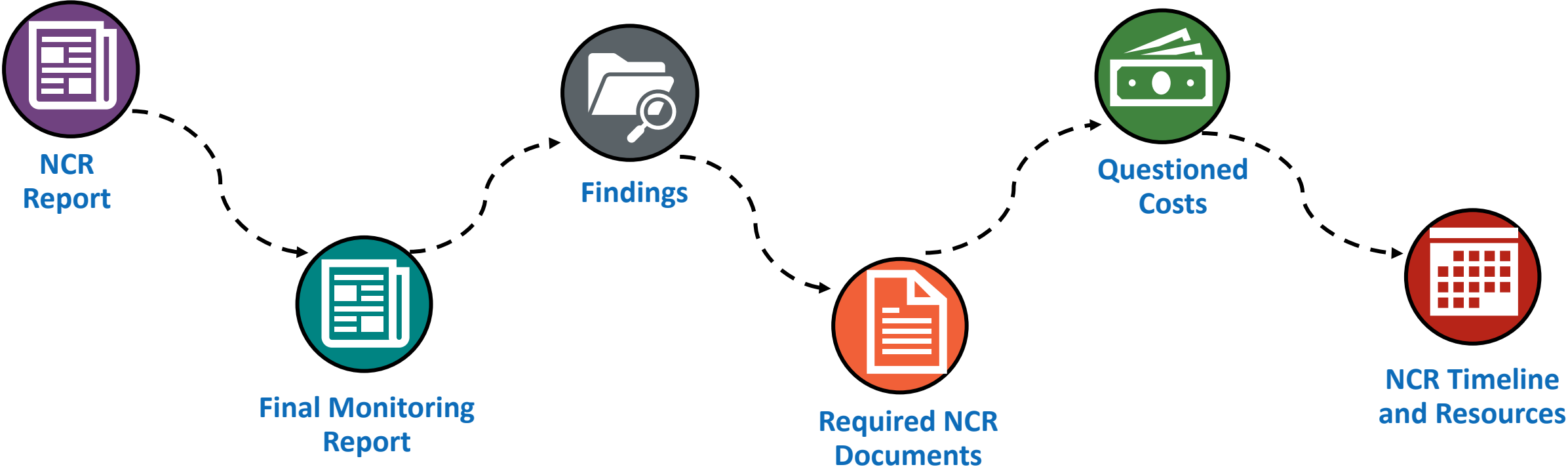
Agenda

- Non-Compliance Resolution Components
- Non-Compliance Resolution Process
- Internal Controls
- Non-Compliance Resolution Resources



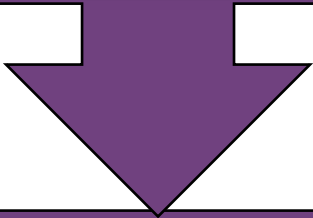
Non-Compliance Resolution Components

Non-Compliance Resolution Components



Non-Compliance Resolution Monitoring System

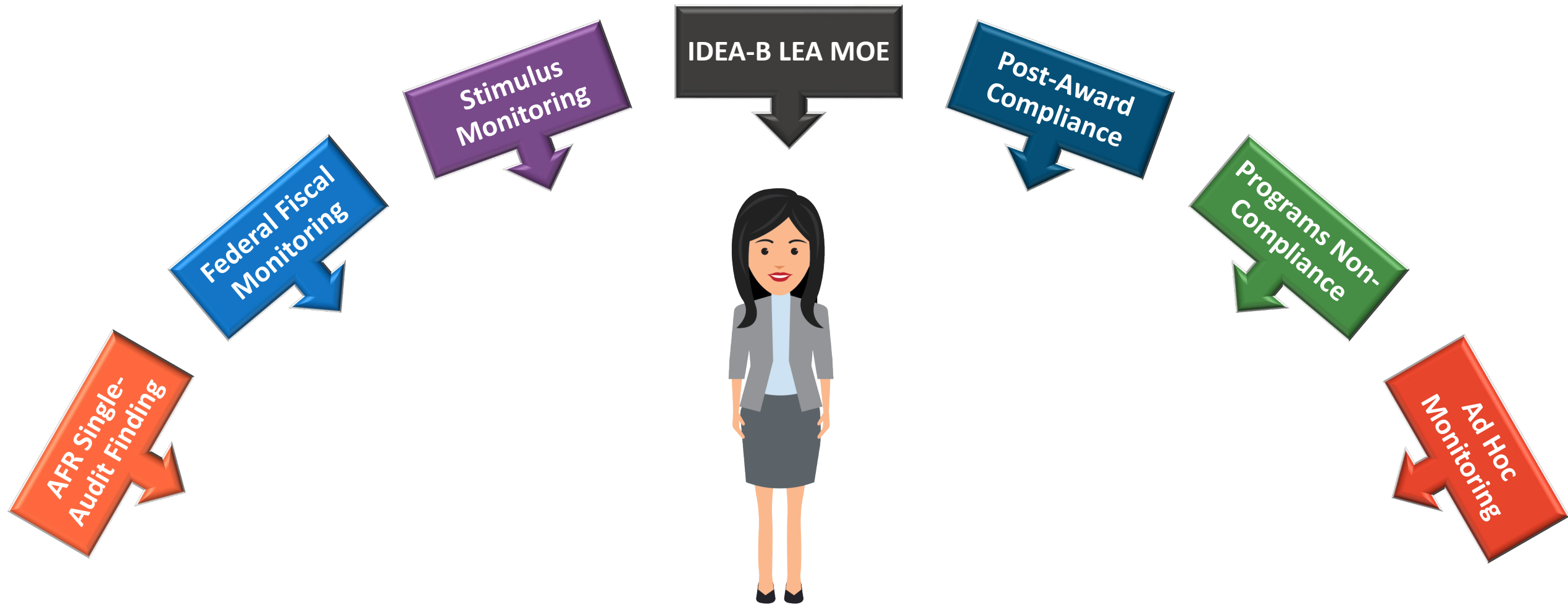
Each referral is assigned a non-compliance reference number in our FCO



