

84.323

**SPECIAL EDUCATION – STATE PERSONNEL DEVELOPMENT  
GRANT**

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**State Project/Program:** NC STATE IMPROVEMENT PROJECT (NC SIP) (PRC 082)

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U. S. Department of Education

**Federal Authorization:** State Personnel Development Grant [CFDA 84.323A]

N. C. Department of Public Instruction

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**N.C. DPI Confirmation Reports:**

Confirmation of Funds Expended and/or Disbursed from the State Public School Fund and Federal Programs 2020-21 will be available at the [NC DPI School Business Division Annual Reports Application](#). The system provides an electronic view of Year-to-Date (YTD) financial reports in response to requests for confirmation from independent auditors.

The auditor should **not** consider the Supplement to be “safe harbor” for identifying audit procedures to apply in a particular engagement, but the auditor should be prepared to justify departures from the suggested procedures. The auditor **can** consider the supplement a “safe harbor” for identification of compliance requirements to be tested if the auditor performs reasonable procedures to ensure that the requirements in the Supplement are current.

The grantor agency may elect to review audit working papers to determine that audit tests are adequate.

Auditors may request documentation of monitoring visits by the State Agencies.

This compliance supplement must be used in conjunction with the OMB 2021 Compliance Supplement which will be issued in the summer. This includes “Part 3 - Compliance Requirements,” for the types that apply, “Part 6 - Internal Control,” and “Part 4 - Agency Program” requirements if the Agency issued guidance for a specific program. The OMB Compliance Supplement is Section A of the State Compliance Supplement.

**I. PROGRAM OBJECTIVES**

The NC State Improvement Project (NC SIP) provides personnel development, programming, and system implementation support services to significantly improve the performance and success of students with disabilities in local education agencies (LEA), charter schools and state-operated programs in North Carolina. Funds support the implementation of research-based practices in reading, mathematics, adolescent literacy, co-teaching, and leadership’s understanding of system implementation of research-based practices.

The goals established to accomplish the purpose of this State Personnel Development Grant are:

GOAL 1 - NC SIP staff will increase their capacity to provide leadership, professional development, coaching, and supports to participating districts, teachers, and families on leadership and effective reading, math, and content literacy instruction.

GOAL 2 - District and building administrators will have the skills to develop, implement, and evaluate district plans that support the improvement of core content instruction and achievement of students with disabilities in their districts.

GOAL 3 - Teachers and administrators will have the skills to effectively implement research-based reading, math, adolescent literacy and co-teaching instructional practices for students with disabilities in the K-12 classroom, which will lead to increased student engagement, student generalization of skills, academic achievement, and family engagement.

GOAL 4 - Pre-service teachers and in-service administrators enrolled in partnering IHEs, will have the capacity to effectively implement and support research-based reading, math, adolescent literacy, and co-teaching for students with disabilities.

**II. PROGRAM PROCEDURES**

Each LEA, charter school and state-operated program is provided an opportunity to submit an application for selection to participate in the NC State Improvement Project (NC SIP) in one of three levels of engagement: as a Best Practice, Demonstration, or Network site.

Funds are allocated annually to LEAs, charter schools and state-operated programs selected. The amount of funds allocated is based on state level assessment of local needs, and the LEA’s readiness for the level of engagement.

**III. COMPLIANCE REQUIREMENTS**

Noted below in the following matrix are the types of compliance requirements that are applicable to the federal program. These Types are determined by the federal agency, noted as “Y,” on the “Matrix of Compliance Requirements” located in Part 2 of the OMB 2021 Compliance Supplement; however, the State Agency may have added the Type and this is noted by “Y.” If the State determines that the federal requirement does not apply at the local level or if the State modifies the federal requirements, this is noted

in the supplement under the type of compliance requirement. If the federal and/or State agencies have determined that the type is not applicable, it is noted by “N.”

If the Matrix indicates “Y,” the auditor must determine if a particular type of compliance requirement has a direct and material effect on the federal program for the auditee. For each such compliance requirement subject to the audit, the auditor must use the OMB 2021 Compliance Supplement, Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and Part 4 (which includes any program-specific requirements) to perform the audit.

If there is no program listed on the “Matrix” in Part 2 or Part 4, the State has determined the Type that is applicable. If a Type is determined to be direct and material, the auditor should refer to the requirements found in Part 3 and listed in this supplement.

CC	A	B	C	E	F	G	H	I	J	L	M	N
Cross Cutting Requirements	Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment/ Real Property Management	Matching, Level of Effort, Earmarking	Period of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	Y	Y	Y	Y	N	Y	Y	N	Y	N	Y

**A. Activities Allowed or Unallowed**

**Compliance Requirement** – Funds may be used by a LEA, charter school or state-operated program only in accordance with State and Federal laws, regulations and policies, and only for those services or activities included in its application and/or 5-year strategic plans.

**Audit Objective** – To determine that expenditures are allowable and are properly recorded.

**Suggested Audit Procedures:**

- Obtain a copy of the Budget Balance Reconciliation Report (305/705) from the finance officer and compare to local accounting records for conformity.
- Obtain a copy of the NC SIP application and/or implementation plan and review expenditures to determine that expenditures are in accordance with the project application/plan.

**B. Allowable Costs/Cost Principles**

Addressed in the NC Department of Public Instruction Cross-Cutting requirements.

**C. Cash Management**

Addressed in the NC Department of Public Instruction Cross-Cutting requirements.

**E. Eligibility**

**Compliance Requirement** - Only students who, by reason of the disability, need special education and related services are eligible for participation in this project.

**Audit Objective** – To determine that NC State Improvement Project (NC SIP) funds are used only for the education of students with disabilities.

**Suggested Audit Procedures:**

- Determine whether NC SIP funds were used to pay for services to students who are ineligible to participate in the program. If NC SIP funds were used for such children, ascertain the amount of those funds so used.

**Eligibility for Subrecipients** – The Department of Public Instruction program consultant determines if the eligibility requirements are met when the project application and budget are approved.

**F. Equipment and Real Property Management**

Addressed in the NC Department of Public Instruction Cross-Cutting requirements.

**G. Matching, Level of Effort, Earmarking**

1. **Matching** - This compliance requirement does not apply at the local level. No testing is required.
2. **Level of Effort** – This compliance requirement does not apply at the local level. No testing is required.
3. **Earmarking** - This compliance requirement does not apply at the local level. No testing is required.

**H. Period of Availability of Federal Funds**

Addressed in the US Department of Education Cross-Cutting Section.

**I. Procurement and Suspension and Debarment**

Addressed in the NC Department of Public Instruction Cross-Cutting requirements.

**J. Program Income**

Program does not generate any income.

**L. Reporting**

Addressed in the US Department of Education Cross-Cutting Section, NC Department of Public Instruction Cross-Cutting Requirements and the Federal Compliance Supplement.

**M. Subrecipient Monitoring**

This compliance requirement does not apply at the local level. No testing is required.

**N. Special Tests and Provisions**

Addressed in the US Department of Education Cross-Cutting Section, in the Federal Compliance Supplement, and in the NC Department of Public Instruction Cross-Cutting Requirements.