

Alton School District Monitoring Report Fiscal Year 2020

11/20/2019

Commendations	0
Met Requirements	4
Recommendations	4
Action Required	0



U.S. Department of Education
Office of Rural, Insular, and Native Achievement Programs
Office of Elementary and Secondary Education
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Monitoring Process

The Office of Rural, Insular, and Native Achievement Programs (RINAP) is committed to supporting States and local educational agencies (LEAs) as they implement Federal grant programs. Part of this commitment includes a monitoring process designed to not only address the RINAP's responsibilities for fiscal and programmatic oversight, but to also identify areas in which LEAs need assistance and support to meet their goals and obligations. The monitoring process is anchored around ongoing conversations between RINAP program officers and grantees, and is conducted using both off-site (desk) monitoring, as well as on-site monitoring visits to grantees.

The goal of the monitoring process is to conduct a program-centered, performance-focused review of the Small Rural School Achievement Program (SRSA) (section 5211 *et al.* of the Elementary and Secondary Education Act of 1965, as amended by the Every Student Succeeds Act (ESEA)) through a single, streamlined process that results in improved and strengthened partnerships between the United States Department of Education (the Department) and LEAs. To accomplish this, the RINAP monitoring process is organized into specific grant performance topics, which reflect the programmatic and fiscal requirements of the SRSA program.

Monitoring Report

This monitoring report summarizes the results of the November 20, 2019 RINAP site visit and review of Alton School District (Alton). The report is based on information provided during that visit, and other relevant qualitative data. The primary goal of monitoring is to ensure that implementation of the SRSA program is consistent with the fiscal, administrative, and select program requirements contained in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance: 2 Code of Federal Regulations (CFR) Part 200), the Education Department General Administrative Requirements (EDGAR), and the ESEA.¹

¹The RINAP office has chosen to focus only on fiscal and select program requirements applicable, as well as the uniform administrative requirements and general management systems of LEAs. Because this report summarizes the results of a non-comprehensive set of ESEA compliance requirements, the issuance of this report does not preclude Department program offices, or independent auditors, from identifying areas of noncompliance that are not outlined in this report.

Section I: LEA Overview

In Section I, RINAP includes relevant LEA background information as a way of providing context for the review conversation. All data presented in Section I are reported by grantees to either the National Center for Education Statistics (NCES), Common Core of Data (CCD), or through standard oversight activities.

Section II: Performance Assessment

The information provided in Section II is intended to help an LEA quickly assess whether there are sufficient capacities, infrastructure, and resources allocated to LEA activities by area, in a manner that enables the LEA to achieve its strategic goals for the reviewed Federal program. The section provides the Department's rating of performance on grant administration of the applicable Title V, Part B program in school year 2019-2020. Each rating reflects how an LEA is addressing fiscal and program requirements in a particular area of grant administration. The Department's analysis for each area is primarily based on evidence submitted by the LEA in the form of answers to the self-assessment questions, documents submitted by the LEA prior to the monitoring, and the responses provided to questions during monitoring interviews. RINAP's rating is also informed by evidence collected through public sources and other components of the monitoring process.

Ratings are based on a four-point scale, for which "met requirements with commendation" represents high-quality implementation where the grantee is exceeding expectations; "met requirements" indicates that work is of an acceptable quality and the grantee is meeting expectations; "met requirements with recommendations" indicates there are quality implementation concerns and some improvements could be made to ensure the grantee continues to meet expectations; and "action required" indicates there are significant compliance or quality concerns that require urgent attention by the LEA and will be revisited until the LEA has remedied the issue.

Section III: Met Requirements with Commendation ●●●●

This section highlights the areas where the LEA has exceeded requirements and is commended on the grant administration and fiscal management as identified in Section II of this report (*i.e.*, those areas categorized as "met requirements with commendation"). In addition, this section provides an opportunity for the RINAP office to highlight those areas where the LEA has implemented an innovative or highly successful system or approach. In these areas, the Department is not recommending or requiring the LEA to take any further action.

Section IV: Met Requirements ●●●○

This section identifies those areas where the Department has determined that the LEA has met basic requirements of grant administration and fiscal management and is implementing those requirements in a satisfactory manner as identified in Section II of this report (*i.e.*, those areas categorized as satisfactory quality, "met requirements"). The description of satisfactory implementation by relevant area and requirement is an indication of an acceptable implementation quality level. In these areas, the Department is not recommending or requiring the LEA to take any further action.

