



NORTH CAROLINA DEPARTMENT OF PUBLIC INSTRUCTION

Catherine Truitt, *Superintendent of Public Instruction*

www.dpi.nc.gov

February 5, 2024

Jessica Jones, Fiscal Agent – 21st CCLC SMG
Children's Village Academy
701 N Adkin Street
Kinston, NC 28501

Dear Ms. Jones,

The North Carolina Department of Public Instruction (NCDPI) initiated a Fiscal Desk Review (FDR) of Children's Village Academy's 21st CCLC Summer Mini Grant program (54A, SMG) the week of September 18th, 2023. Formal requests for additional documentation were made on October 16, 2023, November 14, 2023, and December 1, 2023, with additional requests for supporting narratives and justifications later made via email. This correspondence acknowledges the timely receipt of your responses and after carefully reviewing for federal fiscal compliance, we have summarized our final findings below. In addition, an updated fiscal monitoring report, which further documents the results of the review and findings, is attached.

FINDINGS & REQUIRED ACTIONS:

- **Finding:** 21st CCLC Summer Mini Grant funds were used for unallowable costs of \$162,597.91.
Required Action: CVA must repay \$162,597.91 to the U.S. Department of Education through NC DPI out of local funds.
- **Finding:** CVA did not obtain prior budget approval for furniture, equipment, and computing devices nor update their inventory listing for these items as required for the 21st CCLC program.
Required Action: CVA must upload an updated inventory listing in CCIP (FY24) that encompasses all furniture, equipment, and computing devices purchased with 21st CCLC funds, including items purchased in Cohort 13, 2021 SMG, Cohort 15, and 2023 SMG.
- **Finding:** Failure to establish and maintain effective internal control over the Federal award that provides reasonable assurance that CVA is managing the 21st CCLC grant funds in compliance with Federal statutes, regulations, and the terms and conditions of the award.
Required Action: Going forward, subgrantee must submit supporting documentation to support all PRC 110 expenditures drawn down in BAAS. Supporting documentation is due the same day as the realignment in BAAS and can be submitted via email to both Melba.Strickland@dpi.nc.gov and Monica.Pask@dpi.nc.gov.

In addition, NCDPI makes the following recommendations which will contribute to the success and impact of CVA's 21st CCLC program:

- **Recommendation:** The unique nature of the 21st CCLC program demands a more hands-on approach to ensure its optimal implementation and effectiveness, therefore it is strongly recommended that the CVA Board of Directors hire a Program Director who is physically present in North Carolina to not only enhance day-to-day oversight, but also foster a stronger connection

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with the local community, stakeholders, and program participants. A local presence allows for swift identification and resolution of any challenges or concerns that may arise, ensuring the continuous smooth operation of the program. In addition, proximity fosters stronger collaboration and a more engaged and motivated staff, as they can receive timely guidance, support, and feedback directly from the Program Director.

- **Recommendation:** It is strongly encouraged that the Program Director or a designated representative regularly attend the monthly 21st CCLC statewide meetings, webinars, and/or other professional development opportunities provided by NCDPI. NCDPI webinars often include updates on policies, procedures, and any changes in the regulatory landscape. Staying informed about these developments is essential for compliance and effective program management. Webinars and training also offer a valuable opportunity for staff to gain knowledge and skills that can enhance their role within the program.

The 21st CCLC Fiscal Agent, Program Director, or designee must respond within ten (10) business days of receipt of this report regarding each item identified as a “Required Action”. For each “Required Action,” the subgrantee must provide documentation proving the status of the identified compliance concern has been corrected or provide a specific action plan for completing the required action with a detailed timeline and persons responsible. Late submission of documentation will be used to inform the subgrantee’s risk level during NCDPI’s 21st CCLC annual risk assessment for future monitoring events, and failure to close programmatic and/or fiscal findings within 30 business days may be grounds for termination of a subgrantee’s 21st CCLC grant award.

As a reminder, the LEA must not request additional funds for PRC 110 in BAAS until questioned costs are resolved by repayment.

All responses and/or repayment of questioned cost are due on or before **Friday, February 16, 2024**. Responses and documentation for the Required Action items can be sent to NCDPI via email to the 21st CCLC Fiscal Monitor, Monica Pask at Monica.Pask@dpi.nc.gov and copy Administrative Assistant Melba Strickland at Melba.Strickland@dpi.nc.gov. Repayment of the questioned cost may be sent to the address below.