The Federal Compliance Officer monitors LEAs non-compliance progress of:

Documentation submission	Refund submission	Overdue status	Hearing request	NCR technical assistance
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Non-Compliance Resolution Referrals to the Federal Compliance Officer



SMD Completed Monitoring



ESSER I



CRSSA ESSER II



COVID Health Support Grant I



Immediate Aid to Restart School Operations
(RESTART)



SMD is Currently Monitoring



ARP ESSERR III



EANS



TCLAS

SMD Future Monitoring



ARP Homeless



ARP IDEA

Non-Compliance Resolution Process

Non-Compliance Activity

I thought you completed the NCR response.



I gave it to Matt.



I thought Cindy sent the refund.



Who worked on the NCR documents?



Did we send any of the required NCR actions items to TEA?



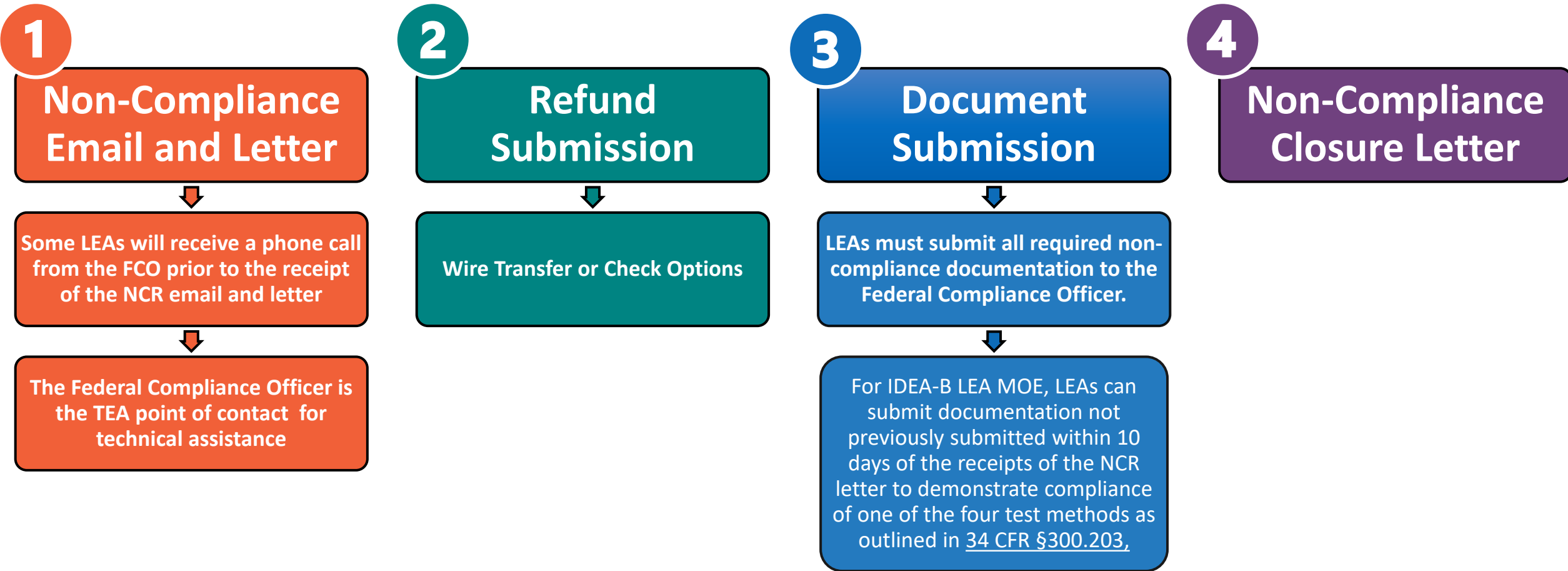
Overdue Required Non-Compliance Resolution Actions

I am calling about your overdue NCR refund and/or documents.

How can I assist you with completing the NCR process?



Non-Compliance Resolution Review Process



1

NCR Letter

LEAs will receive a:

- NCR email from the Federal Compliance Officer.
- NCR letter signed by Cory Green.
- Final project audit or non-compliance report.



