Beyond Compliance: A Practical Framework for Managing Grant Risk and Strengthening Oversight.

August 20, 2026

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Today's Presenters

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Agenda

- Current grants environment and the pressures districts face
- Review of compliance requirements
- Exploring internal controls
- What counts as audit evidence and what to document
- Single audit requirements
- Implications of non-compliance
- Building the path forward: Review fundamental steps for introducing new processes

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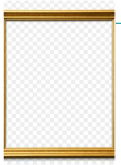
Learning Objectives

Participants will be able to:

Understand key compliance responsibilities throughout the grant lifecycle, from application through closeout.

Recognize common grant compliance missteps encountered by school districts and understand the potential consequences of noncompliance.

Identify and navigate key sources of grant requirements, including award terms and conditions, Uniform Guidance, and agency-specific guidance.



Utilize a practical, risk-based framework to identify, assess, and address grant-related risks within their district.

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Current Pressures Faced by Districts

New ERP(s)

Audit readiness

Single audit

Period of performance

Inadequate reporting metadata

New grant funding

Time & effort

Overseeing subrecipients & contracts

Reimbursement processes

Internal controls

Manual processes

Audit findings

Risk assessment

Interpreting evolving requirements

Personnel turnover

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Common compliance missteps: two review lenses

FLDOE self-certification

- Stakeholder consultation held, but not well documented
- Program services not clearly tied to the approved application
- Schoolwide, parent engagement, or needs assessment files incomplete
- Evidence not organized by monitoring indicator
- Corrective action follow-up not tracked to closure

program implementation and evidence

Common overlap

- Documentation gaps: activity happened, but evidence is thin
- Procurement files missing quotes, contract terms, or approvals
- Equipment inventory not complete, current, or traceable to funding
- Payroll allocations not supported by actual work performed
- Costs allowable in concept, but weakly aligned to grant purpose

Single audit

- SEFA, Assistance Listing, or pass-through reporting errors
- Cash management or reimbursement timing issues
- Subrecipient monitoring not risk-based or documented
- Period of performance and liquidation cutoffs missed
- Review controls not designed, performed, or evidenced

federal compliance requirements and internal controls

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The Grant Lifecycle

Navy = pre-award | Orange = post-award
The cycle never stops. At any point in time, an institution has grants sitting at every stage at once.

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Types of Federal Awards

Grants, cost reimbursement contracts, cooperative agreements under FAR, direct appropriations

Non-cash assistance such as free rent, food commodities, and donated property (including donated property surplus)

Loans and loan guarantees

Interest subsidies

Insurance

Endowments

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Non-Federal Awards

State grants

Private and foundation grants

Infrastructure

Public health and safety

Education and workforce development

Affordable housing

Community foundations

Corporate foundations

Philanthropic organizations

Specialized grants

Competitive grants

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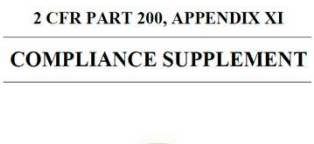
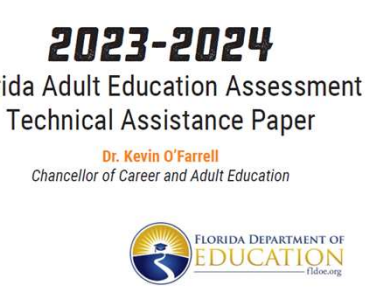
Understanding Grant Terms and Conditions

- Notice of funding opportunity (NOFO)
- Grant application
- Grant agreement/NOA
- Program guide
- Uniform Guidance



Office of Management and Budget (OMB) Guidance - 2 CFR 200



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Uniform Guidance (UG)… Applicable to Federal Awards

2 CFR 200

Office of Management and Budget (OMB) Guidance

eCFR: 2 CFR Part 200

▼ **Part 200**	Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards	200.0 – 200.521
Subpart A	Acronyms and Definitions	200.0 – 200.1
Subpart B	General Provisions	200.100 – 200.113
Subpart C	Pre-Federal Award Requirements and Contents of Federal Awards	200.200 – 200.217
Subpart D	Post Federal Award Requirements	200.300 – 200.346
Subpart E	Cost Principles	200.400 – 200.476
Subpart F	Audit Requirements	200.500 – 200.521

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OMB Compliance Supplement

WARNING: Don't forget to review the grant agreement!

