

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



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

**Fiscal Year 2022 Monitoring Report**  
**Mexicayotl Academy**

July 15, 2022





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## Monitoring Information

### 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 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) 2022, 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 May 17, 2022, RINAP review of Mexicayotl Academy in Nogales, AZ. 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 Mexicayotl'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, as amended.<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

Department: U.S. Department of Education  
DUNS: Data Universal Numbering System  
EDGAR: Education Department General Administrative Requirements  
ESEA: Elementary and Secondary Education Act of 1965, as amended  
FTE: Full-Time Employee  
FY: Fiscal Year  
GEPA: General Education Provisions Act  
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  
RLIS: Rural and Low-Income School program  
SAM: System for Award Management  
SEA: State Educational Agency  
T&E: Time and Effort  
Uniform Guidance: Uniform Guidance (2 CFR § 200)

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## Grantee Overview

Mexicayotl Academy is a small, rural LEA located in Nogales, AZ. In fiscal year 2021, the Academy received an SRSA grant of \$14,323.00. Mexicayotl also received an SRSA grant of \$18,292.00 in FY 2020. After being selected for monitoring, Mexicayotl completed an online self-assessment and participated in a virtual monitoring interview with members of RINAP on May 17, 2022. 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 Mexicayotl 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. 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 60 business days of the receipt of the final Monitoring Report.

### Mexicayotl Monitoring Assessment

| Monitoring Topic                  | Assessment       |
|-----------------------------------|------------------|
| Financial Management              | Recommendation   |
| Period of Availability            | Recommendation   |
| Uses of Funds                     | Met Requirements |
| Audit Requirements                | N/A              |
| Equipment and Supplies Management | Met Requirements |
| Personnel                         | Met Requirements |
| Procurement                       | Met Requirements |



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## I. Commendation



This section highlights areas of high-quality implementation.

N/A



## 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:

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

During the monitoring interview, Mexicayotl officials informed the reviewers neither FY 2020 or 2021 funds had been obligated or liquidated. However, the LEA indicated an intention to use its awarded SRSA grant funds during the performance period for professional development activities, which is generally an allowable use of SRSA funds. Director Baltazar indicated that the onset of the COVID pandemic has forced a re-assessment of the Academy's needs and spending priorities toward addressing its teacher shortage and the need to train new teachers by providing teacher professional development.





## 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

Mexicayotl officials described a detailed process by which the Academy manages its acquired equipment and supplies. Mexicayotl has an individual on-site who is directly responsible for this. The Academy's purchased Chromebooks are tagged, entered into a spreadsheet, and tracked using a physical tag. The identification data is regularly compared to invoices to ensure all are accounted for. When the inventory spreadsheet is used, the person who requests equipment must personally come in and sign it out. All items must be included in check-out process. At the end of the school year, every teacher has to turn in an exit form detailing all the equipment used. All state, Federal, and local funds used for equipment are on the list.

Mexicayotl reports that all equipment is stored in locked areas. When there is damage or loss, the equipment/ supply person informs the Director and submits an incident report. Most items are used to the point of being worn out or broken. Anything that is disposed of must be approved in advance by the board and documented. The Academy has an IT person to help make decisions on disposal of electronics.



## II. Met 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

Mexicayotl indicated that it uses Federal funds for personnel expenditures and ensures the charges reflect a true distribution of the work performed by its employees by using time and effort logs. However, the LEA anticipates using its SRSA funds to support teacher professional development activities, which is not a personnel expenditure. Given the small size of the LEA's SRSA awards, the LEA did not intend to spend the funds on salaries. As such, RINAP did not evaluate the LEA's time and effort records. The Academy noted that it regularly works with its fiscal partner, ADI, on the implementation of these procedures.



## 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

Mexicayotl Academy officials informed the reviewers that any proposed purchase process over \$10,000 must get three bids. The Academy's procurement process starts at the school level, with a purchase request. The person requesting is expected to have done some background research, and the Academy's procurement expert is available to review and ensure its legitimacy before it is referred to Director Baltazar for approval. Approved procurement requests are then handled by ADI, which follows all established procurement procedures.

Potential vendors tend to be those who are available, as there are limited opportunities to "shop around" for a better deal, but between the Academy's procurement expert, ADI, and the school board, Mexicayotl described that procurement requests receive multiple levels of review.



### III. 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 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

Mexicayotl Academy has no previous experience in administering the SRSA grant, as the LEA had participated in the REAP RLIS program up until 2020, when, as a dual-eligible LEA, it opted to participate in SRSA instead. Now, the LEA has two SRSA grants (FY 2020 and FY 2021) that are fully available for drawdown in the Department's G5 system. Mexicayotl described its partnership with a local accounting firm, ADI Solutions, who for the past several years has been the Academy's fiscal agent for purposes of managing Federal grant funds. ADI provides business and accounting services to schools all over the state. ADI assists Mexicayotl in applying and evaluating grant opportunities, and they provide the LEA with guidance and expertise throughout the grant cycle.

Mexicayotl officials indicated their intent is to administer the SRSA program in a manner consistent with their existing Federal grant procedures: Once Federal funding is received, Mexicayotl and ADI meet as a team over the summer to identify allowable expenditures, which are aligned with the Academy's needs in developing the annual budget. This team works closely with Director Baltazar and the Academy's accounting services staff to prioritize and finalize the budget and associated expenditures. All proposed expenditures are referred to the Mexicayotl Academy board for approval. While this process should position the LEA to maintain fiscal control and fund accounting procedures that ensure proper disbursement of and accounting for SRSA funds, it is concerning that the LEA had not defined plans for FY 2020 SRSA grant funds received in July 2020 or FY 2021 SRSA grant funds received in July 2021. While the funds are still within their period of availability, the length of time the



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LEA has taken to obligate the funds suggests that, for SRSA, the LEA has not been following its established financial management procedures.

### Recommendation

The Department recommends that Mexicayotl develop detailed written procedures for administering SRSA grant funds. This document should include an annual timeline by which the Academy will review the grant and finalize spending decisions, how it will integrate the grant into its existing Federal fund management process, and how it will track and verify all drawdowns and activities involving SRSA grant funds.



### III. Recommendation: Period of Availability



This section highlights areas with quality implementation concerns.

#### Requirement Summary

An LEA may only charge a grant program for allowable costs incurred during the period of availability (e.g., July 1, 2021 – September 30, 2023) 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., January 31, 2024).

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

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

#### Description

Mexicayotl first received an SRSA grant award in FY 2020 and has yet to access any of its SRSA grant funds. While the LEA has not spent any SRSA funds outside the grant's period of availability, the LEA demonstrated a limited understanding of the period of availability that governs the SRSA program. The LEA did not have established procedures to ensure the SRSA funds it received in FY 2020 and FY 2021 will be obligated and drawn down within the statutory performance period.

#### Recommendation

To ensure that the LEA obligates and liquidates its SRSA funds within the period of availability of the awards to prevent the funds from lapsing, the Department recommends that the LEA act quickly to obligate its FY 2020 funds by September 30, 2022, establish its banking information in G5, and obtain payee access to access its awarded funds in G5. The LEA's FY 2021 funds will remain available for obligation through September 30, 2023. In addition, Mexicayotl should develop written guidelines for accessing and drawing down its awarded FY 2020 and FY 2021 SRSA funds in G5. This written document should clearly outline the timelines for obligating and liquidating SRSA grant funds and include information on establishing payee access in the Department's G5 system.



## IV. Action Required



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

N/A