October 9, 2023

Superintendent Name
Superintendent
LEA Independent School District
Address
City, TX Zip Code

Transmitted by Electronic Mail
Immediate Action Required

Subject: IDEA-B LEA MOE Non-Compliance Resolution (NCR-IDEA-FY23-00)

Dear (Insert Superintendent Name):

The purpose of this letter is to notify you of federal grant requirements imposed on your LEA by federal statute and Education Department General Administrative Regulations (EDGAR) requiring action by the Texas Education Agency (TEA). If you have any questions or concerns regarding the contents, phrasing, or terminology in this letter please reach contact the Federal Compliance Officer at the non-compliance resolution inbox (NonCompResolution@tea.texas.gov).

As a result of these requirements, the Department of Grant Compliance and Administration (GCA) at TEA is issuing a non-compliance resolution action on your organization. This non-compliance resolution action requires your organization to return funds to TEA.

IDEA-B LEA Maintenance of Effort (MOE) Non-Compliance Resolution Action

These non-compliance resolution findings were identified by TEA as part of our fiscal compliance determination process. These findings are related to the federally required compliance review conducted by TEA's Federal Fiscal Compliance and Reporting (FFCR) Division annually. Our review indicates that your LEA is not in compliance with the federal maintenance of effort (MOE) requirement for the 2021–2022 fiscal year. Pursuant to [34 CFR §300.203](#), LEAs who receive federal grants awarded under the Individuals with Disabilities Education Act, Part B (IDEA-B) are required to spend at least the same amount of local and/or state funds to provide services for students with disabilities spent in the previous fiscal year.

The attached report provides the IDEA-B LEA MOE findings for ABC ISD identified by TEA's FFCR Division, which includes questioned costs and illustrates the degree that your organization failed to comply with laws, regulations, and grant requirements and to maintain proper internal controls over its federal programs. Therefore, pursuant to [2 CFR §§200.339\(b\)](#), [200.410](#), and [200.345\(a\)\(1\)](#), TEA is now requiring the following non-compliance resolution actions from your LEA, and as applicable, disallowing the questioned costs described in the following table:



Sample IDEA-B LEA MOE Non-Compliance Resolution Letter

The NCR letter will provide:

- Grant name
- NOGA ID
- Grant year
- Disallowed costs
- Findings
- Required NCR Actions

Grant Name	NOGA ID	Grant Year	Disallowed Costs
IDEA-B Formula	000000000000000000	00/00/2021-00/00/2022	\$50,000.00

Findings	Required Non-Compliance Resolution Action
<p>ABC ISD was unable to demonstrate IDEA-B LEA MOE compliance within one of the four test methods as outlined in 34 CFR §300.203.</p> <ol style="list-style-type: none"> 1) The total amount the LEA expended in local funds must equal or exceed the amount it expended from that source for special education during the preceding fiscal year. 2) The total amount the LEA expended in state and local funds must equal or exceed the amount it expended from those sources for special education during the preceding fiscal year. 3) The per-capita amount the LEA expended in local funds must equal or exceed the amount it expended per-capita from that source for special education during the preceding fiscal year. 4) The per-capita amount the LEA expended in state and local funds must equal or exceed the amount it expended per-capita from those sources for special education during the preceding fiscal year. <p>Pursuant 34 CFR §300.203(c), preceding fiscal year is defined as the last fiscal year in which the LEA met MOE for that test method.</p>	<p>ABC ISD is required to submit the documentation and refund listed below.</p> <ol style="list-style-type: none"> 1) Submit a refund of the disallowed costs for \$50,000.00, and 2) Submit the following documentation of the preventative policies, procedures, or strategies to prevent the recurrence of this finding. <ol style="list-style-type: none"> a. Provide documentation of communication or training provided to the appropriate staff of any new or revised policies and procedures that address the non-compliance resolution findings (e.g., notes of staff communication or training, staff role/department who received these communications or training, location of training(s), staff who provided the communications or training, copies of the staff communication or training sign-in sheets, etc.). b. Provide the staff member(s) responsible for the communication, training, and implementation of the preventative policies, procedures, or strategies to prevent the recurrence of the findings and any other notes or comments. 3) If you have additional documentation that not has previously been submitted by the established deadline to demonstrate compliance of one of the four test methods as outlined in 34 CFR §300.203, you may submit this documentation within ten days to the Federal Compliance Officer.



Sample Grant Non-Compliance Resolution Letter

The NCR letter will provide:

- Project or grant name
- Project identification number
- Grant year
- Disallowed costs
- Findings
- Required NCR Actions

Grant Name	Project ID	Grant Year	Disallowed Costs
NCR Grant	000000000000000000	09/01/22-08/31/2023	\$50,000.00

Findings	Required Non-Compliance Resolution Action
<p><u>Finding 1:</u> Finding as indicated in the final audit or non-compliance report.</p> <p><u>Finding 2:</u> Finding as indicated in the final audit or non-compliance report.</p> <p><u>Finding 3:</u> Finding as indicated in the final audit or non-compliance report.</p>	<ol style="list-style-type: none"> 1) Submit a refund of the disallowed costs for \$50,000.00 2) Submit the following documentation of the preventative policies, procedures, or strategies to prevent the recurrence of these finding. <ul style="list-style-type: none"> ○ Provide documentation of communication or training provided to the appropriate staff of any new or revised policies and procedures that address the non-compliance resolution findings (e.g., dates of staff communication or training, staff role/department who received these communications or training, location of training(s), staff who provided the communications or training, copies of the staff communication or training sign-in sheets, etc.). ○ Provide the staff member(s) responsible for the communication, training, and implementation of the preventive policies, procedures, or strategies to prevent the recurrence of the findings and any other notes or comments.

