

**84.287**

**TWENTY-FIRST CENTURY COMMUNITY LEARNING CENTERS**

**State Project/Program: 21ST CENTURY COMMUNITY LEARNING CENTERS (PRC 110)**

**U.S. Department of Education**

**Federal Authorization:** Title IV, Part B of the Elementary and Secondary Education Act of 1965, as amended by Every Student Succeeds Act (ESSA) P.L. 114-95. Effective 07/01/17.

**NC 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 2024-25 will be available on the NC DPI DART Reporting System. 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 2025 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 21<sup>st</sup> Century Community Learning Centers Program (21<sup>st</sup> CCLC) purpose is to provide opportunities for communities to establish or expand activities in community learning centers that:

(1) provide opportunities for academic enrichment, including providing tutorial services to help students, particularly students who attend low-performing schools, to meet the challenging State academic standards, (2) offer students a broad array of enrichment activities, services or programs, such as youth development activities, service learning, nutrition and health education, drug and violence prevention programs, counseling programs, arts, music, physical fitness and wellness programs, technology education programs, financial literacy programs, environmental literacy programs, mathematics, science, career and technical programs, internship or apprenticeship programs, and other ties to an in-demand industry sector or occupation for high school students that are designed to reinforce and complement the regular academic program of participating students, and (3) offer families of participating students opportunities for active and meaningful engagement in their children's education, including literacy and related educational services

### II. PROGRAM PROCEDURES

Section 4201(b)(3) of ESEA defines eligible entities as a local educational agency (LEA/PSU), community-based organization (CBO), faith-based (FBO) Indian tribe or tribal organization (as such terms are defined in section 4 of the Indian Self-Determination and Education Act (25 U.S.C. 450b), another public or private entity, or a consortium of two or more such agencies, organizations, or entities. Grants will be made based on a competitive process. The actual recipient to be funded will be selected based on criteria specified in the Request for Proposal (RFP) and Federal regulations. State Board of Education approval is required before allocation of funds.

### III. COMPLIANCE REQUIREMENTS

Noted below in the following matrix are the types of compliance requirements (Types) that are applicable to the federal program. These Types are either determined by the federal agency or the State Agency may have added the Type. 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 discussed in the supplement under the type of compliance requirement. If the federal and/or State agencies have determined that the type is not applicable, this is indicated by "N."

If the Type is applicable, the auditor must determine if the Type has a direct and material effect on the federal program for the auditee. The auditor must use the OMB 2025 Compliance Supplement, Part 3 and Part 4 (if an OMB supplement is issued) in addition to this State supplement to perform the audit.

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	Y	Y	Y	Y	Y	Y	Y

#### A. Activities Allowed or Unallowed

**Compliance Requirement** – Funds may be used by operating agencies only in accordance with the approved State plan and only for those services or activities included in its State Board of Education approved grant application or approved amendments that occur during out of school time hours (before school, afterschool, intersession, summer)

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

#### Suggested Audit Procedures:

- Access the DPI School Business Division Annual Reports website to obtain a copy of the Budget Balance Reconciliation Report and compare to local accounting records for appropriateness.
- Access CCIP to review the subrecipient's SBE approved grant application for details regarding the specific activities the subrecipient proposed to meet the three objectives of the 21<sup>st</sup> CCLC program.

- <https://ccip.schools.nc.gov/default.aspx?ccipSessionKey=638751730116244889>
- Reference the NCDPI 21<sup>st</sup> CCLC Grant Guidance for state specific requirements, including Section 2: Fiscal Management.
  - <https://www.dpi.nc.gov/documents/21cclc/grantees/fy25-grant-guidance-21st-cclc-2/download?attachment>
- Review expenditures to determine that expenditures are in accordance with the project plan.
- Review expenditures to verify that no more than 20% of grant funds were used for indirect services. (Applicable to initial grants and continuation grants awarded after 05/01/2025.)

#### **B. Allowable Costs/Cost Principles**

- Addressed in the NC Department of Public Instruction Cross-Cutting Requirements.
- Reference the NCDPI 21<sup>st</sup> CCLC Grant Guidance for state specific requirements, including Section 2: Fiscal Management.
  - <https://www.dpi.nc.gov/documents/21cclc/grantees/fy25-grant-guidance-21st-cclc-2/download?attachment>

#### **C. Cash Management**

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

#### **E. Eligibility**

**Eligibility for Subrecipients** – No testing is required. The Department of Public Instruction program administrator determines if the eligibility requirements are met when the project is approved.

**Eligibility for Individuals** – This compliance requirement does not apply at the local level. No testing is required.

#### **F. Equipment and Real Property Management**

- Addressed in the NC Department of Public Instruction Cross-Cutting Requirements.
- Reference the NCDPI 21<sup>st</sup> CCLC Grant Guidance for state specific requirements, including Section 2: Fiscal Management.
  - <https://www.dpi.nc.gov/documents/21cclc/grantees/fy25-grant-guidance-21st-cclc-2/download?attachment>

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

**1. Matching**

No match requirement has been imposed on subrecipients.

**2. Level of Effort**

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

**3. Earmarking**

No earmarking or set aside requirement has been imposed on subrecipients.

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

**Compliance Requirement** – Expenditures may not be incurred before the initial project is approved and the period of availability has begun. Any expenditures prior to the initial approval of the project are considered unallowable and must be refunded to the SEA.

