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| Logo: The Early Childhood Technical Assistance Center (ECTA) | Logo: The Center for IDEA Early Childhood Data Systems (DaSy) | Logo: The Center for IDEA Fiscal Reporting (CIFR) |

State Part C Fiscal Indicators Checklist

For more information, visit [*https://ectacenter.org/topics/finance/partcfiscalmonitoring.asp*](https://ectacenter.org/topics/finance/partcfiscalmonitoring.asp)

The Part C Lead Agency must have mechanisms and procedures to monitor and enforce use of funds and other fiscal requirements in accordance with IDEA Part C ([20 U.S.C. §1431–1444](https://sites.ed.gov/idea/statute-chapter-33/subchapter-iii)) and Uniform Guidance ([2 CFR §200](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200)) to ensure consistent implementation. The following list includes critical elements a state should have in place to carry out these activities. The [State Part C Fiscal Indicators Checklist](https://ectacenter.org/~docs/topics/finance/state-part-c-fiscal-indicators-checklist.docx) can be used by states to evaluate their system.

Review each element, and rate it as **In Place**, **Partially In Place**, or **Not In Place.**

An additional column for **Notes** (*e.g.*, reference information, or content to be developed or modified) is provided.

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ECTA Center Project Officer: Julia Martin Eile

DaSy Center Project Officers: Meredith Miceli and Amy Bae

CIFR Project Officers: Jennifer Finch and Charles Kniseley



# State Part C Fiscal Indicators Checklist

| ID | Indicator | In Place | Partially In Place | Not In Place | Notes |
| --- | --- | --- | --- | --- | --- |
| 1. | The state has mechanisms to provide oversight of agencies, institutions, organizations, and EIS providers' use of IDEA Part C funds (e.g., audits, invoices, contracts, financial reports, fiscal monitoring reports). |  |  |  |  |
| 2. | The state has procedures that describe how the state equitably allocates IDEA Part C funds to its EIS providers (e.g., accounting for financial, geographic, and demographic differences and individualized EIS providers' needs, both historic and current). |  |  |  |  |
| 3. | The state has policies and procedures that describe IDEA fiscal requirements, including use of funds, payor of last resort, system of payments, and prohibition against supplanting. |  |  |  |  |
| 4. | The state has established internal controls to comply with federal statutes, regulations, and the terms and conditions of federal awards ([2 CFR §200.303](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/section-200.303)) including:  |  |  |  |  |
| 4A. | evaluating and monitoring its compliance with the internal control requirements for the federal IDEA Part C grant award ([2 CFR §200.303(c)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/section-200.303#p-200.303(c))); |  |  |  |  |
| 4B. | taking prompt action when instances of noncompliance are identified including when noncompliance is identified in audit findings ([2 CFR §200.303(d)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/section-200.303#p-200.303(d))); and |  |  |  |  |
| 4C. | taking reasonable measures to safeguard protected personally identifiable information (PII) ([2 CFR §200.303(e)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/section-200.303#p-200.303(e))). |  |  |  |  |
| 5. | The state must have financial management systems that include:  |  |  |  |  |
| 5A. | records documenting compliance with federal statutes, regulations, and the terms and conditions of the federal award, the preparation of required reports, and tracking funds demonstrating expenditures meet the federal statutes, regulations, and the terms and conditions of the federal award ([2 CFR §200.302(a)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/section-200.302#p-200.302(a))); |  |  |  |  |
| 5B. | the process for tracking all state expenditures of IDEA Part C funds to budgeted amounts, consistent with [2 CFR §200.302(b)(5)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/section-200.302#p-200.302(b)(5)); |  |  |  |  |
| 5C. | effective controls over and accountability for all funds, property, and assets paid for with federal funds, consistent with [2 CFR §200.302(b)(4)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/section-200.302#p-200.302(b)(4)); and |  |  |  |  |
| 5D. | written procedures for determining the allowability of costs in accordance with cost principles outlined in [2 CFR §200.400–200.476](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E) and the terms and conditions of the federal award ([2 CFR §200.302(b)(7)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/section-200.302#p-200.302(b)(7))). |  |  |  |  |
| 6. | The state has processes for monitoring compliance with the applicable fiscal management requirements and performance expectations carried out under the federal IDEA Part C award ([2 CFR §200.329(a)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR36520e4111dce32/section-200.329#p-200.329(a))). This monitoring covers each program, function, or activity. |  |  |  |  |