2

Required Non-Compliance Actions: Submit Refund

- Refund of Disallowed Costs
- Due to TEA 30 calendar days
- Refund Options
 - Wire Transfer – Contact Cal Lopez
 - Checks should include:
 - NOGA or Project ID
 - Grant Name
 - Refund Code 7 Other: Grant or Project Name Non-Compliance
 - Include NCR Letter

Submitting a Refund

If your organization has identified the disallowed costs and chooses not to appeal the decision, proceed with submitting the amount of the total disallowed costs to TEA within 30 calendar days of the date of the letter. You can submit your refund by wire transfer or mailing in a check.

Refund Wire Option: Contact Cal Lopez, the TEA Federal Compliance Officer, at noncompresolution@tea.texas.gov or (512) 463-9017.

Refund Check Option: Submit your check made payable to Texas Education Agency for the total refund amount due. Include the following information on your check:

- NOGA or Project ID
- Grant Name
- Refund Code 7 Other: (Insert Grant or Project Name) Non-Compliance

Include your noncompliance resolution letter with your refund check to ensure your payment is posted to the appropriate grant or program.

Mail your refund check and copy of your noncompliance letter to the address below:

Texas Education Agency-MSC
P.O. Box 13717
Austin, Texas 78711-3717

In accordance with 2 CFR §200.399(a) and (e), TEA may withhold all further cash payments to your organization related to the grant awards listed above and withhold further awards for those programs if the full amount of the refund is not submitted to TEA within 30 calendar days of the date of this letter. This refund must be made using state and/or local funds; federal funds cannot be used.

3

Required Non-Compliance Actions Submit NCR Documentation



LEAs must submit documentation of the **preventive policies, procedures, or strategies to prevent the reoccurrence of NCR Findings.**



Responses should include the type of communication or training provided too the appropriate staff members that addressed the NCR findings.

3

Required Non-Compliance Actions Submit NCR Documentation Cont.



Responses should include which staff member(s) received these communications and trainings



Responses should include which staff member(s) are responsible for providing staff communications, training, and implementation of the preventive policies, procedures, or strategies to prevent the reoccurrence of the non-compliance findings

Examples of NCR Documentation



**Meeting Agendas
and Notes**



**New or Revised
Policies and
Procedures**



**New or Revised
Internal Controls**



**Staff Training and
Attendance Report**



Overdue Non-Compliance Resolution Actions



LEAs who do not submit the required NCR action items within the **30-day** NCR submission deadline will be contacted by phone and email regarding the potential consequences of non-compliance. LEAs will have five days to submit all required NCR action items to TEA.



TEA is authorized by **2 CFR §200.339** to take one or more of the following six non-compliance resolution actions related to federal grants as appropriate:

Overdue Non-Compliance Resolution Actions



Temporarily withhold cash payments pending correction of the deficiency or more severe enforcement action.



Disallow all or part of the cost of an activity or action not in compliance.



Wholly or partly suspend or terminate the Federal award.



Initiate suspension or debarment proceedings.



Withhold further Federal awards for the project or program.



Take other remedies that may be legally available.

Non-Compliance Resolution Closure Process

Once TEA has received and reviewed all NCR required actions items, LEAs will receive a closure letter indicating that their Non-Compliance Referral is resolved and closed with no further action.



July 17, 2023

Superintendent Name
Superintendent
LEA ISD
Address
City, Texas Zip Code

Transmitted by Electronic Mail

Subject: Non-Compliance Resolution Closure Letter
Texas Hurricane Emergency Impact Aid for Displace Students (NCR-EIA-FY23-00)

Dear (Insert Superintendent Name):

This letter serves as official notice that the Texas Education Agency (TEA) Department of Grants Compliance and Administration (GCA) has completed its non-compliance resolution review of the finding identified in the TEA Final Report - Review of the Financial Management System Controls and Compliance with Requirements for Texas Hurricane Emergency Impact Aid for Displaced Students on January 20, 2022. These findings are related to a fiscal compliance review conducted by TEA's Special Monitoring Division (SMD) in response to findings identified by the U.S. Department of Education and Office of the Inspector General's report Texas Education Agency's Administration of the Temporary Emergency Impact Aid for Displaced Students Program (ED-OIG/A06T0001).

The Department of Grants Compliance and Administration has received and reviewed all the required non-compliance resolution action items to address the specific findings outlined in your previously received TEA Final Report of Findings and Observations for ABC Independent School District.

ABC Independent School District's findings related to the Texas Hurricane Emergency Impact Aid for Displaced Students Grant are resolved and closed, with no further action needed.

Findings	Received Non-Compliance Resolution Action Items
<p><u>Finding 1:</u> The total number of displaced student counts reported on a quarterly basis in the EIA grant application did not match with the supporting data provided by ISD.</p> <p><u>Finding 2:</u> The total number of displaced student counts reported included students who were not eligible to be reported under the categories based on the review of student records provided by ISD.</p> <p>Include the above findings as indicated in the LEA Final Reports.</p>	<ol style="list-style-type: none">1) Refund for disallowed costs for \$XXX,XXX.2) Documentation of the preventative policies, procedures, or strategies to prevent the recurrence of Findings 1 and 2.



