

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



Small Rural School Achievement (SRSA) Grant Program

**Fiscal Year 2023 Monitoring Report
Bloomfield Elementary School District**

June 30, 2023





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Monitoring Information

Process

The Office of Rural, Insular, and Native Achievement Programs (RINAP) is committed to supporting State and local educational agencies (LEAs) as they implement Federal grant programs. Part of this commitment includes a monitoring process designed to not only address 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. For fiscal year (FY) 2023, RINAP conducted this monitoring through off-site (desk) monitoring.

The goal of the monitoring process is to conduct a program-centered, performance-focused review of the Small, Rural School Achievement (SRSA) program through a single, streamlined process that results in improved and strengthened partnerships between United States Department of Education (the Department) and 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 program.

Report

This monitoring report summarizes the results of the March 2, 2023, RINAP review of Bloomfield Elementary School District (Bloomfield) in Bloomfield, Montana. 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 Bloomfield's 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 (ESEA).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

Bloomfield: Bloomfield Elementary School District
Department: U.S. Department of Education
EDGAR: Education Department General Administrative Requirements
ESEA: Elementary and Secondary Education Act of 1965
FY: Fiscal Year
LEA: Local Educational Agency
OESE: Office of Elementary and Secondary Education
REAP: Rural Education Achievement Program
RINAP: Office of Rural, Insular, and Native Achievement Programs
RLIS: Rural and Low-Income School program
SEA: State Educational Agency
Uniform Guidance: Uniform Guidance (2 CFR § 200)

Grantee Overview

Bloomfield is a small, rural LEA located in Dawson County in eastern Montana. In FY 2022 Bloomfield received grant funds under the SRSA program in the amount of \$22,631.00 and in FY 2021, Bloomfield received \$21,244.00. After being selected for monitoring, Bloomfield completed an online self-assessment and participated in a virtual monitoring interview with members of RINAP on March 2, 2023. For purposes of this review, Eric Schulz served as the lead Program Officer and Robert Hitchcock served as the supporting Program Officer. Leslie Poynter, REAP Group Leader, also participated in the monitoring interview and subsequent processes.



Performance Assessment

Provided below is a performance snapshot for each topic reviewed by RINAP, reflecting how well Bloomfield 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 90 business days of the receipt of the final Monitoring Report. Each rating is described in more detail below:

Section I: Commendation ● ● ● ●

This section highlights the areas where the grantee has exceeded requirements and is commended on the grant administration and fiscal management. In addition, this section provides an opportunity for RINAP 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.

Section II: Met Requirements ● ● ● ○

This section identifies the areas where 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. 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.

Section III: Recommendation ● ● ○ ○

This section identifies the areas where RINAP has quality implementation concerns related to grant administration and fiscal management. In these instances, RINAP 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.



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Section IV: Action Required ● ○ ○ ○

This section identifies the areas where RINAP has significant compliance and quality concerns. 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 90 business days of the receipt of the final Monitoring Report.

Bloomfield Monitoring Assessment

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



I. Commendation



This section highlights areas of high-quality implementation.

N/A



II. 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 120 calendar days after the end date of the period of availability.

EDGAR: [34 C.F.R. 75.703](#);
[34 C.F.R. 75.707](#)

Description

Bloomfield Elementary School District (Bloomfield) provided evidence that it only charges for costs within the prescribed period of availability for SRSA funds. Bloomfield's clerk demonstrated a solid understanding of the importance of a first-in, first-out approach to handling SRSA funds within the grant performance period. Bloomfield follows a 12-month cycle in which the LEA obligates and liquidates the entirety of a given year's SRSA funds by or before September 1 each year. This practice ensures that Bloomfield exhausts the current year funds before drawing on a subsequent-year award.



II. Met Requirements: 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 of the ESEA:

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

Description

Bloomfield Elementary District demonstrated that for the past three years, it has used a portion of its awarded SRSA funds to supplement teacher salaries and benefits, in order to incentivize quality instruction for students. A small portion of the SRSA funds have also been used to purchase supplemental instructional supplies and minor equipment.

As an example, for the 2020-2021 school year, Bloomfield employed a single teacher and a paraprofessional. The LEA used \$6,666 in SRSA funds to cover a portion of the teacher's \$40,000 salary. For the 2021-2022 school year, Bloomfield paid two teachers a total of \$75,000, of which \$13,833 was paid for with SRSA funds.

