

North Wood R-IV Monitoring Report Fiscal Year 2020

2/24/2020

Commendations	0
Met Requirements	7
Recommendations	1
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 6, 2019 RINAP desk monitoring review of North Wood R-IV School District (North Wood). The report is based on information provided prior to and during the monitoring call, 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 Regulations (EDGAR), and the ESEA.¹

¹The RINAP office has chosen to focus only on fiscal and select program requirements, as well as the uniform administrative requirements and general management systems of LEAs. Because this report summarizes the results of a selective 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 PROGRAM²

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



STUDENT CHARACTERISTICS

Average Daily Attendance: 272



SCHOOL & LEA CHARACTERISTICS

Schools: 1
Per-Pupil Expenditures: \$7,881
FTE Teachers: 17



SMALL, RURAL SCHOOL ACHIEVEMENT FUNDING

Fiscal Year 2019: \$15,216³

Monitoring Information

Monitoring Date

November 6, 2019

Reviewers

Eric Schulz, Lead
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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

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](#)



DESCRIPTION OF SATISFACTORY IMPLEMENTATION

North Wood follows a standardized process for fiscal management, budgeting and cash management, and payment processing, as outlined in its procedures document - the Missouri Consultants for Education School Procedures Manual – providing a reasonable assurance of proper disbursement of and accounting for SRSA funds. North Wood administrators described the school district’s SRSA budget process, which features a close working relationship with the school board. Teacher teams initiate funding proposals, which are then reviewed and approved by the school board. Each SRSA purchase order generated from approved funding requests is coded with a specific program identifier code under which it is to be paid. In addition, North Wood conducts weekly spending update meetings, and operates two separate accounting systems—one maintained by the North Wood district bookkeeper, and the other by the Superintendent, to ensure appropriate internal controls.

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

**DESCRIPTION OF SATISFACTORY IMPLEMENTATION**

North Wood provided evidence that it only charges for allowable costs within the prescribed SRSA period of availability. School district officials described the process under which awarded SRSA funds are integrated into the annual budget as adjustments to the initial SRSA budget estimates, which are then presented to the school board, ensuring compliance with SRSA obligation and liquidation due dates.

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**

North Wood 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.

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

North Wood complies with Federal laws and procedures for equipment and supplies management by following the protocols outlined in the Missouri Consultants for Education School Procedures Manual, which is aligned with relevant Federal laws and procedures. For example, North Wood administrators partner with their technology team to create and maintain equipment identification records, which are used to conduct an annual equipment inventory.

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**

North Wood does not use SRSA funds for salaries. However, North Wood follows an internal controls system that includes the use of time and effort logs for all non-certified and certified staff, which are reviewed and certified by the school district bookkeeper.

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**

North Wood provided a reasonable assurance that it follows relevant Federal procurement procedures, as detailed in the Missouri Consultants for Education School Procedures Manual. North Wood staff work closely with school district administrators to identify and prioritize the items and services to be procured. North Wood maintains detailed purchase notes, ensures a competitive bidding process is followed, and the school board scrutinizes all prospective vendors. In addition, North Wood verifies with neighboring school districts any reliability and cost-effectiveness claims made by prospective vendors.

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

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

SECTION V

Met Requirements with Recommendation

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

North Wood officials described a strong culture adhered to by both the school district and the school board over the past several years, in support of its identified SRSA spending priority to support student academic achievement. Specifically, North Wood uses its SRSA funds to support its one-to-one Chromebook program. Although North Wood's SRSA costs are reasonable and necessary for the accomplishment of program objectives, North Wood does not have written procedures to ensure that SRSA funds are used to supplement and not supplant other Federal, State, or local funding sources.



RECOMMENDATION

The Department recommends that North Wood revise its Missouri Consultants for Education School Procedures Manual to include guidelines for complying with the supplement, not supplant provisions.

SECTION VI

Action Required

N/A

REQUIREMENT SUMMARY

N/A