

84.358

RURAL EDUCATION

State Project/ Program RURAL AND LOW INCOME SCHOOLS (PRC 109)

US Department of Education

Federal Authorization: Elementary and Secondary Education Act of 1965, Title V, Part B, as amended by Every Student Succeeds Act (ESSA) P.L. 114-95.
Effective 07/01/2017

State Authorization: Rural and Low-Income Schools (PRC 109) Rural Education Achievement Program (REAP)

NC Department of Public Instruction

Agency Contact:

Program

Dr. LaTricia Townsend, Director
Office of Federal Programs
Laticia.Townsend@dpi.nc.gov (984) 236-2787

Tina Letchworth, Assistant Director
Office of Federal Programs
Tina.Letchworth@dpi.nc.gov (984) 236-2799

Financial

Shirley McFadden, Monitoring and Compliance
Manager
Monitoring and Compliance Section
Shirley.McFadden@dpi.nc.gov
(984) 236-2258

N.C. DPI Confirmation Reports:

Confirmation of Funds Expended and/or Disbursed from the State Public School Fund and Federal Programs 2022-23 will be available at the [NC DPI School Business Division Annual Reports Application](#). The system provides an electronic view of Year-to-Date (YTD) financial reports in response to requests for confirmation from independent auditors.

The auditor should not consider the Supplement to be “safe harbor” for identifying audit procedures to apply in a particular engagement, but the auditor should be prepared to justify departures from the suggested procedures. The auditor can consider the supplement a “safe harbor” for identification of compliance requirements to be tested if the auditor performs reasonable procedures to ensure that the requirements in the Supplement are current.

The grantor agency may elect to review audit working papers to determine that audit tests are adequate.

Auditors may request documentation of monitoring visits by the State Agencies.

This compliance supplement must be used in conjunction with the OMB 2023 Compliance Supplement which will be issued in the summer. This includes “Part 3 - Compliance Requirements,” for the types that apply, “Part 6 - Internal Control,” and “Part 4 - Agency Program” requirements if the Agency issued guidance for a specific program. The OMB Compliance Supplement is Section A of the State Compliance Supplement.

I. PROGRAM OBJECTIVES

The Rural Low-Income Schools program (RLIS) is designed to address the needs of rural, low-income schools by providing additional funds to eligible LEAs. Participating LEAs use funds to implement activities permitted by the statute.

II. PROGRAM PROCEDURES

To be eligible an LEA must:

- Be eligible for an allocation under the Rural and Low-Income Schools Program.
- Have an approved application outlining which Title(s) the LEA plans to designate funds and how funds will be utilized to impact the students' not meeting State standards.

Funds available through the Rural, Low-Income Program can be used for allowable activities under the following programs:

- Title IA
- Title IIA
- Title III
- Title IVA
- Parent and Family Engagement Activities
- Administrative Cost (5% maximum)

III. COMPLIANCE REQUIREMENTS

Below on the matrix are the types of compliance requirements are applicable to the federal program, noted as "Y," as determined by the federal granting agency if the federal program is listed in Part 2 of the OMB 2023 Compliance Supplement. A State agency may have added a Type. If the program is not listed in Part 2, the State Agency has determined the applicable Types. If a Type, applicable by OMB, does not apply at the local level or if the State has modified the federal requirements at the local level, this should be explained in the supplement under the Type. A Type that is not applicable at the local level is noted by "N."

If a particular Type is noted as "Y," the auditor must determine if the Type has a direct and material effect on the federal program for the auditee. For each Type of compliance requirement, the auditor must use the OMB 2023 Compliance Supplement, Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and Part 4 (which includes any program-specific requirements) to perform the audit.

CC	A	B	C	E	F	G	H	I	J	L	M	N
Cross Cutting Requirements	Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment/ Real Property Management	Matching, Level of Effort, Earmarking	Period of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	N	Y

Crosscutting Requirements

The compliance requirements in Supplement “DPI-0 Crosscutting Requirements” are applicable to this grant. If the Matrix above indicates “Y” for a particular type, the auditor should refer to DPI-0 for additional testing requirements for that Type.

A. Activities Allowed or Unallowed

Compliance Requirement – Funds must be used by the LEA only in accordance with the approved State plan, and only for those services or activities in its project application or approved amendments.

Audit Objective – To determine that expenditures are allowable.

Suggested Audit Procedures:

- Obtain a copy of the Budget Balance Reconciliation Report (305/705) from the finance officer, and compare to local accounting records for conformity.
- Obtain a copy of the project application from the local program coordinator and review expenditures to determine that expenditures are in accordance with the project application/amendments.
- Review salary expenditures to determine that personnel paid from these funds do not exceed budgeted personnel in approved program budget. **Allowable Costs/Cost Principles**

Addressed in the NC Department of Public Instruction Cross-cutting Requirements.

C. Cash Management

Addressed in the NC Department of Public Instruction Cross-cutting Requirements.

E. Eligibility

Eligibility for Sub-recipients – No testing is required. The Department of Public Instruction program consultant determines if the eligibility requirements are met when the project is approved.

Eligibility for Individuals – This compliance requirement does not apply at the local level. No testing is required.

F. Equipment and Real Property Management

Addressed in the NC Department of Public Instruction Cross-cutting Requirements

G. Matching, Level of Effort, Earmarking

1. Matching

This compliance requirement does not apply at the local level. No testing is required.

2. Level of Effort

This compliance requirement does not apply at the local level. No testing is required.

3. Earmarking

This compliance requirement does not apply at the local level. No testing is required.

H. Period of Availability of Federal Funds

Compliance Requirement - Expenditures may not be incurred before the initial project begins. Any expenditure prior to the beginning date are considered unallowable and must be refunded to the SEA.

Audit Objective – To determine that no expenditures were incurred prior to the date the project began.

Suggested Audit Procedure:

- Review transactions to verify that no expenditures were incurred prior to the approved project application beginning date.

I. Procurement and Suspension and Debarment

Addressed in the NC Department of Public Instruction Cross-Cutting Requirements.

J. Program Income

This compliance requirement does not apply at the local level. No testing is required.

L. Reporting

Addressed in the NC Department of Public Instruction Cross-Cutting Requirements.

M. Subrecipient Monitoring

This compliance requirement does not apply at the local level. No testing is required.

N. Special Tests and Provisions

Addressed in the NC Department of Public Instruction Cross-Cutting Requirements.