Internal Controls



2 CFR§ 200.303 Internal Controls

- **2CFR§ 200.303(a)** Non-Federal entities must establish and maintain effective internal control over the Federal award that provides reasonable assurance that non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations and the terms and conditions of the federal award. Evaluate and monitor their own compliance with grant requirements.
- **2CFR§ 200.303(c)** Evaluate and monitor the non-Federal entity's compliance with statutes, regulations and the terms and conditions of Federal awards.
- **2CFR§ 200.303(d)** Take prompt actions when instances of non-compliance are identified including non-compliance identified in audit findings.

Internal Control Systems

Internal Controls are the systems used to manage risk and decrease the occurrence of fraud.

Internal control systems are derived from polices and procedures that:

- ✓ Ensure assets are properly used
- ✓ Ensure assets are kept secure
- ✓ Ensure that accounting system are functional
- ✓ Monitor operations and processes
- ✓ Identify and monitor potential risk
- ✓ Provide communication and training that provide risk assessment and mitigation strategies
- ✓ Support implementation and compliance of local policies and procedures

Strong Internal Controls Require a Team Effort

A system of internal controls requires the participation of all LEA staff. Your daily financial processes and LEAs structure should reflect the internal control system you have in place for your grant funds.

An effective system of internal controls allows you to ascertain that your records are accurate, your operations are efficient, and your policies and procedures are followed by all staff.

LEAs should develop and maintain documentation of their internal control strategies and systems that clearly articulate staff roles and responsibilities.



Internal Controls Systems



Establishing effective systems of internal controls should go beyond checklists for carrying out standard policies and procedures



Your systems should include process for ongoing evaluation and monitoring of LEA compliance with grant requirements



Ongoing systems of risk mitigation to ensure your LEA meets the intended purpose, scope, and outcomes of their federal grants and programs



Systems to identify and address non-compliance

Assess Internal Controls Annually

Weak Internal Controls May Lead To



Mismanagement of funds

Single-audit findings

Grants not implemented in accordance with federal statute

Non-compliance action and refund

Risk Mitigation

Strategies to lessen the negative impact or long-term effects of an unavoidable situation. What strategies are in place for risk mitigation of:

- Changes in laws or regulations (EDGAR or UGG)
- Organizational Changes
- Staff turnover
- Budget cuts
- Natural disaster
- Decrease in student enrollment

Risk Mitigation Considerations



How does your LEA self-monitor federal programs and grants to ensure compliance with federal regulations and statutes?



How does your LEA document and monitor federal programs and grant activities, data, and budget expenditures?



What financial and programmatic checks and balances are in place?



How are risk mitigation strategies provided to LEA staff?

Policy vs Procedures

Policies provides an overarching framework that provides guidance, direction, or strategies that addresses specific actions, tasks, or situations.

- Change infrequently
- Are broad and general
- State the who, what, when, and/or why

Policy vs Procedures Cont.

Procedures have a narrower focus and describe a step-by-step process or actions that should be done for a specific task or situation. Procedures should be done consistently on a cyclical and uniform basis to ensure compliance.

- Continuously change and improve
- Processes that provide a detailed step-by-step description of activities
- State the what, when, how and/or who

**Be Proactive
Not Reactive**



Activity - Local Internal Controls

Internal controls are the policies and procedures implemented to ensure the integrity and fidelity of financial reporting and regulatory compliance.



What processes does your LEA have in place to verify the accuracy of your local financial records?



How are LEA assets safeguarded to prevent fraud, waste, and abuse?

Activity - Local Internal Controls

Internal controls are the policies and procedures implemented to ensure the integrity and fidelity of financial reporting and regulatory compliance.



What mechanisms and procedures are implemented to support financial accountability?



How do your internal controls address assessing, mitigating, and monitoring LEA financial risk?

Activity - Local Internal Controls

Internal controls are the policies and procedures implemented to ensure the integrity and fidelity of financial reporting and regulatory compliance.



How and who manages the receipt and distribution of items purchase with federal program and grant funds?



What mechanism are in place to ensure these items are distributed to the intended recipients?

Do Your Policies and Procedure Include Three Types of Internal Controls?




Types of Internal Controls

Types of Controls	What it Does	Examples
Preventive	Prevents mismanagement or irregularities from occurring	<ul style="list-style-type: none">▪ Segregation of staff duties▪ Approval, authorization, and verification process▪ Securing assets▪ Cyclical review of inventory and records▪ Record Retention
Detective	Identifies any mismanagement or irregularities	<ul style="list-style-type: none">▪ Ongoing monitoring of program and grant budget and activities▪ Audits▪ Conducting physical inventory of assets▪ Review and reconciliation of data to detect or investigate any irregularities
Corrective	Provides risk response strategies	<ul style="list-style-type: none">▪ Monitoring and course correction of programs and grant activities and budget expenditures to identify non-compliance or weakness in local internal controls▪ Using an automated system that can detect and reject non-compliant or unallowable expenditures or processes


Example of Financial Preventive Controls

Separation of Duties

Maintaining auditable documentation of policies and procedures for approval of purchases, inventory, and securing equipment and other assets purchased with federal grant funds



Authorization of invoices, verification of expenses, limiting physical access to equipment, inventory, cash, and other assets are examples of preventative internal controls.

