

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



Small Rural School Achievement (SRSA) Grant Program

**Fiscal Year 2024 Monitoring Report
Sweet Home Independent School District**

June 20, 2024



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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.

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 22, 2024, RINAP review of Sweet Home Independent School District (ISD) in Sweet Home, Texas. 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 Sweet Home'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

Department: U.S. Department of Education
EDGAR: Education Department General Administrative Requirements
ESEA: Elementary and Secondary Education Act of 1965
ESC: Education Service Center
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
Uniform Guidance: Uniform Guidance (2 CFR § 200)

Grantee Overview

Sweet Home ISD is a small, rural LEA located in Sweet Home, Texas. In fiscal year 2023, Sweet Home ISD received funds under the SRSA grant program in the amount of \$17,878. In fiscal year 2022, Sweet Home ISD received funds under the SRSA grant program in the amount of \$22,091. After being selected for monitoring, Sweet Home ISD completed a written self-assessment and hosted an on-site monitoring interview with members of RINAP on May 22, 2024. For purposes of this review, Justin Tabor served as the lead Program Officer and Eric Schulz 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 Sweet Home ISD is meeting specific fiscal and program requirements. Ratings are based on a four-point scale, “commendation”; “met



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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 – however, Sweet Home ISD will only see Sections II and III in this report:

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 60 business days of the receipt of the final Monitoring Report.



Sweet Home ISD Monitoring Assessment

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



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

Sweet Home ISD 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: 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

During the monitoring interview, the Sweet Home ISD Superintendent described multiple positive practices for managing the operations of her small team. As encouraged by their regional Education Service Center (ESC), most staff at Sweet Home ISD are funded through a single source, which results in easier record keeping. For the one Sweet Home ISD staff member funded by multiple sources, the LEA utilizes an Excel spreadsheet to track time and effort. Because the Sweet Home ISD staff is a small team working in close proximity, the Superintendent is intentional about assigning tasks, and monitoring those tasks is easily observable.



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

During the monitoring interview, the Sweet Home ISD Superintendent and ESC representative described their financial management practices for SRSA grant funds. The LEA and ESC utilize a local software called Ascender. Ascender software ensures that basic financial practices, like separation of duties, are maintained. Additionally, the ESC creates and shares an Excel spreadsheet that compliments the functionality of Ascender, especially in tracking SRSA fund balances and availability throughout the 27-month performance period.

The relationship between the LEA and ESC is a uniquely Texan model. Sweet Home ISD and its ESC partners have arrived at a commendable arrangement. For a small, rural LEA the pragmatic support, additional checks, and separation of duties provided by the ESC are necessary; and, in this case there is an elegant balance that maintains the LEA's decision-making authority. However, these practices are not documented in writing which creates challenges in ensuring that the practices remain consistent from year to year, particularly if there are any staffing transitions.

Recommendation

The Department recommends that Sweet Home ISD leadership, in coordination with their ESC representative, work to document their financial processes, especially those related to reconciling actual spending to budgeted amounts. These practices should be made available to current and future staff members as a prudent risk management practice.



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 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

During the interview, Sweet Home ISD leadership stated that they generally try to expend all SRSA funds during the first 12 months of the grant. They try to hold on expenses until September 1 of the first fiscal year of the grant, and fully obligate and liquidate within the fiscal year to avoid carry over. This isn't always accomplished, but is their goal when funds are initially received. This ensures that only the most current SRSA grant is available for use at any point in time.

The ESC mentioned that their Ascender software is the formal way of tracking remaining balances and relevant obligation and liquidation deadlines. However, Ascender software is designed with one-year grants in mind. Since the SRSA grant has a 27-month performance period, the LEA and ESC rely on an internal Excel file to track remaining balances, carryover amounts, and important dates (ex., the liquidation deadline).

Recommendation

The Department recommends that Sweet Home ISD leadership, in coordination with their ESC representative, work to document their period of availability processes. This document should make specific note of the LEA's process and schedule for accessing and drawing funds from G6. The document should also reflect that SRSA funds are available for 27 months without requiring a carryover process.



III. Recommendation: Use of Funds



This section highlights areas with quality implementation concerns.

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 Title I, Part A; Title II, Part A; Title III; and Title IV, Part A or B of the ESEA.

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 interview the Sweet Home ISD Superintendent shared that, according to records left by previous administrators, in FY 2022 the LEA used its SRSA grant to fund professional development opportunities related to their math curriculum and upgraded its wireless network. In FY 2023, the LEA used its SRSA grant to fund retention stipends. Sweet Home ISD leadership outlined positive, community-based practices for considering how to use their SRSA grant funds. Although these uses of funds are generally allowable, Sweet Home ISD does not maintain written procedures for determining the allowability of these costs or compliance with supplement, not supplant requirements. Thus, LEA officials were unable to demonstrate how they arrived at the decisions that these uses met Federal guidelines.

Recommendation

The Department recommends that Sweet Home ISD 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.



III. Recommendation: Procurement



This section highlights areas with quality implementation concerns.

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

The Sweet Home ISD Superintendent explained that, as per their Purchasing Manual, any expense over \$10,000 is reviewed and approved by the school board. The superintendent is authorized to make other smaller transactions. However, a written process is not in place to guide the Superintendent's decision making.

Recommendation

The Department recommends that Sweet Home ISD formalize its procurement process further by documenting the Superintendent's process for procuring items of less than \$10,000 value. The practices written should align with standards set out in 2 C.F.R 200.318.



III. Recommendation: Equipment and Supplies



This section highlights areas with quality implementation concerns.

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

The Sweet Home ISD Purchasing Manual has general policies in place around Equipment and Supplies Management. As part of its initial assessment, and confirmed in the monitoring interview, Sweet Home ISD stated that SRSA funds are generally not used for equipment purchases. Sweet Home ISD employs the services of a contractor, RCI, for inventory management. RCI provides an inventory list as a physical and digital record for the LEA. The new superintendent had not encountered any instances of loss, theft, or damage in their first year at Sweet Home ISD. While assumed that RCI would support Sweet Home ISD with instances of theft, loss, damage, and/or equipment disposal, there were not written processes available to confirm that these actions would comply with 2 C.F.R 200.313-314.

Recommendation

The Department recommends that Sweet Home ISD, in collaboration with RCI, develop written procedures to ensure compliance with 2 C.F.R 200.313-314.