- **OMB guidance for auditors to complete the single audit process**
- **Outlines the compliance requirements for federal programs**

Compliance Supplement Part 3 – Compliance Requirements	
✓ Activities Allowed or Unallowed	✓ Period of Performance
✓ Allowable Costs/Cost Principles	✓ Procurement, Suspension and Debarment Management
✓ Cash Management	✓ Program Income
✓ Eligibility	✓ Reporting
✓ Equipment and Real Property Management	✓ Subrecipient Monitoring
✓ Matching, Level of Effort, Earmarking	✓ Special Tests and Provisions

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Which Compliance Requirement Presents the Greatest Challenge for Your Team?

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Compliance Requirements… Time and Effort Reporting

Salaries and wages must be based on records that accurately reflect the work performed; these records must be:

- Supported by a system of I/C
- Incorporated into documented records
- Reasonably reflect total activity
- Integrated; federal assistance and other assistance
- Comply with entity's policies and procedures
- Support the distribution personnel salary or wages among specific activities or cost objectives

2 CFR 200 .430-431

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Compliance Requirements… Procurement, Suspension & Debarment

2 CFR 200. .317-327

- **Informal**
  - Micro-purchases
  - Simplified acquisitions
- **Formal**
  - Sealed bids
  - Proposals
- **Noncompetitive/Sole Source**
  - Restrictions apply

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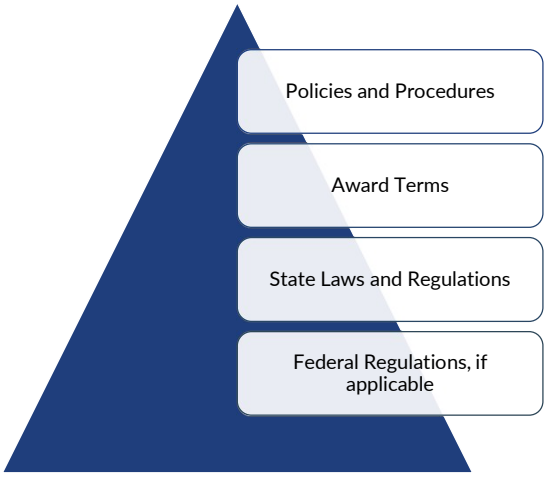
Which Requirements are You Required to Follow?



Procurement Example
Example District Purchasing Policy: $5,000 or more – Bid $1,000 - $5,000 – Formal Quote $500 - $1,000 – Informal Quote
State Law: - $31,321
OMB/Federal: Simplified Acquisition Threshold - **$350,000** with some exceptions

Suspension & Debarment

Applies to:

- Transactions with vendors that are expected to equal or exceed $25,000

- Awards to subrecipients, regardless of size

Recipients can verify another party is not suspended or debarred by:

Checking the System for Award Management (SAM) Exclusions at SAM.gov, maintained by the General Services Administration (GSA)

Collecting a written certification from the entity regarding its status

Including a clause or condition in the contract or subaward that requires the entity to certify it is not suspended or debarred

Subrecipient vs. Contractor Relationship

Subrecipient	Vendor/Contractor
Determines who is eligible to receive what federal assistance	Provides goods/services within normal business operations
Performance measured against federal program objectives	Provides similar goods/services to many different purchasers
Programmatic decision-making responsibility	Operates in competitive environment
Responsibility to adherence to federal compliance requirements	Provides goods or services that are ancillary to the operation of the federal program
Carryout of program organization	Not subject to the compliance requirements of the federal program

NOTE: The Grantor is responsible for determining the relationship

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FLDOE: Self-Certification Monitoring Protocols

THE PRINCIPLE	THE SHIFT IT REQUIRES
Certification is an assertion	A form → **A compliance assertion**
A core grants risk area	Routine paperwork → **A monitored risk**
Proof, not just performance	"We did it" → **"We can prove it"**
Operational, not just available	Written down → **Actually practiced**
Accountable budget to expenditure	Budget approved → **Every dollar traceable**
Program design tied to need	Good intent → **Measurable implementation**
An internal control opportunity	A compliance chore → **Stronger internal control**

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Importance of Internal Controls

What are the Objectives of Internal Controls?

Proper Recording of Transactions

- Reliable Financial Statements
- Accountability
- Compliance

Compliance

- Federal statues
- Laws and regulations
- T/C Grant Agreement
- Uniform Guidance

Safeguarding

- Federal funds
- Property
- Other assets

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Audience Participation

LET'S DISCUSS

What controls are present at your District?