Section V: Met Requirements with Recommendations ●●○○

This section identifies those areas where the Department has quality implementation concerns related to grant administration and fiscal management as identified in Section II of this report (*i.e.*, those areas categorized as quality concerns, “met requirements with recommendations”). In these instances, the Department is determining that the LEA is currently complying with requirements, but that improvements could be made to improve the efficiency or effectiveness of operations. Identified issues are grouped according to relevant area and requirement, with citations provided. For each issue listed, the Department will provide a recommendation for improvement, but is not requiring the LEA to take any further action.

Section VI: Action Required ●○○○

This section identifies those areas where the Department has “significant compliance and quality concerns” (corresponds to “action required” in Section II). For those issues the Department will outline the current practice, the nature of noncompliance, and the required action. Documentation of required action must be provided to the Department within thirty (30) business days of the receipt of the final Monitoring Report.

Overview



COVERED GRANT PROGRAMS²

TITLE V, PART B – SMALL, RURAL SCHOOL ACHIEVEMENT PROGRAM



STUDENT CHARACTERISTICS

Average Daily Attendance: 454



SCHOOL & LEA CHARACTERISTICS

Schools: 1
Per-Pupil Expenditures: \$11,948
FTE Teachers: 43.6



SMALL, RURAL SCHOOL ACHIEVEMENT FUNDING

Fiscal Year 2019: \$54,530³

Monitoring Information

Monitoring Date

November 20, 2019

Reviewers

Staci Cummins, Lead
Patrick Carr, Co-Lead

² Data Source: U.S. Department of Education, Common Core of Data, unless otherwise noted (see <http://eddataexpress.ed.gov/> and <http://nces.ed.gov/ccd/elsi/> for additional information).

³ Fiscal Year 2019 SRSA Award Slate

SECTION II

Grant Administration and Fiscal Management Evaluation

Assessment Criteria Key



Met requirements with commendation

High quality implementation & compliance.



Met requirements

Satisfactory implementation & compliance.



Met requirements with recommendation

Satisfactory compliance with quality concerns.



Action required

Significant compliance & quality concerns.

		Assessment
Financial Management	A	● ● ○ ○
Period of Availability	B	● ● ○ ○
Use of Funds	C	● ● ○ ○
Audit Requirements	D	● ● ● ○
Equipment and Supplies Management	E	● ● ● ○
Personnel	F	● ● ● ○
Procurement	G	● ● ○ ○
Indirect Costs	H	● ● ● ○

SECTION III

Met Requirements with Commendation

N/A

REQUIREMENT SUMMARY

N/A

SECTION IV

Met Requirements

D.

Audit Requirements



REQUIREMENT SUMMARY

An LEA that expends greater than \$750,000 in Federal funding in a given fiscal year is required to have an audit conducted in accordance with the requirements established in the Uniform Guidance. Completed audits must be submitted within the earlier of 30 calendar days after receipt of the auditors' report or nine months after the end of the audit period. An LEA must promptly follow up and take corrective action on all audit findings.

[Uniform Guidance 2 C.F.R. 200.501\(a\), 2 C.F.R. 200.512](#)



DESCRIPTION OF SATISFACTORY IMPLEMENTATION

Alton does not expend more than \$750,000 in Federal funding in a given fiscal year and as a result, is not required to have an audit in accordance with the requirements established in the Uniform Guidance. However, Alton recently went through an external audit, which resulted in recommendations for the school district. Alton has provided a report that documents these recommendations and the planned course of action to address the issues found in the audit.

E.

Equipment and Supplies Management



REQUIREMENT SUMMARY

An LEA shall use, manage and dispose of equipment and supplies purchased using Federal funds in accordance with all relevant Federal laws and procedures. LEAs shall also ensure that equipment and supplies are used only for authorized purposes of the project during the period of performance (or until no longer needed).

Uniform Guidance 2 C.F.R. 200.313-314

GAO Green Book Principle 10.03

DESCRIPTION OF SATISFACTORY IMPLEMENTATION

Alton demonstrated compliance with equipment and supplies management rules by submitting detailed equipment and supply management guidelines for the following processes: purchasing, payment, requisition/purchase orders, and property disposal. Alton described how all equipment and supplies purchased with SRSA funds, primarily books, go through a multi-step approval process and are then identified and tracked within an inventory management system in the central office. All school district property goes through a depreciation schedule and disposal procedure when applicable.