Bloomfield explained that its rural context and need for an educator that can teach a full K-8 curriculum limits the teacher applicant pool. By using SRSA funds to supplement the teacher's salary package, Bloomfield was able to retain an educator capable of teaching all the grades and subjects for the ten students enrolled in the single school.

SRSA funds may be used for any activity authorized under Title I, Part A, Title II, Part A, Title III, Title IV, Part A, or Title IV, Part B of the ESEA, Under Title II-A, grantee LEAs may use funds for class size reduction by hiring additional effective teachers and for differential and incentive pay to teachers in high-need academic areas and specialty areas.



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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](#)



II. Met Requirements: Audit Requirements



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

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. 200.511\(a\), 2 C.F.R. 200.512](#)

Description

Bloomfield 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.



II. Met Requirements: Equipment and Supplies Management



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

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

Bloomfield does not use SRSA funds to purchase what it considers to be “major equipment” or supplies—items that cost more than \$5,000.

Bloomfield indicated that it conducts a financial review every four years during which it reports any purchases over \$5,000 as “major equipment.” The LEA has dedicated forms within its financial management software where this information is recorded.



II. Met Requirements: 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](#)

Description

Bloomfield does not use Federal funds, including SRSA funds, to procure products in values high enough to trigger procurement procedures required under 2 C.F.R. 200.320. For procurement activities not involving Federal funds, Bloomfield's approach is to seek as many bids as possible, but this is not always possible, due the remote location of the school. The largest recent project involved water damage remediation at the school, a project for which the LEA received multiple bids.

Bloomfield indicated it follows and is bound by all relevant Montana Procurement Act guidelines when engaging in procurement activities.



III. Recommendation: Financial Management



This section identifies areas where RINAP has determined that the grantee is currently complying with requirements, but that improvements could be made to improve the efficiency or effectiveness of select operations.

Requirement Summary

An LEA (or its agent) must use fiscal control and fund accounting procedures that ensure 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](#)

Description

During the monitoring interview, Bloomfield staff described the challenges associated with an extremely small, remote kindergarten – grade 8 (K-8) LEA. Bloomfield rarely has more than 10 students in total enrollment, and in most years employs a single teacher.

Bloomfield described having few sources of Federal funding other than the SRSA grant. The district clerk has a close working relationship with the county treasurer and the three-person local board of education and has developed routine practices for using expense account codes for SRSA and balancing expenditures. Bloomfield does not maintain formal written procedures for its Federal grant management; instead, the clerk and the board of education repeat the same procedure every year to make allocations in the early fall, before meeting again in December to determine what is left from their initial expenditures to allocate the remaining SRSA and general purpose funds.

The clerk monitors spending by keeping a physical tally of every draw and balance from the SRSA account, and regularly compares it with G5 to ensure accuracy. Drawdown warrants are submitted to and approved by the board at its monthly meeting, and all payment checks are signed by the board at those meetings.

Each month, the county treasurer processes an end-of-month report which the clerk uses as an additional check on the school's spending. The clerk keeps receipts of all



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Uniform Guidance: [2 C.F.R. 200.302](#); [2 C.F.R. 200.303](#)

SRSA G5 drawdowns, which are forwarded to the board for approval. Bloomfield's practice is to avoid multiple, small-dollar drawdowns from G5; they instead wait until the needed amounts are substantial. All SRSA fund drawdowns are placed in Bloomfield's Miscellaneous Fund account for payout.

Recommendation

The Department recommends that Bloomfield develop written procedures that document the timeframe and steps for allocating, accounting, and tracking of its SRSA grant funds. Specifically, these procedures should detail the award's performance period; how Bloomfield determines cost allowability; how it maintains effective control over all funds; and how it adheres to supplement, not supplant requirements.



III. Recommendation: Personnel



This section identifies areas where RINAP has determined that the grantee is currently complying with requirements, but that improvements could be made to improve the efficiency or effectiveness of select operations.

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

During the monitoring interview, Bloomfield explained that teachers do not fill out timecards, but noted that timecards are required for paraprofessionals. Those timesheets are submitted weekly to the clerk who reviews them and forwards to the school board for final review and approval.

Recommendation

The Department recommends that if Bloomfield uses Federal funds for personnel expenditures, it needs to adopt a system of internal controls that provide reasonable assurance that any personnel charges (for teachers or other staff members) are accurate, allowable, and properly allocated to the Federal awards.