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Internal Controls – UG

2 CFR 200.1 Definitions

Internal control for recipients and subrecipients means processes designed and implemented by recipients and subrecipients to provide reasonable assurance regarding the achievement of objectives in the following categories:

1. Effectiveness and efficiency of operations
2. Reliability of reporting for internal and external use
3. Compliance with applicable laws and regulations

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Internal Controls – UG

2 CFR 200.303 Internal Controls

The recipient and subrecipient must:

a) Establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

b) Comply with the U.S. Constitution, Federal statutes, regulations, and the terms and conditions of the Federal award.

Internal Controls – UG

2 CFR 200.303 Internal Controls

The recipient and subrecipient must:

c) Evaluate and monitor the recipient's or subrecipient's compliance with statutes, regulations, and the terms and conditions of Federal awards.

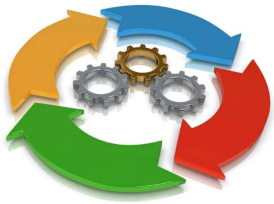
d) Take prompt action when instances of noncompliance are identified.

e) Take reasonable cybersecurity and other measures to safeguard information including protected personally identifiable information (PII) and other types of information.

Designing and Documenting Controls

- Design your controls based on RISK, your grant agreement, and compliance supplement
  - Leverage controls already in place and implement mitigating controls
  - Ensure there is evidence that the control occurred
  - You cannot add in compliance after the fact
- Collaborate to ensure personnel are aware and understand the control framework
- Periodically review the internal control system to verify if it is operating effectively

Process vs. Control



Processes can **introduce** error/noncompliance

Controls **prevent or detect** errors/noncompliance

Questions to ponder…

- Who owns the terms and conditions of each award?
- How do you know when federal funds arrive — and who tells finance?
- Who tracks grants and contracts across the District?
- How is time and effort certified — would it hold up as evidence?
- Which threshold wins when local, state, and federal rules disagree?
- How do you verify and document suspension & debarment before you contract?
- Who reviews intergovernmental revenue for federal awards?
- What grants and contracts does the District receive?

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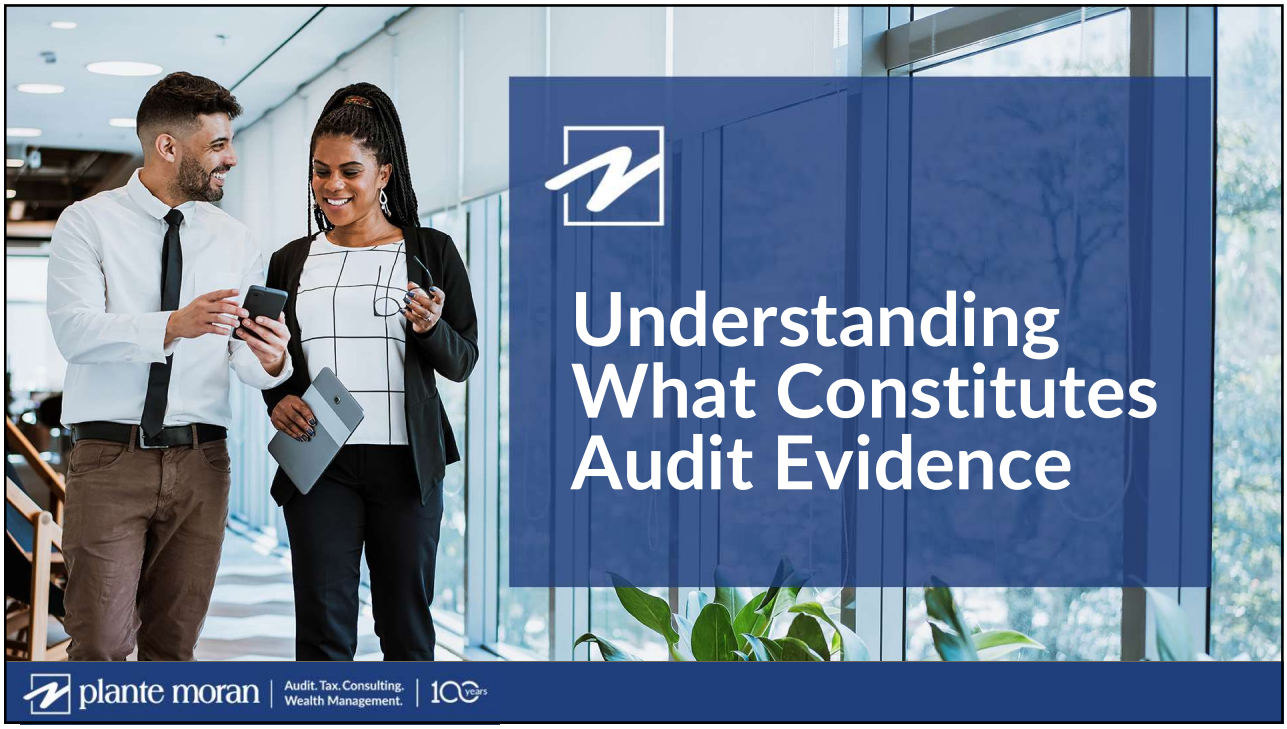

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What Constitutes Audit Evidence?

