

U.S. Department of Education
Rural, Insular, and Native Achievement Programs



**Rural Education Achievement Program
Small, Rural School Achievement**

Fiscal Year 2021 Monitoring Report Continental Local Schools

May 2021





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Monitoring Information

| Process

The Office of Rural, Insular, and Native Achievement Programs (RINAP) is committed to supporting State Educational Agencies (SEA), State Governments, Local Educational Agencies (LEAs), and Small, Rural School Achievement (SRSA) 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 grantees 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 fiscal and program requirements through a single, streamlined process that results in improved and strengthened partnerships between United States Department of Education (the Department) grantees. To accomplish this, the RINAP monitoring process is organized into specific grant performance topics, which reflect the programmatic and fiscal requirements of the SRSA grant.

| Report

This monitoring report summarizes the results of the December 3, 2020 RINAP review of Continental Local Schools (Continental). The report is based on information provided through the monitoring process and other relevant quantitative and 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 Elementary and Secondary Education Act of 1965.¹

¹The RINAP office has chosen to focus only on select fiscal and program requirements. Because this report summarizes the results of a non-comprehensive set of fiscal and program requirements, the issuance of this report does not preclude other Department program offices, or independent auditors, from identifying areas of noncompliance that are not outlined in this report.



List of Acronyms

CCD: Common Core of Data

Department: U.S. Department of Education

DUNS: Data Universal Numbering System

EDGAR: Education Department General Administrative Requirements

ESEA: Elementary and Secondary Education Act, as amended

FY: Fiscal Year

GEPA: General Education Provisions Act

GPRA: Government Performance Results Act of 1993

LEA: Local Educational Agency

NCES: National Center for Education Statistics

OESE: Office of Elementary and Secondary Education

REAP: Rural Education Achievement Program

RINAP: Office of Rural, Insular, and Native Achievement Programs

SAM: System for Award Management

SEA: State Educational Agency

SRSA: Small, Rural School Achievement Program

Uniform Guidance: Uniform Guidance (2 CFR § 200)



Grantee Overview

All data presented are reported by grantees to either the National Center for Education Statistics (NCES), Common Core of Data (CCD), or through standard oversight activities.²



COVERED GRANT PROGRAM:

Title V, Part B – Small, Rural School Achievement Program

STUDENT CHARACTERISTICS

Average Daily Attendance:

- 464

SCHOOL & LEA CHARACTERISTICS

Schools:

- Continental Local Elementary School
- Continental Local High School

FTE Teachers:

- 40

FUNDING

SRSA Fiscal Year 2021:

- \$42,273
- Total Per-Pupil Expenditures:
- \$14,662

MONITORING INFORMATION

Monitoring Date | December 3, 2020

RINAP Reviewers | Grace Kwon, Robert Hitchcock

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).



Performance Assessment

Provided below is a performance snapshot for each topic reviewed by RINAP, reflecting how well Continental is meeting specific fiscal and program requirements. Ratings are based on a four-point scale, “commendation”; “met requirements”; “recommendations”; and “action required.” Documentation indicating the completion of each required action must be provided to RINAP within 30 business days of the receipt of the final Monitoring Report. Each rating is described in more detail below:

Commendation ● ● ● ●

This section highlights the areas where the grantee has exceeded requirements and is commended on the grant administration and fiscal management as identified in Performance Assessment section 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 grantee has implemented an innovative or highly successful system or approach. In these areas, RINAP is not recommending or requiring the grantee to take any further action.

Met Requirements ● ● ● ○

This section identifies the areas where the RINAP has determined that the grantee has met basic requirements of grant administration and fiscal management and is implementing those requirements in a satisfactory manner as identified in Performance Assessment section 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, RINAP is not recommending or requiring the grantee to take any further action.

Recommendations ● ● ○ ○

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

Action Required ● ○ ○ ○

This section identifies the areas where the RINAP has “significant compliance and quality concerns” (corresponds to “action required” in Performance Assessment section). For each issue listed, RINAP will outline the current practice, the nature of noncompliance, and the required action. Documentation indicating the completion of each required action must be provided to RINAP within 30 business days of the receipt of the final Monitoring Report.



Continental Local Schools Assessment

Monitoring Topic	Assessment
Financial Management	● ● ○ ○
Period of Availability	● ● ● ○
Uses of Funds	● ● ● ○
Audit Requirements	● ● ● ○
Equipment and Supplies Management	● ○ ○ ○
Personnel	● ● ● ○
Procurement	● ● ● ○



Commendation

N/A



This section highlights areas of high-quality implementation.

Requirement Summary

N/A

| Description

N/A



Met Requirements

Period of Availability



This section highlights areas of acceptable quality that are meeting expectations.

Requirement Summary

An LEA may only charge a grant program for allowable costs incurred during the period of availability and shall liquidate all obligations incurred under the award not later than 90 calendar days after the end date of the period of availability.