Although they have had no instances of theft in recent years, Alton described the process for any incidence involving loss, damage or theft of property purchased with Federal funds. The process is managed by the relevant department; for example, for an incident involving a laptop is managed by the technology department. Moreover, Alton has an insurance system to support damages and loss of technology that requires parents to pay a small fee each year.

F.

Personnel**REQUIREMENT SUMMARY**

An LEA shall ensure that charges to Federal awards for salaries are based on records that accurately reflect the work performed. These records must be supported by a system of internal controls which provide reasonable assurance that the charges are accurate, allowable, and properly allocated.

Uniform Guidance 2 C.F.R. 200.430

DESCRIPTION OF SATISFACTORY IMPLEMENTATION

Alton uses SRSA funds to supplement the hourly wages of Extended Learning Time (ETL) program staff. Alton documents compliance with personnel requirements with individual staff contracts and time and effort and payroll documentation. Alton described a systematic process of verifying timecards for the ETL program that requires the approval of several administrators for each pay period. Staff are responsible for reporting absences to the administration so that an administrator can cover when needed. In terms of other Federal awards, Alton's budget and personnel procedures distinguish between all grant funding in order to meet specific requirements.

Alton also pays a portion of the salary of the School Resource Officer (SRO); however, the SRO is an employee of the local police department, rather than the school district, and Alton pays the police department their portion of the salary. Alton provided example payment agreements with the local police department.

G.

Procurement**REQUIREMENT SUMMARY**

An LEA shall ensure that all relevant Federal procurement procedures are followed when procuring goods and services using Federal funds.

Uniform Guidance 2 C.F.R. 200.318, 2 C.F.R. 200.326

DESCRIPTION OF SATISFACTORY IMPLEMENTATION

Alton has demonstrated compliance with procurement requirements through school district policies and procedures. Alton demonstrated that it follows all relevant Federal procedures by providing the school district's policies for local purchasing and payment. These policies were recently updated with guidance from the New Hampshire School Board Association.

Alton indicated that every effort is made to ensure that all purchases are cost-effective by researching to find the best value prices. For example, the Superintendent directly contacts businesses to solicit estimates, as well as posting requests publicly (e.g. in the local newspaper). The Superintendent also engages with other educators and the New Hampshire state department of purchasing for suggestions and results. All purchases are done with the support and expertise of the relevant department.

H.

Indirect Costs**REQUIREMENT SUMMARY**

An LEA shall ensure that indirect costs are only charged at the correct indirect cost rate. LEAs must use a restricted indirect cost rate because of the Supplement, not Supplant provision. An indirect cost is a cost that is incurred for the benefit of the entire organization.

Uniform Guidance 2 C.F.R. 200.414

EDGAR 34 C.F.R. 75.560-564

**DESCRIPTION OF SATISFACTORY IMPLEMENTATION**

Alton does not charge indirect costs to Federal funds and therefore has no indirect cost rate agreement in place.

SECTION V

Met Requirements with Recommendation

A.

Financial Management



REQUIREMENT SUMMARY

An LEA (or its agent) must use fiscal control and fund accounting procedures that insure proper disbursement of and accounting for SRSA funds. In general, an LEA must expend and account for Federal funds in accordance with Federal laws and regulations for expending and accounting for Federal funds. In addition, LEA accounting systems must satisfy Federal requirements regarding the ability to track the use of funds and permit the disclosure of financial results. LEAs must also have written procedures for determining cost allowability and must maintain effective control over all funds.

[EDGAR 34 C.F.R. 75.702](#)

[Uniform Guidance 2 C.F.R. 200.302](#)



ISSUE

Alton described and documented clear accounting procedures that include budget development, expenditures, and regular reviews for each grant. Financial management responsibilities and access to accounting systems are divided between three members of the staff and include generating monthly—or more, as needed—reports and reviews of expenditures and revenue, which are required by the New Hampshire Department of Education. Alton provided sample reports, which are clearly labeled with accounting numbers, the award name, and balance amounts. While Alton was able to describe these procedures and provided documentation supporting their implementation, they do not have written policies or procedures that codify these financial management processes.