- Audit evidence is information used by the auditor to arrive at conclusions on which the audit opinion is based.
- It must be sufficient, relevant, and reliable to support or contradict management's assertions in the financial statements
- Audit Evidence is NOT:
  - Unsupported personal opinions or speculation
  - Vague, incomplete, or ambiguous information that lacks detail or precision
  - Oral assertions from management or staff without corroborating documentation

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Audit Evidence Examples

Supporting documentation must evidence that the transaction is allowable under the applicable terms, conditions, policies and procedures. Acceptable documentation for allowable transactions may include the following:

Bank Statements	General Ledger	Payroll Records	Reconciliations	Observations	Trend Analysis
Invoices	Policies	Eligibility Determination	Subrecipient Monitoring Checklists/Files	Email communication	Sign in sheets/Agendas

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What Should be Documented

- Communication with funder (emails, calls, etc.)
- Award letter, including approved budget
- Assessment of relationship – subrecipient vs. contractor
- Subrecipient agreements
- Risk assessment documentation
- Financial matters
- Progress reports
- Performance metrics and outcomes
- Evaluation and monitoring date
- Internal policies and procedures
- Staff training records
- Evidence to demonstrate compliance
- Rational for key decisions, incl. available guidance

Note: This is NOT an all-inclusive listing.

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Single Audit Requirements

- **When is a single audit required?**
- When a non-federal entity **expends** (direct or indirect awards): **$1,000,000**

States and local governments

Not-for-profit organizations

Indian tribes

Institutions of higher education (IHE)

Grants *Loans* *Contracts*

**this is not a comprehensive list*

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Consequence of Non-compliance

- Audit finding(s)
- Delays in receiving reimbursement/advance
- Additional administrative hurdles
- Disallowance of grant expenditures
- Recapture of amounts reimbursed
- Award termination
- Inability to receive future grant funding
- Suspended or debarred

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Risks, Actions, Issues, Decisions

ID	Category	Description	Impact	Reponse	Priority	Owner	Notes
1	Risk	Rapid start of the project has created gaps in project management and communications	High	Internal kickoff held 1/24. BSD SharePoint access is to be given then.	High	Steve	Many of the stakeholders feel behind and unclear. The PMO feels behind and many tasks that are typically done be
2	Risk	Aggressive implementation timeline for all phases	Medium	Will continue to monitor.	Medium		As of 2/4.
3	Issue	No collaboration center for internal project management or for project stakeholders.	High	Plante Moran offered their SharePoint site. Recommended adding Plante Moran to BSD's Teams as guests	High	Connie	Unable to effectively share resources, documentation, and notes. On 1/23, Trish took over the task of Teams access, Kim provided online documentation on how their IT team can get P-M set up. Request sent again to Connie on 1/31
4	Risk	Several of the IT team members at BSD want to implement as a "big bang"	High	Plante Moran recommended not doing this and provided concise reasons why.	Medium		
5	Issue	There are a large number of separate email threads being send on a daily basis. Often they are hard to follow or request information by "end of day" when the PS and PM teams are already out of office.	Medium	Asked to have less email threads and to give more time for requests. Recommended BSD set the P-M team up as guests on their Teams. Kim provided instructions to BSD.	Medium	Connie	Having separate threads makes the message hard to follow and give a proper response. On 1/23, Trish took over the task of Teams access, Kim provided online documentation on how their IT team can get P-M set up.
6	Issue	Many members of the BSD team are unsure of roles and responsibilities	High	Internal kickoff to be held 1/24. Provided documents outlining BSD-PS-P-M R&R	High	PMO	
7	Risk	Time zone differences in BSD vs P-M and PS teams	Low	Established in the Charter that project hours will be 8:00AM-2:00PM PST.	Low	All	Requests and communications may be missed because of varying working hours. Connie has expressed issue with this.
8	Risk	Project manager for BSD is admittedly trying to control all aspects of the project and has tried to put authority over the CMO and other areas out of scope	High	Roles and responsibilities have been shared, but Connie has made it very clear she wants to have full control.	High		
9	Issue	BSD was promised there would be a single point of contact by PowerSchool, but PS's Project Director (Jacki) says that is not the case	Medium	Requested a single contact.	Low	PowerSchool	Often the messaging varies across products and unsure if the project managers of each have been communicating on project plans
10	Assumptio	There are varying timelines and messages across the different PowerSchool products	Medium		Medium		