| 7. | The state may not charge indirect costs to the grant unless approved by the LA's cognizant federal agency or by the Secretary. If approved, the Lead Agency must charge indirect costs through either a restricted indirect cost rate that meets the requirements in [34 CFR §§76.560–76.569](https://www.ecfr.gov/current/title-34/subtitle-A/part-76/subpart-F/subject-group-ECFRbab27e541efa0ea) or a cost allocation plan that meets the non-supplanting requirements in [34 CFR §303.225(b)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-303/subpart-C/subject-group-ECFRc5cccc8d1b15b64/section-303.225#p-303.225(b)) and [34 CFR §76](https://www.ecfr.gov/current/title-34/subtitle-A/part-76). In charging indirect costs, rent, occupancy, or space maintenance costs cannot be charged directly to the Part C grant, unless those costs are specifically approved in advance by OSEP ([34 CFR §303.225(c)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-303/subpart-C/subject-group-ECFRc5cccc8d1b15b64/section-303.225#p-303.225(c))). |  |  |  |  |
| 8. | The state has contracts or other arrangements for providing EIS that include provisions that all EIS providers meet state standards, Part C, and the OMB Uniform Guidance requirements ([34 CFR §303.121](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-303/subpart-B/subject-group-ECFR8b0af1d9e085a1a/section-303.121), [34 CFR 303.118](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-303/subpart-B/subject-group-ECFR8b0af1d9e085a1a/section-303.118), and [2 CFR §§200.317–327](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR45ddd4419ad436d)) and include reference to:  |  |  |  |  |
| 8A. | requirements related to charging indirect costs ([2 CFR §200.414](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRd93f2a98b1f6455/section-200.414)); |  |  |  |  |
| 8B. | procedures that ensure EIS are provided to infants and toddlers with disabilities and their families in a timely manner under Part C, pending the resolution of any disputes among public agencies or EIS providers ([34 CFR §§303.120(d)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-303/subpart-B/subject-group-ECFR8b0af1d9e085a1a/section-303.120#p-303.120(d)) and [34 CFR 303.511](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-303/subpart-F/subject-group-ECFR62a649a68fbbf24/section-303.511)); |  |  |  |  |
| 8C. | procedures for achieving a timely resolution of intra-agency and interagency disputes about payments for a given service, or disputes about other matters related to the state's EIS provider ([34 CFR §303.511(c)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-303/subpart-F/subject-group-ECFR62a649a68fbbf24/section-303.511#p-303.511(c))); and |  |  |  |  |
| 8D. | procedures that outline the timely correction of noncompliance and recourse for those providers with long standing noncompliance, including withholding funds, termination of contract, etc. |  |  |  |  |
| 9. | Where appropriate, the state has procedures related to conducting oversight of partner agencies' use of Part C funds and implementation of other financial responsibilities as included in its Method (e.g., interagency agreements, MOUs) and a process for resolving disputes between partner agencies ([34 CFR §303.120](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-303/subpart-B/subject-group-ECFR8b0af1d9e085a1a/section-303.120) and [34 CFR §303.511](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-303/subpart-F/subject-group-ECFR62a649a68fbbf24/section-303.511)). |  |  |  |  |
| 10. | The state has procedures that describe how the state conducts fiscal monitoring of EIS providers use of Part C IDEA funds and implementation of other IDEA fiscal requirements, including [34 CFR §303.120(a)(2)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-303/subpart-B/subject-group-ECFR8b0af1d9e085a1a/section-303.120#p-303.120(a)(2)):  |  |  |  |  |
| 10A. | the process the state uses for conducting fiscal monitoring, including: * which EIS providers are being monitored (e.g., specific state agencies/partners providing EIS, local or regional EIS programs, private contracted providers);
* the responsible party performing the monitoring (e.g., Lead Agency fiscal staff, Part C monitoring coordinator, state agency monitoring teams); and
* the methods used to accomplish fiscal monitoring (e.g., desk audit, record review, onsite visits), including when and how often (e.g., annually, once every two years); and
* the data source(s) and the amount of data needed to monitor each fiscal indicator;
 |  |  |  |  |
| 10B. | the process and timeline for issuing fiscal findings and ensuring correction of noncompliance after the LA's identification consistent with [34 CFR §303.120(a)(2)(iv)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-303/subpart-B/subject-group-ECFR8b0af1d9e085a1a/section-303.120#p-303.120(a)(2)(iv)) and [34 CFR §303.700(e)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-303/subpart-H/subject-group-ECFRe32b04708514b9c/section-303.700#p-303.700(e)), as well as follow-up and enforcement actions/sanctions for any outstanding noncompliance; |  |  |  |  |
| 10C. | use of training and technical assistance to ensure adherence to state and federal fiscal regulations; and |  |  |  |  |
| 10D. | how state audit findings (e.g., from single audits, state audits, or audits by federal offices like the Office of Inspector General or U.S. Department of Education) are considered in conducting fiscal monitoring or in required corrective action plans. |  |  |  |  |
| 11. | The state has procedures to collect, track and verify data on the expenditures and budgeting of state and local public funds to determine if the state meets [Maintenance of Effort (MOE)](https://ectacenter.org/topics/finance/moe.asp) requirements annually in accordance with IDEA Part C non-supplanting requirements ([34 CFR §303.225](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-303/subpart-C/subject-group-ECFRc5cccc8d1b15b64/section-303.225)). |  |  |  |  |