EDGAR 34 C.F.R. 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

Continental provided evidence that the LEA only charges for allowable costs within the prescribed period of availability for SRSA funds. After receiving the SRSA award in the summer, the school board reviews the award and approves adding it to the budget in September. Continental then follows the budget to make purchases using general funds, after which the Business Manager draws down SRSA funds from G5 to reimburse the general funds after all invoices are paid and requisitions are approved by the Superintendent. This timeline allows Continental to spend any all SRSA funds before the end of the performance period.



Uses of Funds



This section highlights areas of acceptable quality that are meeting expectations.

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 may use SRSA funds to carry out local activities authorized under any of the following provisions: Title I, Part A; Title II, Part A; Title II ; Title IV, Part A or B.

ESEA §5212, §5232
EDGAR 34 C.F.R. 75.530
Uniform Guidance 2 C.F.R.
200.403-408, 2 C.F.R. 200.420-475

Description

Continental uses SRSA funds to purchase computers and related equipment, as described in its Five-Year Technology Plan. Continental officials also verified that SRSA funds are used to supplement, not supplant any other Federal, State, or local funds.



Audit Requirements



This section highlights areas of acceptable quality that are meeting expectations.

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 may use SRSA funds to carry out local activities authorized under any of the following provisions: Title I, Part A; Title II, Part A; Title III; Title IV, Part A or B.

ESEA §5212, §5232
EDGAR 34 C.F.R. 75.530
Uniform Guidance 2 C.F.R.
200.403-408, 2 C.F.R. 200.420-475

Description

Continental 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 Uniform Guidance requirements.



Personnel



This section highlights areas of acceptable quality that are meeting expectations.

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

Continental does not use SRSA funds for salaries.



Procurement



This section highlights areas of acceptable quality that are meeting expectations.

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

Continental follows a procurement policy, which incorporates 2 C.F.R. 200.318 and 2 C.F.R. 200.326 requirements, when purchasing items using Federal funds. For example, Continental obtains multiple quotes for micro-purchases under \$50,000 and chooses a vendor based on quality of products offered for the quoted price rather than price alone. In addition, the Ohio Ethics Commission requires Continental's Treasurer and Superintendent to submit a financial disclosure form every year, to avoid conflicts of interest in the procurement process.



Met Requirements With Recommendation

Financial Management



This section highlights areas with quality implementation concerns.

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. 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

Continental follows a standardized process for fiscal management, budgeting and cash management, and payment processing, which are overseen by the Business Manager and Superintendent. Although Continental provided reasonable assurance of proper disbursement of and accounting for SRSA funds, including a successful transition of operations to the new Business Manager last year, Continental failed to provide written documentation of its financial management procedures. Likewise, Continental did not provide a written procedure explaining how they ensure SRSA funds are spent within the period of availability. The LEA is currently expending SRSA funds within the allowable period of availability, but this process is not supported by a documented procedure that records the specific deadlines for each SRSA award or distinguishes one award from another. In addition, Continental is not currently meeting responsibilities under [2 C.F.R. 200.302\(b\)\(7\)](#) to maintain written procedures for determining the allowability of costs in accordance with the terms and conditions of its SRSA award.

| Recommendation

In accordance with [2 C.F.R. 200.302\(b\)\(6\)](#), the Department recommends that Continental develop written procedures for financial management, period of availability, and determining allowable use of funds. A written procedure can ensure that future officials will be aware of and adhere to financial management requirements, as well as avoid errors in the financial management of SRSA funds. The Department recommends that this procedures document



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include period of availability rules, including obligation process and liquidation deadlines for SRSA grant funds, and codify the procedures in the LEA's policies in accordance with [2 C.F.R. 200.302\(b\)\(6\)](#) and [2 C.F.R. 200.305](#). Written procedures should also record the specific Federal fiscal year of the SRSA award within the LEA's accounting systems to distinguish between unique awards, which will ensure appropriate fiscal management by Continental officials. Lastly, the Department recommends utilizing relevant statutes, guidance, and regulations, and the SRSA-program website for resources and support in developing use of funds policies and procedures for evaluating allowable uses of SRSA funds in accordance with [2 C.F.R. 200.302\(b\)\(7\)](#).



Action Required

Equipment and Supplies Management



This section highlights areas with significant compliance or quality concerns that require urgent attention.

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

Continental submitted detailed equipment and supply management guidelines for the following processes: purchasing, payment, requisition/purchase orders, and property disposal. Continental described how each request to purchase equipment and supplies with SRSA funds, mainly computers and related equipment, goes through a multi-step approval process and is then inventoried in alignment with Federal inventory regulations. All of Continental's property goes through a depreciation schedule and disposal procedure when applicable. Although Continental maintains an inventory of SRSA-purchased technology, this inventory does not describe the use and condition of the items.

Action Required

Within 30 business days of receiving this report Continental must provide the Department with a plan for how it will update their equipment and supply management policies and procedures to ensure that the use and condition of the equipment purchased using SRSA funds is recorded. Such a plan will demonstrate compliance with [2 C.F.R. 200.313\(d\)\(1\)](#), which requires the maintenance of property records that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.