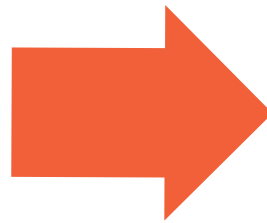


No single individual should be able to authorize, record, and be in the custody of a financial transaction and the resulting asset.

Example of a Detective Control Single-Audit

Federal Requirement

As required in Title 2 of the Code of Federal Regulations (CFR), [\(CFR\), 2 CFR §200.501\(b\)](#), a non-Federal entity that expends **\$750,000** or more in federal grant funds during their fiscal year must have a single-audit conducted in accordance with [2 CFR §200.514](#).



State Requirement

As required by [Texas Education Code \(TEC\) §44.008](#), LEAs, which include school districts and open-enrollment charter schools and education services (ESCs) must have their annual financial and compliance reports (AFRs) audited by an independent auditor. The AFR includes the federal single-audit information required.

Example of a Detective Control Single-Audit

- In Texas, there is both a Federal and State single-audit requirement.
- LEAs that expend more than \$750,000.00 are required to annually conduct and submit a single-audit to:
 - Federal Clearing House
 - TEA Annual Financial and Compliance Report
- A single-audit evaluates LEAs internal controls and accounting processes, to ensure compliance with state and federal laws and regulations.
- A single-audit reviews the financial integrity of your LEAs accounting practices and financial records.

Examples of Detective and Preventive Controls Financial and Programmatic Procedures



Cyclical review, reconciliation, verification, and correction of:



PEIMS data entry and submission



Inventory and distribution of items purchased with grant funds



Financial expenditures and records

Example of Corrective Controls

Financial and Programmatic Administrative Procedures



Ongoing monitoring of grant and program activities



Quarterly or mid-year course correction to meet grant and program activities and budget goals



Monthly or quarterly PEIMS data validation and corrections



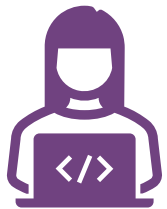
Monthly or quarterly grant budget meetings

Communication Process

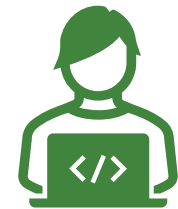
For local controls to be successful, they must be communicated effectively to all staff.



What communication systems and strategies can staff, and leadership teams utilize to share information about potential risks or concerns?



What risk mitigation communication strategies should be utilized to maintain compliance?



Does your LEA have an established Information-Sharing Systems to communicate potential risks and internal control weaknesses?

Communication Strategies and Systems

Clear communication strategies and systems support staff with understanding and implementing program and grant objectives, activities, and budgets.



Effective communications strategies and systems will help to strengthen local internal controls and assist with:

Risk Mitigation

Compliance with Federal Requirements

Prevention of Fraud, Waste, and Abuse

Internal Control Next Steps – Review and Revise

Local risk mitigation strategies.

Preventive, detective, and corrective internal controls.

Strategies to identify and remedy any deficiencies in your internal controls.

Internal Control Next Steps – Review and Revise



Local financial and programmatic policies and procedures.

Program and grant monitoring policies and procedures.

Local communication and professional development plans.



Questions, Wonderings, or Comments

Non-Compliance Resources

Non-Compliance Resolution Process Webpage

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Non-Compliance Resolution Process

TEA Texas Education Agency | GCA Grant Compliance and Administration

The Non-Compliance Resolution Process is housed in the Department of Grant Compliance and Administration (GCA) to ensure collaboration, alignment, transparency, and consistent implementation from divisional referral through closure. Each agency division follows its internal division policies and procedures for the identification of grantees that will be referred to the Federal Compliance Officer. The Federal Compliance Officer maintains a centralized tracking system of all GCA and agency divisional referral through closure.

Non-Compliance resolution actions can be imposed by the Department of Grant Compliance and Administration when local educational agencies (LEAs), which include both school districts and open-enrollment charter schools, education service centers (ESCs), and non-profits fail to comply with the terms and conditions of federal grant programs. The purpose of the non-compliance resolution required actions is to ensure that LEAs, ESCs, and non-profits correct the identified non-compliant activities to become compliant with all federal statutes and requirements.

Once the Federal Compliance Officer receives the non-compliance referral, a non-compliance letter and report will be sent to the superintendent and other LEA contacts as appropriate. The Federal Compliance Officer will contact the superintendent as determined on a case-by-case basis. The Federal Compliance Officer is the designated point of contact throughout the non-compliance process to ensure prompt completion and closure of non-compliance referrals. Once the Department of Grants Compliance and Administration has received and reviewed all the required non-compliance resolution action items, a closure letter will be provided indicating that all non-compliance actions are resolved and closed, with no further action needed.