NCDPI

Attn: Melba Strickland
301 N Wilmington Street, OFP
Raleigh, NC 27601

In accordance with federal rules, NCDPI provides applicants or recipients with the opportunity for a hearing to appeal NCDPI’s final action under an applicable federal program. See 34 C.F.R. § 76.401(a), 34 C.F.R. § 76.783 and 20 U.S.C. 1231b-2. Specifically, the applicant or recipient must allege that NCDPI violated State or Federal law, rules, regulations, or guidelines in:

- 1) disapproving or failing to approve its application or program in whole or part,
- 2) failing to provide funds in amounts in accord with the requirements of laws and regulations,

- 3) ordering, in accordance with a final State audit resolution determination, the repayment of misspent or misapplied Federal funds, or
- 4) terminating further assistance for an approved program.

No other grounds for appeal will be accepted or considered.

To request a hearing, the appellant must file a full and complete written appeal, including the issue(s) in dispute, the legal authority or other basis for the appeal position, and the remedy sought within 30 days of the NCDPI's action (e.g., notification of any action under 1 through 4 above). The request must have an original signature of the authorized agent who signed the application, if available. If that individual is not available, the request must have the original signature of another individual who is authorized to sign official documents.

An original and two copies of the request for a hearing must be submitted by one of the following methods:

1. Certified mailed with a return receipt required (within 30 days based on the postmark) to:
Mailing Address:

Alex Charles, Senior Director
Office of Federal Programs
North Carolina Department of Public Instruction
Mail Service Center 6307
Raleigh, NC 27699

2. Hand-delivered to:
Physical Address:

Alex Charles, Senior Director
Office of Federal Programs
North Carolina Department of Public Instruction
301 N. Wilmington Street
Raleigh, NC 27699

Within 30 days of receiving the hearing request, NCDPI will hold a hearing on the record to review its action. Pursuant to *In re Appeal of Clovis Unified School District*,¹ the applicant or recipient will receive notice of the hearing and have the opportunity to participate and be represented by counsel.
2024-2027 NCDPI Cohort 17 21st CCLC Competitive Grant Program

The hearing will be conducted by an impartial hearing officer. During the hearing, the parties will have the opportunity to present and challenge evidence in an orderly fashion before an impartial decision maker. No later than 10 days after the hearing, the hearing officer, as the impartial decision maker, will issue a written ruling to NCDPI including findings of fact and reasons for the ruling. The parties may waive these deadlines by mutual consent in writing.

The written ruling will be reviewed by the Business Operations Committee for the NC State Board of Education. This committee will make a recommendation to the full board for review and final approval.

NCDPI will rescind its action if it determines the action conflicts with Federal or State laws and regulations governing the applicable program. If after review, NCDPI does not rescind its action, the applicant or recipient may appeal to the Secretary of the U.S. Department of Education within 20 days of being notified of the result.

NCDPI will make all records pertaining to any review or appeal of the applicant or recipient available at reasonable times and places to the applicant or recipient. This includes records of other applicants

If you should have any questions, please reach out to the 21st CCLC Fiscal Monitor, Monica Pask, via email at Monica.Pask@dpi.nc.gov.

Thank you for your continued interest in serving North Carolina students in after-school programs.

Sincerely,

A handwritten signature in black ink, appearing to read "Alex Charles", with a long horizontal flourish extending to the right.

Alex Charles, Senior Director
Office of Federal Programs

AC:ms

- c: Carmelita Grady, Program Director – Children's Village Academy, 21st CCLC SMG
- Melba Lovick, Chief Finance Officer – Children's Village Academy, 21st CCLC SMG
- Susan Brigman, NCDPI, Office of Federal Programs - Section Chief ~ Specialty Programs
- Monica Pask, NCDPI, Office of Federal Programs - Fiscal Monitor
- Shirley McFadden, NCDPI, Manager - Monitoring and Compliance
- Ashley Baquero, NCDPI, Director – Office of Charter Schools
- Jenna Cook, NCDPI, Education Program Consultant II, Office of Charter Schools