

**FSM**

**Special Education Monitoring Findings Summary and Status Update**

**STATE:** Kosrae

**Monitoring Visit Date: January 15-19, 2018**

**Special Education Program  
Continuous Improvement Monitoring System (CIMS)**

**Summary of  
Findings of Non-Compliance  
And Recommended Corrective Actions**

**STATE:** Kosrae

**Monitoring Visit Date: January 15-19, 2018**

**DETERMINATION LEVEL:** Needs Assistance as of October, 2017

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**Special Education Monitoring Findings Summary and Status Update**

<b>STATE: Kosrae</b>		<b>Monitoring Visit Date: January 15-19, 2018</b>	
<b>Special Education Monitoring - Finding of Non-Compliance and Recommended Corrective Actions</b>			
<b>Area</b>	<b>Finding</b>	<b>Recommended Corrective Actions</b>	<b>Status</b>
<p><b>K18.01-Fiscal Management: Unallowable Costs</b></p> <p>CFR 200.421(e)(3)</p> <p><i>(e) Unallowable advertising and public relations costs include the following: (3) Costs of promotional items and memorabilia, including models, gifts, and souvenirs;</i></p>	<p><b>January 19, 2018-</b> The monitoring team reviewed 2 of the Kosrae Special Education Program contracts, both of which were for the Kosrae Disability Day held on November 2016 (an annual event). Kosrae SpEd do have the line item in their 2017 Contractual budget and followed the bidding process. Documentations collected and reviewed verified that the procurement process was followed and all documents were available for review. However, one of the contracts was an open purchase order (Purchase Order No.L91602) in the amount of \$4,000 where different services and items from different vendors were charged against for the purpose of the 2016 Disability Day. Request payments charged to this PO were allowable except for Invoice #37422 in the amount of \$399.59. These items were distributed during the event of the Disability Day as prizes to the general audience. Because the items purchased were distributed as gifts and prizes for the event’s activities, the amount of \$399.59 is an unallowable cost. IDEA funds are not allowed to be used for purchases of gifts and prizes for program advertisement or for public relations purposes.</p>	<p><b>January 19, 2018-</b> Within 90 days, Kosrae Special Education Program needs to provide NDOE assurance or documents that the State Department of Education will be charged the full amount of \$399.59 and that the Special Education program will not expect reimbursement of the said amount. If Kosrae SpEd can’t resolve this with KDOE, this amount will be withheld at NDOE in the next advice allotment. Furthermore, should this be repeated in the future, NDOE will require recovery of funds from sources other than the Kosrae IDEA sub grant.</p>	<p><b>January 19, 2018-</b> Newly Identified Finding of Noncompliance</p>

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