Related Content

Monitoring of Single-Audit Findings

Contact Information

Department of Grant Compliance and Administration
Cal Lopez
Federal Compliance Officer
Phone: (512) 463-9017
Email: noncompresolution@tea.texas.gov

f t v i



Non-Compliance Resolution Referrals and Actions

Non-Compliance Referrals

Non-Compliance referrals can be submitted for LEAs, ESCs, and non-profits by any division across the agency at any time of the year for:

- Audit findings
- Program compliance
- Fiscal compliance
- Charter school closures
- School district closure or consolidation
- Federal high-risk designation
- Potential misuse of federal funds
- Another reason preapproved by the Associate Commissioner of the Department of Grant Compliance and Administration

Completion of Non-Compliance Resolution Required Actions

LEAs, ESCs, and non-profits will receive a Non-Compliance Resolution email, letter, report, and superintendent call as appropriate that will provide the required Non-Compliance actions that must be completed in 30 calendar days. Examples of required Non-Compliance Resolution actions may include:

1. Submitting a refund for the identified disallowed cost to TEA.
2. Submitting documentation of Non-Compliance Resolution Actions to TEA.
3. Submitting documentation that would demonstrate program or fiscal compliance.

Notice of refund and submission of required Non-Compliance Resolution documentation must be submitted to Cal Lopez, the TEA Federal Compliance Officer, at noncompresolution@tea.texas.gov or 512-463-9017.



Non-Compliance Refund and Appeal Process

Submitting a Refund

If your organization has identified the disallowed costs and chooses not to appeal the decision, proceed with submitting the amount of the total disallowed costs to TEA within 30 calendar days of the date of the letter. You can submit your refund by wire transfer or mailing in a check.

Refund Wire Option: Contact Cal Lopez, the TEA Federal Compliance Officer, at noncompresolution@tea.texas.gov or (512) 463-9017.

Refund Check Option: Submit your check made payable to Texas Education Agency for the total refund amount due. Include the following information on your check:

- NOGA or Project ID
- Grant Name
- Refund Code 7 Other: (Insert Grant or Project Name) Non-Compliance

Include your noncompliance resolution letter with your refund check to ensure your payment is posted to the appropriate grant or program.

Mail your refund check and copy of your noncompliance letter to the address below:

Texas Education Agency-MS
P.O. Box 13717
Austin, Texas 78711-3717

In accordance with [2 CFR §200.399\(a\) and \(e\)](#), TEA may withhold all further cash payments to your organization related to the grant awards listed above and withhold further awards for those programs if the full amount of the refund is not submitted to TEA within 30 calendar days of the date of this letter. This refund must be made using state and/or local funds; federal funds cannot be used.

Deadline for Appeal

Please be advised that your organization may request a hearing concerning this non-compliance resolution action under the provisions in the Texas Administrative Code (TAC), [19 TAC §157.1083](#). The hearing must be requested within 30 calendar days of the date of this letter and must be requested in accordance with the procedures specified in [19 TAC §157.1083](#). If you must request a hearing, your request must specify:

1. The action or proposed action that is the subject of the requested hearing.
2. The statutory or regulatory identifying and supporting a finding that a violation occurred by TEA in enforcing this decision, and
3. Specific facts supporting a finding that the action taken by TEA is in error.

Hearing Request by E-filing System: The division of hearings and appeals does accept electronic filing through the [TEA Hearings and Appeals Electronic Filing Portal](#) on our TEA website.

Hearing Request by Mail: The request for hearing must be mailed by certified mail, return receipt requested; transmitted by facsimile to (512) 475-3662, or hand delivered to:

Director of Hearings
Texas Education Agency
1701 N. Congress Ave., Ste 2-150
Austin, TX 78701-1494

The request for a hearing shall be deemed filed at the time it is received by the director of hearings or the designated docket clerk in the TEA Division of Hearings. The opportunity to request a hearing will be void 31 calendar days after the date of this letter.



Non-Compliance Potential Consequences

Potential Consequences of Failing to Comply

Failure to complete the Non-Compliance Resolution action within **30 calendar days** from the date of this letter may result in TEA taking further non-compliance actions against your organization. TEA is authorized by [2 CFR §200.339](#) to take one or more of the following non-compliance resolution actions related to federal grants as appropriate.

- Temporarily withhold cash payments pending correction of the deficiency or more severe enforcement action.
- Refund all or part of the cost of the activity or action not in compliance.
- Wholly or partly suspend or terminate the federal award.
- Initiate suspension or debarment proceedings.
- Withhold further federal awards for the grant.
- Take other remedies that may be legally available.

Monitoring of Single-Audit Findings

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Non-Compliance Resolution Process

Related Content

- Monitoring of Single-Audit Findings

Contact Information

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TEA Texas Education Agency | **GCA** Grant Compliance and Administration

The Non-Compliance Resolution Process is housed in the Department of Grant Compliance and Administration (GCA) to ensure collaboration, alignment, transparency, and consistent implementation from divisional referral through closure. Each agency division follows its internal division policies and procedures for the identification of grantees that will be referred to the Federal Compliance Officer. The Federal Compliance Officer maintains a centralized tracking system of all GCA and agency divisional referral through closure.

Non-Compliance resolution actions can be imposed by the Department of Grant Compliance and Administration when local educational agencies (LEAs), which include both school districts and open-enrollment charter schools, education service centers (ESCs), and non-profits fail to comply with the terms and conditions of federal grant programs. The purpose of the non-compliance resolution required actions is to ensure that LEAs, ESCs, and non-profits correct the identified non-compliant activities to become compliant with all federal statutes and requirements.