21<sup>st</sup> CCLC grant funding is made available on a reimbursement basis; expenditures must be incurred and paid before requests for reimbursement can be made. There is no liquidation period. All unspent funds remaining at the end of Year 3 will revert to the state.

For each 21st CCLC cohort, grants will be awarded for three (3) years. Funding for each of the three (3) years will be subject to the availability of funds and will be based on evidence of compliance with state and federal laws, progress towards fully implementing the approved program, and progress towards local program goals, including enrollment and attendance goals.

For each cohort of approved subgrantees, funding allotted in the first two years of the grant will be available for 27 months. Funding allotted for the final year will only be available for 15 months. Funding will be subject to reversion on the following basis:

- Any unobligated Year 1 funds as of September 30th following completion of the second year of the grant.
- Any unobligated Year 2 or Year 3 funds as of September 30th following completion of the third year of the grant.

**Audit Objective** – To determine that no expenditures were incurred prior to the date the project was approved, that grant funds were requested on a reimbursement basis and ensure any unobligated Year 1 or Year 2 funds after the 27-month period of availability have been reverted to the state.

**Suggested Audit Procedure:**

- Review transactions to verify that no expenditures were incurred prior to the effective date of the project application beginning date.

- Review transactions to verify that all expenditures were requested on a reimbursement basis.
- NCDPI Program Administrators within the Office of Federal Programs will monitor to ensure any unobligated Year 1 or Year 2 funds after the 27-month period of availability have been reverted to the state. No testing is required.

**I. Procurement and Suspension and Debarment**

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

**J. Program Income**

**Compliance Requirement:** Program fees are not allowed to be charged.

**Audit Objective** – To determine if program fees have been charged.

**Suggested Audit Procedure:**

- Review Financial Statements and Revenue Accounts to identify any fees collected related to 21<sup>st</sup> CCLC programming.
- Verify that revenue sources for the 21<sup>st</sup> CCLC program are appropriately categorized, and no fees are recorded from parents, guardians, or caregivers.

**L. Reporting**

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

**M. Subrecipient Monitoring**

**Compliance requirement:** An annual programmatic and fiscal risk assessment is conducted by the NCDPI 21<sup>st</sup> CCLC Program Administrator and NCDPI 21<sup>st</sup> CCLC Fiscal Monitor. All subrecipients receive a notification letter informing them of their risk level and the associated monitoring event based on their risk level for the current fiscal year. All subrecipients that are monitored receive a written report of the results, which will document any compliance concerns resulting in Findings and the associated Required Actions and/or Corrective Action Plan.

### Programmatic Risk Assessment

Low Risk (0-5)	Moderate Risk (6-14)	High Risk (15 or more)	New/Novice Program
Low Risk subrecipients have little to no monitoring findings or compliance issues. Data reports and documentation are submitted on time. Subrecipient meets all deadlines.	Moderate Risk subrecipients have a few monitoring and compliance findings with either acceptable management responses or quick resolution of the issue. Previous compliance monitoring showed a few items of concern, which have all been resolved. Data reports and documentation are submitted mostly on time. Subrecipient meets most, but not all deadlines.	High Risk subrecipients have numerous findings in previous audits. Previous monitoring showed program has issues of concern, that may or may not have been resolved. Data reports and documentation are submitted late. Subrecipient has met minimal deadlines.	Subrecipient has not operated a 21st CCLC Program prior to Cohort 15 or has never received a 21st CCLC grant.
Associated Monitoring Event:	Associated Monitoring Event:	Associated Monitoring Event:	Associated Monitoring Event:
None	Modified CPMR - Returning Grantees	CPMR - Returning Grantees	Technical Assistance Visits Fall/Spring

### Fiscal Risk Assessment

Low Risk (0-5)	Moderate Risk (6-14)	High Risk (15 or more)	New/Novice Program
Low Risk subrecipients have little to no monitoring findings or compliance issues. Data reports and documentation are submitted on time. Subrecipient meets all deadlines.	Moderate Risk subrecipients have a few monitoring and compliance findings with either acceptable management responses or quick resolution of the issue. Subrecipient may have had Questioned Cost of less than \$2,500. Previous compliance monitoring showed a few items of concern, which have all been resolved. Data reports and documentation are submitted mostly on time. Subrecipient meets most, but not all deadlines.	High Risk subrecipients have numerous findings in previous audits, including Questioned Cost over \$2,500. Previous monitoring showed program has issues of concern, that may or may not have been resolved. Data reports and documentation are submitted late. Subrecipient has met minimal deadlines.	Subrecipient has not operated a 21st CCLC Program prior to Cohort 15 or has never received a 21st CCLC grant.
Associated Monitoring Event:	Associated Monitoring Event:	Associated Monitoring Event:	Associated Monitoring Event:
None	FDR - Fiscal Desk Review	FMR - Fiscal Monitoring Review	Technical Assistance Visits Fall/Spring

**Audit Objective:** To determine if subrecipients are following through on all Required Actions and/or Corrective Action Plans identified during a subrecipient monitoring.

#### Suggested Audit Procedure:

- Review subrecipient's notification letter to determine if subrecipient was monitored within the past year or alternatively contact 21<sup>st</sup> CCLC Section Chief to confirm via the Programmatic and Fiscal Monitoring Calendars.
- If subrecipient was monitored, review results of written monitoring report for compliance concerns, Findings, Required Actions, and/or Corrective Action Plans.
- Ensure that subrecipients are adhering to Required Actions and/or Corrective Action Plans communicated to the subrecipient in the written monitoring report.

#### N. Special Tests and Provisions

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