Alton does not have SRSA-specific financial management practices that support the procedures for obligating and drawing down funds. For example, SRSA funds from FY 2017 were unintentionally coded into FY 2018 funds. Alton documented timely and appropriate obligation of FY 2017 funds; however, these funds were coded incorrectly in the accounting system and appeared to be additional SRSA funds (added to FY 2018 funds) rather than a reimbursement of funds. The issue stemmed from a change in staffing and has since be rectified.



RECOMMENDATION

The Department recommends that Alton develop written, internal policies and procedures for financial management processes, including for obligating, drawing down, and distributing SRSA funds across fiscal years. Adding written guidelines, especially regarding SRSA-specific processes, will help ensure that future Alton officials will be aware of and adhere appropriate fiscal controls for SRSA funds.

B.

Period of Availability**REQUIREMENT SUMMARY**

An LEA may only charge a grant program for allowable costs incurred during the period of availability (July 1 – September 30 of the following year) and shall liquidate all obligations incurred under the award not later than 90 calendar days after the end date of the period of availability (December 30 of the following year).

[EDGAR 34 C.F.R. 75 C.F.R. 703, 75.707](#)

[Uniform Guidance 2 C.F.R. 200.309, 2 C.F.R. 200.343\(b\)](#)

[U.S. Code 31 U.S.C. 1552](#)

[Department of Education Guidance Late Liquidation Memoranda](#)

ISSUE

Alton documented thorough procedures for reviewing expenditures and tracking all grant balances via a monthly report. However, the Superintendent relies on periodic messages from G5 to keep track of availability deadlines, rather than procedure. Additionally, the amounts requested for draw down do not consistently align with budget reports for SRSA funds. Alton described how the Business Administrator draws down funds from G5 on an inconsistent schedule (monthly or bi-monthly basis), which accounts for discrepancies between draw down requests and budget reports.

RECOMMENDATION

The Department recommends that Alton update its policies and procedures to include language that references the G5 obligation and liquidation deadlines for SRSA grant funds, as well as establish procedures for determining and executing draw downs. Adding these SRSA-specific guidelines will help ensure that future Alton officials will be aware of and adhere to required spending timelines.

C.

Uses of Funds



REQUIREMENT SUMMARY

An LEA can only use SRSA funds for allowable costs, as defined in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements (2 C.F.R. §200), which include, among other things, the requirement that costs be reasonable and necessary for the accomplishment of program objectives. An LEA must use SRSA funds to supplement, and not supplant, any other Federal, State or local education funds and must use SRSA funds to carry out local activities authorized under any of the following provisions of the ESEA:

- Title I, Part A
- Title II, Part A
- Title III
- Title IV, Part A or B

[ESEA §5212, §5232](#)

[Uniform Guidance 2 C.F.R. 200.403-408, 2 C.F.R. 200.420-475](#)

[EDGAR 34 C.F.R. 75.530](#)



ISSUE

Alton provided evidence that SRSA funds are being used for allowable activities and towards the accomplishment of program objectives, as established in their GEPA statement. Like past years, SRSA funds were used to support Alton's ETL program, provide professional development opportunities, purchase books, and supplement the salary of an SRO on campus. SRSA funds, along with cost sharing techniques, allowed Alton to provide and expand supplemental services like the SRO and ETL program. Likewise, SRSA funds support the cost of an intensive professional development retreat for administrators each year that focuses preparing for the upcoming school year.

School district administrators described how funds have been historically used in similar ways and how they are likely to continue using funds in that manner in the future. In this way, Alton only relies on historical precedent for knowing appropriate uses of SRSA funds and does not utilize outside support or policies and procedures of uses of funds, which could result in Alton not remaining up to date with use of fund policies.



RECOMMENDATION

The Department recommends that Alton develop written policies and procedures for evaluating allowable uses of SRSA funds. The Department recommends utilizing relevant statute, guidance, and regulations, and the SRSA-program website for resources and support in developing use of funds policies and procedures. Adding these SRSA-specific guidelines will help ensure that future Alton officials will be aware of and adhere to allowable use of funds requirements.

SECTION VI

Action Required

N/A

REQUIREMENT SUMMARY

N/A