

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



**Rural and Low-Income School Program/Specially
Qualified Agencies**

Fiscal Year 2021 Monitoring Report Northwest Arctic Borough School District

November 23, 2021





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Monitoring Information

Process

The Office of Rural, Insular, and Native Achievement Programs (RINAP) is committed to supporting Rural and Low-Income School-Specially Qualified Agency (RLIS-SQA) program grantees 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 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) 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 RLIS-SQA program.

Report

This monitoring report summarizes the results of the August 18, 2021 RINAP review of Northwest Arctic Borough School District (NWAB) in Kotzebue, Alaska. 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 NWAB's implementation of the RLIS-SQA 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

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
FTE: Full-Time Employee
FY: Fiscal Year
GEPA: General Education Provisions Act
LEA: Local Educational Agency
NCES: National Center for Education Statistics
NWAB: Northwest Arctic Borough School District
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
SAM: System for Award Management
SEA: State Educational Agency
SMP: Alaska Statewide Mentoring Project
SQA: Specially Qualified Agency
T&E: Time and Effort
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.



Northwest Arctic Borough School District Kotzebue, AK

STUDENT CHARACTERISTICS

Average Daily
Attendance (2019-2020
school year): **2,097**

SCHOOL & LEA CHARACTERISTICS

Schools: 13
Per-Pupil
Expenditures: **\$35,814**
FTE Teachers: **125**

RLIS/SQA FUNDING

Fiscal Year 2019:
\$42,536

Fiscal Year 2020:
\$42,087

Monitoring Date | August 18, 2021
RINAP Reviewers: Mr. Eric Schulz, Lead; Ms. Alice Kinney, Co-Lead



Performance Assessment

Provided below is a performance snapshot for each topic reviewed by RINAP, reflecting how well NWAB 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 60 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 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 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 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.

Section III: 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.

Section IV: Action Required ● ○ ○ ○

This section identifies the areas where 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 60 business days of the receipt of the final Monitoring Report.



Northwest Arctic Borough Monitoring Assessment

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



I. Commendations



This section highlights areas of high-quality implementation.

N/A



II. Met Requirements: RLIS Goals and Objectives



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

Requirement Summary

Under Section 5224 of the ESEA, each LEA receiving RLIS-SQA funds must prepare and submit an annual report to the Secretary describing the LEA's progress toward meeting the goals and objectives outlined in its RLIS-SQA application.

ESEA: [Section 5224](#)

Description

As a Specially Qualified Agency (SQA) in the REAP Rural and Low-Income School (RLIS) Program, Northwest Arctic Borough School District (NWAB) seeks to improve its district-wide teacher retention rate. To achieve this goal, NWAB has for the last three years participated in the Alaska Statewide Mentoring Project (ASMP). The ASMP provides individualized support to first- and second-year teachers, with the goal of developing an effective teaching force that is responsive to the diverse academic needs and cultural backgrounds of all students. The ASMP operates pursuant to a Memorandum of Understanding established between NWAB and the University of Alaska - Fairbanks. The mentoring project is run through the university and is staffed with State of Alaska employees. NWAB pays the university to participate in the ASMP.

ASMP activities can occur as frequently as once a week, but the disruptions brought on by the COVID-19 pandemic have led to some activities occurring only monthly. Furthermore, COVID-19 restrictions have meant that much of the ASMP activities (creation/maintenance of lesson plans, cultural integration, teacher retention strategies, etc.) have taken place virtually. The strategy is to eventually return to face-to-face activities combined with virtual follow-up sessions. A total of 13 NWAB faculty participated in the ASMP during the 2020-2021 school year, and the LEA reports a marked increase in teacher retention rates due to its participation in this initiative.



II. Met Requirements: Financial Management



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

Requirement Summary

An LEA receiving RLIS-SQA funds must use fiscal control and fund accounting procedures that ensure proper disbursement of and accounting for awarded RLIS 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, an LEA's accounting system must satisfy Federal requirements regarding the ability to track the use of funds and permit the disclosure of financial results. An LEA 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

NWAB officials described the process by which they prepare for receipt of the RLIS/SQA funds. In a typical year, the NWAB Federal Programs Director receives the RLIS-SQA grant award notification (GAN) and after comparing the GAN to the application data, creates the annual RLIS-SQA budget at the start of each school year based on the specifications in the application. This budget document is uploaded into a DocuSign tracking and approval system that requires review and signoff of the budget and any related attached supporting documentation from the Federal Programs Director, then the Superintendent, then the District Accountant. Once all three parties have signed off with their approval, the accountant enters the approved budget package into NWAB's financial management system. The system is program-specific—meaning that each Federal funding source is assigned a unique accounting code for each particular year. NWAB aims to complete this budget process as soon as practicable once the grant funds are awarded each year—usually in July/August. Additionally, the LEA maintains standardized, documented procedures for accounting for RLIS-SQA funds.



II. Met Requirements: Uses of Funds



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

Requirement Summary

An LEA may only use RLIS-SQA funds for allowable costs, as defined in the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* (2 C.F.R. Part 200), which include, among other things, the requirement that costs be reasonable and necessary for the accomplishment of program objectives. RLIS funds must also be used to supplement, and not supplant, other Federal, State, or local education funds. An LEA may use its RLIS-SQA funds to carry out one or more of the following:

- Activities authorized under Title I, Part A of the ESEA;
- Activities authorized under Title II, Part A of the ESEA;
- Activities authorized under Title III of the ESEA;
- Activities authorized under Title IV, Part A of the ESEA; and
- Parental involvement activities.