Once the Federal Compliance Officer receives the non-compliance referral, a non-compliance letter and report will be sent to the superintendent and other LEA contacts as appropriate. The Federal Compliance Officer will contact the superintendent as determined on a case-by-case basis. The Federal Compliance Officer is the designated point of contact throughout the non-compliance process to ensure prompt completion and closure of non-compliance referrals. Once the Department of Grants Compliance and Administration has received and reviewed all the required non-compliance resolution action items, a closure letter will be provided indicating that all non-compliance actions are resolved and closed, with no further action needed.

Monitoring of Single-Audit Findings Webpage

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Monitoring of Single-Audit Findings

As required in Title 2 of the Code of Federal Regulations (CFR), 2 CFR §200.501(b), a non-Federal entity that expends **\$750,000** or more in federal grant funds during their fiscal year must have a single-audit conducted in accordance with 2 CFR §200.514.

The Texas Education Agency (TEA), as a pass-through entity, monitors and reviews the single-audit reports of federal grant recipients. The Federal Grant Compliance Officer in the Department of Grant Compliance and Administration (GCA) reviews sub-recipient single-audit reports to ensure that federal grants are in compliance with the authorized purposes, federal statutes, and regulations. The Associate Commissioner of Grant Compliance and Administration and the Federal Compliance Officer review all applicable auditor Federal findings to sustain or not sustain the auditor findings and determine the issuance of Management Decision letters pursuant to 2 CFR §200.521 and 2 CFR §200.332(d).

Federal Submission of Single-Audit Reports

The U.S. Department of Education has recently moved the Federal Audit Clearing House (FAC) from the U.S. Census Bureau to the General Services Administration (GSA). LEA sub-recipients, which include school districts and open-enrollment charter schools, must submit their single-audit report to the new [Federal Audit Clearinghouse](#) beginning on October 1st. You can explore and become familiar with updated key information regarding this FAC transition at [fac.gov/welcome](#).

Federal Fiscal Monitoring

- Annual Federal Fiscal Risk Assessment
- Corrective Actions Related to Federal Grants
- Information for Organizations Selected for a Review
- Monitoring of Single-Audit Findings**
- Statutory Authority for Monitoring

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Monitoring of Single-Audit Findings Webpage

Department of Grant Compliance and Administration Review of Single-Audit Findings

The Associate Commissioner of Grant Compliance and Administration and the Federal Compliance Officer will sustain a finding unless they determine that:

1. The independent auditor misinterpreted the federal statute.
2. There is new guidance that would mitigate the auditor's findings.

Once a determination has been made for the sustention of the auditor's findings, the Federal Compliance Officer will issue a Management Decision to the superintendent and other contacts as appropriate, which will give the reasons for this determination by TEA. The management decision will include any required Non-Compliance Resolution actions to address the sustaining findings.

If TEA determines it does not sustain the auditor's findings, the sub-receipt will receive a letter from the Federal Compliance Officer communicating this determination.

Submission of an Annual Financial and Compliance Report (AFR)

As required by Texas Education Code (TEC) §44.008, LEAs, which include school districts and open-enrollment charter schools and education services (ESCs) must have their annual financial and compliance reports (AFRs) audited by an independent auditor. The AFR includes the federal single-audit information required.

For more information about TEA Financial Compliance requirements and submission process of AFRs, go to the [Annual Financial and Compliance Report webpage](#).

Monitoring of Single-Audit Findings Webpage

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AskTED Updates



AskTED

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Welcome to AskTED

Use the drop-down menus above in order to access the Texas Education Directory Customized Reports and Data Files. Under the Search by menu, you will find searches for School, District, County, Region, and Texas.

AskTED is updated daily. Information downloads should be made as close as possible to the time the information will be used, particularly when downloading email addresses.

For further assistance, click this [first time user](#) link, (requires the free [Adobe Acrobat Reader](#)) or the Help link in the menu bar.

Questions about the **Texas Education Directory** or the **AskTED website?** - Contact [AskTED](#).
Questions or comments about other matters related to **public education in Texas?** - Please go to <http://www.tea.texas.gov/contacttea.aspx>.

Explanatory Materials

- [AskTED Quick Reference](#)
- [Understanding Organization ID Numbers in AskTED](#)
- [Understanding the Three ESC Regions in AskTED](#)

State-Wide School and District Downloads

- [Download School and District File](#)
- [Download School and District File with Site Address](#)
- [Download Archived School and District Data Files](#)

TED Administrator Resources

- [Apply for Administrator Login](#)



Keep LEA contacts up to date! This is our source for NCR communications



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Cal Lopez

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Department of Grant Compliance and Administration

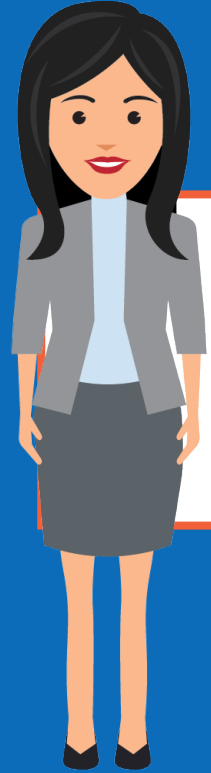
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Presentation Feedback – How Did We Do?





Thank you!