

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



**Small Rural School Achievement (SRSA) Grant Program**

**Fiscal Year 2024 Monitoring Report  
Culbertson Elementary (MT)**

October 10, 2024





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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 (SEAs and 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.

The goal of the monitoring process is to conduct a program-centered, performance-focused review of the Small, Rural School Achievement (SRSA) grant program through a single, streamlined process that results in improved and strengthened partnerships between the U.S. Department of Education (Department) and its 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 August 22, 2024, RINAP review of Culbertson Elementary located in Culbertson, 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 Culbertson'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).<sup>1</sup>

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<sup>1</sup>The 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.



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## List of Acronyms

Culbertson: Culbertson Elementary  
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  
SRSA: Small, Rural School Achievement program  
SEA: State Educational Agency  
Uniform Guidance: Uniform Guidance (2 CFR § 200)

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## Grantee Overview

Culbertson is a small, rural LEA located in Roosevelt County, Montana. In FY 2023, the LEA received grant funds under the SRSA program in the amount of \$21,502.00 and in FY 2022, the LEA received \$16,739.00. After being selected for monitoring, Culbertson completed an online self-assessment and participated in an on-site monitoring interview with RINAP staff on August 22, 2024. For purposes of this review, Robert Hitchcock served as the lead Program Officer and Justin Tabor served as the supporting Program Officer. Leslie Poynter, REAP Group Leader, also participated in the monitoring process.

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## Performance Assessment

Provided below is a performance snapshot for each topic reviewed by RINAP, reflecting how well Culbertson is meeting specific fiscal and program requirements. Ratings are based on a four-point scale, “commendation”; “met requirements”; “recommendations”; and “action required.” Each rating is described in more detail below – however, Culbertson will only see Sections II and III in this report:



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### 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.

### 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.



## Culbertson Monitoring Assessment

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



## II. Met Requirements: Financial Management



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

### 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](#)

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

### Description

During the monitoring interview, Culbertson officials described the LEA's financial management practices for handling SRSA grant funds. These practices include having the Superintendent fill out and submit the SRSA application. Once the award has been obligated, the district clerk receives the Grant Award Notification and enters the final award amount into an Excel document and into a grant file. The officials then discuss their plans for the upcoming year and create a budget checking it against allowable uses of funds. Typically, all SRSA funds are allocated towards a single large technology purchase that they wouldn't otherwise have been able to renew.

Culbertson usually spends all SRSA funds received within the same fiscal year and has not needed to cross fiscal years with an award. After establishing the budget, the superintendent and district clerk receive and approve purchase orders from school staff. These expenses are then approved at a monthly school board meeting. Then these are reconciled in a monthly financial report. Once monthly expenditures have been approved and reviewed, the district clerk draws down the funds from G6 each month. As the county is the fiscal agent, the funds from G6 are received by the school board treasurer (county treasurer). The county treasurer receives the money for the district.

At the end of the month, the county treasurer sends the funds along with a bank statement to the district clerk to confirm receipt of the funds and to review against LEA records. A final report is shared with the school board who approves the financial transaction.



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The network system is protected by a password along with any G6 access. Duties within the system are segregated, with the superintendent only approving expenses and signing checks, the district clerk withdrawing funds from G6, the county treasurer receiving the funds, and the school board approving all transactions.

These practices, reflective of Culbertson's written financial management procedures, signal a sufficient degree of fiscal control and financial management. Culbertson's current practices and procedures ensure proper disbursement of and accounting for SRSA grant funds.





## 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

Culbertson historically does not expend more than \$750,000 in Federal funding annually 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 & 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

As indicated in its monitoring self-assessment, Culbertson purchases supplies using Federal funds, however, it does not use SRSA funds to purchase equipment (items that cost more than \$5,000). Culbertson demonstrated compliance with equipment and supplies management requirements by submitting detailed procedures for the following processes: purchasing, payment, requisition, purchase orders, and property disposal. Culbertson described how items purchased with Federal funds go through a multistep approval process and are then identified and tracked within an inventory management system regularly maintained and reviewed by multiple LEA staff members.



## II. Met Requirements: 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

Although Culbertson does not use SRSA funds for staff compensation, it does use other Federal funds to pay for staff members. During the monitoring interview, LEA staff described the process used for tracking employee time and effort including a system of internal controls that provides reasonable assurance that the charges reflect accurate, allowable, and properly allocated employee time and effort.



## 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

Although Culbertson does not use SRSA funds to purchase equipment, (which would require bidding and adherence to the LEA's procurement policy) LEA staff provided a sufficient verbal and written description of its procurement procedures. During the monitoring interview, Culbertson officials described a system of internal controls that requires additional levels of scrutiny depending on the value of the purchase. All documentation in support of a purchase requires the approval of multiple staff members who review all purchase requests for appropriateness. Culbertson complies with State and Federal procurement requirements by using the Montana purchasing cooperative, which gives them access to a group of reputable vendors. The LEA also has existing relationships with vendors on the cooperative list and the LEA ensures that it does not contract with parties that have been suspended or debarred.



### III. Recommendation: Period of Availability



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 may only charge a grant program for allowable costs incurred during the period of availability (e.g., for fiscal year (FY) 2022, July 1, 2022 – September 30, 2024) and shall liquidate all obligations incurred under the award not later than 120 calendar days after the end date of the period of availability (e.g., for FY 2022, January 31, 2025).

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

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

#### Description

Culbertson officials provided evidence that the LEA only charges for costs within the prescribed period of availability for SRSA funds. LEA staff demonstrated a strong understanding of the importance of a first-in, first-out approach to managing SRSA funds within the performance period of each SRSA award. LEA staff also described a process used to track and manage the various deadlines attached to each grant award the LEA receives, however, no written procedures exist to document these practices.

#### Recommendation

The Department recommends that Culbertson develop written procedures to ensure compliance with 34 C.F.R. § 75.703 which requires LEAs to only obligate grant funds during the period of availability specific to each award. The document should include deadlines for the obligation and liquidation of SRSA grant funds and ensure that each fiscal year of the SRSA award is tracked separately in the LEA's accounting system. Additionally, the written procedures should clarify that Culbertson must liquidate all obligations incurred under a Federal award not later than 120 calendar days after the end date of the period of availability.



### III. Recommendation: Use 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 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; and 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

Culbertson used its SRSA grant funds from FYs 2022 and 2023 to pay for smartboards and software for student assessments, which helped identify and bridge student achievement gaps. They also funded credit recovery initiatives. REAP funds allow Culbertson to fund credit recovery initiatives, and purchase technology and any reasonable and necessary updates so long as those uses of funds are supplemental in nature.

Culbertson's administrative team annually identifies needs and assesses whether desired fund uses are allowable, but Culbertson does not have written documentation on determining allowable SRSA uses of funds or the requirement that SRSA funds supplement, and do not supplant, any other Federal, State, or local education funds.

#### Recommendation

The Department recommends that Culbertson develop written procedures to ensure that the LEA will adhere to cost allowability requirements, including the requirement that costs be reasonable and necessary for the accomplishment of program objectives and the requirement that SRSA funds supplement, and do not supplant, any other Federal, State, or local education funds.