ESEA: [Section 5222](#)

Description

NWAB provided evidence that RLIS-SQA grant funds are being used for allowable activities and towards the accomplishment of program objectives, as established in the LEA's GEPA statement. For the last three years, NWAB has used its awarded RLIS-SQA grant funds to cover the costs associated with its participation in the Alaska Statewide Mentoring Project (ASMP). ASMP is designed to provide extensive guidance to teachers new to the profession in a variety of areas, including development and maintenance of lesson plans, cultural integration, and targeted mentoring.

NWAB described a robust process for ensuring that its RLIS-SQA funds are used to supplement, and not supplant other local, State, or Federal funding sources. When the Federal Programs Director creates the annual budgets, she reviews all prior-year expenditures for consistency and fidelity to the grant's intended purposes. This level of oversight helps prevent the possibility of any present-year budgeted funds being used to supplant existing funding sources. Both the superintendent and the accountant understand the concept of "supplement, not supplant", and they know to immediately inform the Federal Programs manager in the event they see evidence of supplanting during the budget approval process.



II. Met Requirements: Equipment and Supplies Management



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

Requirement Summary

An SQA grantee LEA must use, manage, and dispose of equipment and supplies purchased using Federal funds in accordance with all relevant Federal laws and procedures. An LEA must 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

Description

Although NWAB is not presently using its RLIS-SQA funds to purchase equipment and/or supplies, district officials provided a detailed breakdown of the LEA's supply management procedures. NWAB maintains an asset schedule and they asset any equipment or supplies valued over \$5,000. These assets are entered into the schedule which includes all relevant details, such as a description of the property, date/source of acquisition, serial number, cost, location of the property, etc.

With the help of an outside contractor, NWAB produces an annual report of its identified assets based on this schedule for auditing purposes. NWAB produces and maintains an asset sale and disposal form, and they do not re-sell any asset paid for with Federal funds.



II. Met Requirements: Personnel



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

Requirement Summary

An SQA grantee LEA must 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

NWAB is not presently using any RLIS-SQA grant funds for personnel. Nevertheless, district officials were able to clearly describe NWAB's quarterly time and effort (T&E) certification procedures. The Federal Programs Director is responsible for producing the certification, along with the Superintendent. The T&E certification document includes the total of full-time employees (FTEs), their duties and responsibilities, and the specific programs under which FTEs are paid. The quarterly T&E report is certified by the administrator, who files the approved certifications in the NWAB administrative office.

Notably, NWAB does not consider professional development or mentoring activities associated with ASMP to be "personnel" costs because the LEA does not charge to the RLIS-SQA award for staff salaries – instead, the LEA purchases the relevant courses for certain employees.



II. Met Requirements: Procurement



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

Requirement Summary

An SQA grantee LEA must use its own documented procurement procedures that reflect applicable Federal, State, and local laws and regulations, provided the procurements conform to applicable Federal procurement procedures when procuring goods and services using Federal funds.

Uniform Guidance: [2 C.F.R. § 200.318](#), [2 C.F.R. § 200.326](#)

Description

NWAB provided a sufficient description of its procurement policies and procedures. NWAB indicated that when goods are needed, the LEA's accountant enters a requisition into the LEA's accounting software. The LEA described a process 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 the purchasing agent, who reviews all purchase requests for appropriateness.



III. Recommendations: Period of Availability



This section highlights areas with quality implementation concerns.

Requirement Summary

An SQA grantee may only use RLIS-SQA funds for allowable costs obligated during the prescribed period of availability and shall liquidate all obligations incurred under the award by the liquidation period deadline outlined in the grant award notification.

EDGAR: [34 C.F.R. § 75.261\(a\)](#), [34 C.F.R. § 75.703](#), [34 C.F.R. § 75.707](#)
Uniform Guidance: [2 C.F.R. § 200.309](#), [2 C.F.R. § 200.343\(b\)](#)

Description

NWAB indicated that the Director of State and Federal Programs manages all aspects of SQA grant purchases, including filling out the budget and attaching supporting documentation. The LEA's accountant reviews each purchase for compliance within the State chart of accounts and then refers the request to the Superintendent for awareness. Approved purchase requests are returned to the accountant, who makes the RLIS-SQA draws from the G5 system and maintains records of all drawdown activity.

Notably, NWAB officials were not aware of the performance period for RLIS-SQA funds and did not realize they could forward-fund allowable expenditures into the succeeding fiscal year. This led the LEA to maintain an un-spent balance of FY 2019 RLIS-SQA funds, while it began to draw from its FY 2020 RLIS-SQA award. District officials described that the NWAB accounting system would not automatically "roll forward" un-spent funds. However, the LEA's accountant could do so manually to ensure all awarded funds are liquidated.

In addition, NWAB does not have written procedures in place for accessing and drawing RLIS -SQA funds in G5. Although the district has an experienced fiscal and financial management team and there was no evidence that the LEA used funds outside the period of availability, the LEA could more fully utilize its RLIS-SQA grant funds by ensuring appropriate officials are aware of the RLIS-SQA grant performance period and that necessary steps are taken to ensure that the funds are available in the LEA's accounting system for the full duration of the performance period.



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Recommendation

The Department recommends that NWAB develop written policies and procedures for obligating RLIS-SQA funds across fiscal years. These written procedures should also include the steps necessary to “roll forward” un-spent Federal funds within NWAB’s internal accounting system. Written obligation guidelines, especially regarding RLIS-SQA specific processes, will help ensure that NWAB officials are aware of and able to fully obligate funds that are available during the entire duration of a grant’s performance period.



IV. Action Required



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

N/A