

Polo CUSD 222

Monitoring Report

Fiscal Year 2020

03/30/2020

Commendations

0

Met Requirements

8

Recommendations

0

Action Required

0



U.S. Department of Education
Office of Rural, Insular and Native Achievement Programs
Office of Elementary and Secondary Education
400 Maryland Avenue, SW
Washington, DC 20202

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 the RINAP program officers and grantees and is conducted using both off-site (desk) monitoring, as well as on-site monitoring visits to grantees.

The goals of the monitoring process are 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

The Monitoring Report summarizes the results of the October 16, 2019 RINAP site visit and review of Polo Community Unit School District 222's (Polo's) grant administration and fiscal management processes. 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

As part of this document 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 a 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 fiscal year 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.

SECTION I

LEA Overview



COVERED GRANT PROGRAMS²
TITLE V, PART B – SMALL, RURAL SCHOOL ACHIEVEMENT (SRSA) PROGRAM



STUDENT CHARACTERISTICS
Average Daily Attendance: 508



SCHOOL & LEA CHARACTERISTICS
Schools: 3
Per-Pupil Expenditures: \$12,339
FTE Teachers: 45



SMALL, RURAL SCHOOL ACHIEVEMENT FUNDING
Fiscal Year 2018: \$23,469³
Fiscal Year 2019: \$29,202⁴

Monitoring Information

Monitoring Date

October 16, 2019

Reviewers

Robert Hitchcock, Lead
Eric Schulz, 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 2018 SRSA Award Slate
⁴ 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	● ● ● ○
Uses 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

Polo follows a standardized process to account for SRSA grant funds. In addition, Polo's procedures align with the Illinois Press Service and Illinois School Code financial management written procedures. For example, Polo officials meet with the school board each June to develop the annual budget, which includes a discussion of SRSA spending priorities. The budget is then subject to a 30-day public clearance process before approval. Polo also operates on a reimbursement basis for SRSA funds, as each approved purchase order is coded with the specific program under which it is to be paid. The school district also maintains a monthly budget review and year-to-date updates of all grant transactions, thereby ensuring that minimal time elapses between the drawdown of SRSA funds from the G5 system and their disbursement.

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

Polo provided evidence that it only charges for allowable costs within the prescribed period of availability for SRSA formula grants. For example, the superintendent works closely with the school secretary and the technical assistant to synchronize accounting systems to ensure that SRSA drawdowns from G5 correspond with SRSA obligation and liquidation due dates. The superintendent also incorporates the period of availability dates within the accounting system and maintains a folder with Grant Award Notifications, Department guidelines, and a link to the SRSA program website to ensure that future school district officials are aware of and adhere to the 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 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](#)

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

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

**DESCRIPTION OF SATISFACTORY IMPLEMENTATION**

Polo provided written procedures for determining allowability of costs and explained how SRSA funds are used for allowable activities (i.e., the purchase of laptops in support of the school district's one-to-one initiative). The Superintendent also verified that SRSA funds are used to supplement, not supplant any other Federal, State or local funding source, adding that the school district would not be able to reach their one-to-one technology goal without SRSA funds.

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**

Polo did not expend more than \$750,000 in Federal funding in the current fiscal year and as a result, is not required to have an audit in accordance with the requirements established in the Uniform Guidance. However, the school district does have documented procedures for obtaining and completing the Single Audit if the audit threshold is met.

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

Polo uses well-documented policies and procedures to ensure that all applicable equipment management requirements are satisfied. Polo policies define categories of equipment utilized by the agency and outline the equipment tracking process to ensure appropriate use. Polo maintains a complete listing of all equipment and supplies purchased with Federal funds, organized by individual programs, and performs regular inventory to ensure that all property is properly accounted for and maintained. Once equipment has outlived its purpose or its useable life, Polo policies describe the process to be followed to transfer items for disposal.

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**

Polo does not use SRSA funds for salaries; however, the school districts internal controls system supports appropriate recordkeeping.

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

Polo follows statewide procurement policies when conducting transactions using Federal funds. To ensure alignment with statewide policies, Polo has documented procedures outlining how the requirements are operationalized across Polo's programs and offices. Polo requires multiple approvals for any proposed transaction and ensures appropriate segregation of duties for different parts of the purchasing process to prevent unauthorized or irregular transactions. To protect against conflicts of interest, Polo has documented conflict of interest policies that each employee must read and acknowledge as a condition of employment; violations of those policies result in clear consequences for employees, including potential termination.

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**

Polo has an indirect cost rate agreement that is coded into their accounting system and does not charge for grant programs such as SRSA.

SECTION V

Met Requirements with Recommendation

N/A

REQUIREMENT SUMMARY

N/A

SECTION VI

Action Required

N/A

REQUIREMENT SUMMARY

N/A