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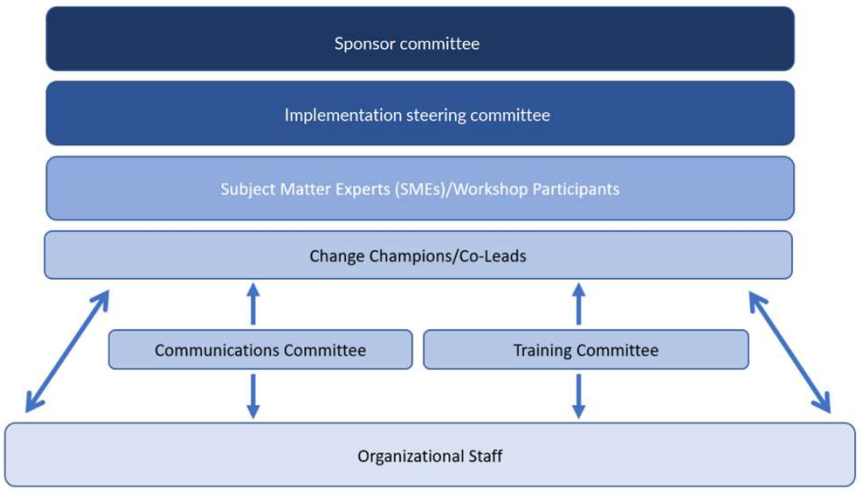
Sample governance structure



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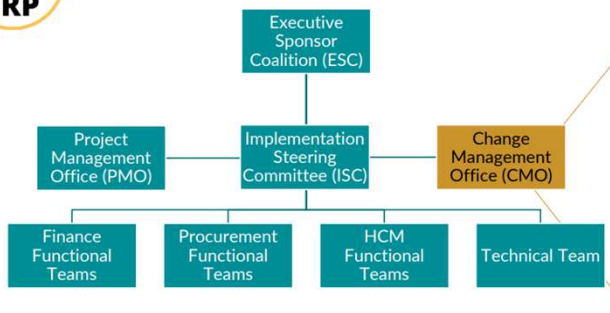
Relationship of RAID to governance



Change Management Office (CMO)

- Assesses the impact of change
- Change strategies and plans
- Execution of communications and training plans
- Manages change activities
- Voice of the stakeholders impacted by implementation
- Escalates items to ISC or ESC
- Contributes to status reports to ISC

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Communications and Audience Planning

Audience Planning

Objective: To develop effective communications to support change efforts

Steps:

1. Brainstorm and fill in the below template as a group.
2. Add to overall org Comms Plan.

Audience	Objective	Feedback Measure	Focused Key Messages		
Stakeholder demographic to reach	What do we want to create (awareness, engagement, commitment)?	How do we measure communications effectiveness?	What are we doing & why (relevance)?	What does it mean to the stakeholders from a benefits/cost perspective?	What does the stakeholder need to do differently?

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Training Planning

Department	Role	Benefits	Self Service Portal	Module 1	Module 2
Administration		☑	☑	☐	☐
Teachers		☐	☐	☐	☐
Accounting		☐	☐	☐	☐
Human Resources		☐	☐	☐	☐
		☐	☐	☐	☐
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		☐	☐	☐	☐
		☐	☐	☐	☐

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Sample Timeline

September
- Review Champion's Charter
- Identify committee members

October
- Share results of CIA
- Create Stakeholder Communication Plan
- Training Needs Assessment

November
- System demonstrations
- Launch Intranet
- Send out training save the dates

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Resources

- Grant/award agreement
- Granting agency
- OMB Compliance Supplement
- 2025 – 2026 Self-Certification Monitoring Protocols
  - https://www.fasfepa.net/uploads/1/5/3/0/153018151/fasfepa_fall_2025_monitoring_09.08.2025.pdf
- Uniform Guidance – 2 CFR 200
  - eCFR : 2 CFR Part 200 -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- Federal Audit Clearinghouse
  - The Federal Audit Clearinghouse

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- Essential steps to building a strong grant compliance framework | Our Insights | Plante Moran