



Third Party Fiduciary Agent

Guam Department of Education

In partial fulfillment of Contract: 011-2010

Monthly Project Status Report

Report 29

February 15, 2013



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### **Overview of Accomplishments and Activities, February 15, 2013**

A&M officially started performance on the Third Party Fiduciary Agent (TPFA) contract on September 15, 2010 based upon final signatures (the Notice to Proceed was issued on September 13, 2010). Initiation of progress tracking is based upon initial mobilization and official kick-off with the U.S. Department of Education (USDOE) on September 20, 2010.

The highlights for the month ending February 15, 2013 include the following:

- Federal programs and A&M conducted a teleconference with USDOE to respond to a request from Collette Fischer and Jenelle Leonard regarding the late liquidation filings. As a result of this conversation, the late liquidation requests for the ARRA RLIS, the 2009 Consolidated Grant and the 2010 Consolidated Grant were revised and resubmitted to USDOE.
- Started preparing the proposal for the Restricted Rate Indirect Cost (USDOE). The Department of the Interior will not finalize the approval of the Indirect Cost Proposal submitted to that department until USDOE has the Restricted Rate.
- The FMIS system is functional in the areas of General Ledger, Accounts Payable, Budgets, Procurement, Payroll and Human Resources. Some important activities that still must be completed include the production of critical reports (time distribution, labor cost report and staffing pattern), completing the financial close for the months from April (system go-live) through September, as well as the creation of the automated interface between the TPFA and GDOE MUNIS systems.
- Teacher laptops have been distributed to teachers who have completed a training program established by FSAIS to insure teachers have a basic working knowledge of system operation and security. Teachers who have not completed the training are being encouraged to do so as soon as possible to qualify to receive their new equipment.
- Accruals have been captured for January in support of the external Auditors review of FY2012.
- GDOE has completed the reconciliation of the physical inventory.
- GDOE has successfully closed the months and a soft close for FY 2012 in the new MUNIS software.
- GDOE is planning to upgrade the MUNIS software to Version 10.2 during March or April.
- GDOE has implemented Employee Self-Service and employees can view their W-2 on line using this module.



**Grant Status Highlights and Activity Data**

Guam Department of Education

**Late Liquidation Grant Status Report Executive Summary**

Grant Status Report as of 2/20/2013 1:19:37 AM

<u>Grant</u>	<u>Grant Name</u>	<u>Budget</u>	<u>Encumbrances</u>	<u>Requisitions</u>	<u>Actual Expenditures</u>	<u>Available Budget</u>	<u>Available %</u>
A0960	ARRA RLIS	12,206,153.00	1,323,411.82	-	10,882,740.58	0.60	0.00%
A1084	ARRA-SFSF	75,742,784.00	261,475.85	-	75,481,102.21	205.94	0.00%
F0982	FY2009 Consolidated Grant	23,983,357.00	195,067.33	-	23,789,403.33	(1,113.66)	0.00%
F1082	FY2010 Consolidated Grant	21,900,177.00	545,711.44	-	20,472,089.53	882,376.03	4.03%
		\$133,832,471.00	\$2,325,666.44	\$0.00	\$130,625,335.65	\$881,468.91	0.66%

**Statistics for Current Fiscal Year**

	<u>Jan-13</u>	<u>2nd Quarter to Date</u>	<u>Total for FY13 to Date</u>
Requisition Created	42	42	109
Purchase Orders Issued	43	43	76
Funds drawn for Payments	\$ 5,006,823.64	\$ 5,006,823.64	\$ 17,505,539.64
Receipt of Fixed Assets	2672	2672	4578

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Guam Department of Education

## Grant Status Report Executive Summary for Current Grants

Grant Status Report as of 2/20/2013 1:37:07 AM

<b>Grant</b>	<b>Grant Name</b>	<b>Budget</b>	<b>Encumbrances</b>	<b>Requisitions</b>	<b>Actual Expenditures</b>	<b>Available Budget</b>	<b>Available %</b>	<b>Obligated By</b>
F0996	FY09 Project TFASEG	\$ 999,830	\$ 82,924	\$ 59,036	\$ 785,869	\$ 72,001	7.20%	9/30/2013
F1113	Striving Readers C Literacy	\$ 312,967	\$ 5,172	\$ -	\$ 235,092	\$ 72,703	23.23%	7/31/2013
F1182	2011 Consolidated Grant	\$ 20,592,543	\$ 2,733,047	\$ 1,310,401	\$ 7,926,399	\$ 8,622,697	41.87%	9/30/2013
F1195	FY2011 SPED Part B	\$ 13,962,402	\$ 600,446	\$ 2,888	\$ 10,122,458	\$ 3,236,611	23.18%	9/30/2013
F1282	FY12 Consolidated Grant Title V	\$ 20,290,400	\$ 657,225	\$ 1,454,707	\$ 731,050	\$ 17,447,418	85.99%	9/30/2014
F1294	FY11 Special Education Part C	\$ 1,424,395	\$ 195,420	\$ 49,693	\$ 377,670	\$ 801,612	56.28%	9/30/2013
F1295	FY2012 SPED Part B	\$ 14,098,659	\$ -	\$ 300,000	\$ -	\$ 13,798,659	97.87%	9/30/2014
F1296	FY12 Project TFASEG	\$ 908,222	\$ 20,188	\$ 77,901	\$ -	\$ 810,133	89.20%	9/30/2013
F1394	FY12 Special Education Part C	\$ 1,448,962	\$ 34,309	\$ -	\$ -	\$ 1,414,653	97.63%	9/30/2014
		\$ 74,038,380	\$ 4,328,730	\$ 3,254,626	\$ 20,178,538	\$ 46,276,486	62.50%	



**Performance Plan Evidence of Completion Achievement**

2012-13 activities will focus on building collaborative processes with GDOE, advancing the CCAP and controls supporting an overall objective of resolving high risk designation.

<b>Performance Area</b>	<b>Activities</b>	<b>Final Evidence of Completion</b>	<b>Schedule Based upon Updated Performance Plan</b>	<b>Accomplishments To Date and Planned</b>
Infrastructure Installation and Management	Build awareness of new internal controls and Policies and Procedures	Training Program Materials and Training Session attendance rosters showing 100% coverage of target population	Jan 31, 2011 And continuing to monitor for effectiveness.  <b>2012-13</b> Update and support as policies and procedures are updated by GDOE	Training programs developed for procurement management.  Provide updates to internal controls and associated policies and procedures to align with GDOE's new financial management capabilities.
Compliance Management	Develop a compliance roadmap equivalent to a Comprehensive Corrective Action Plan	Developed and Approved Comprehensive Corrective Action Plan	Jan 31, 2011 submission to GDOE Feb 15, 2011 submission to USDOE  <b>2012-13</b> Update CCAP as necessary based upon changes to GDOE's administrative structure and/or due to audit or management findings related to the controls environments	CCAP officially accepted by USDOE on Dec 15, 2011.  <b>2012-13</b> submissions and reconciliation of comments provided by USDOE



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
	Perform quarterly tracking of CCAP	Documented tracking of progress against Plan and incorporation of any required changes based upon new process and/or compliance changes	<b>2012-13</b> Continue to manage the coordination of tracking and preparation of the CCAP for review	<p>TPFA is working to improve its supplemental tool(s) to assist with tracking progress of CCAP activities and assist with the design of an internal GDOE CCAP document.</p> <p><b>2013</b> Support the submission of quarterly reports by GDOE.</p> <p>The next quarterly report is due in early March 2013.</p>
Audit Support	Support for external audits and facilitating information requests, etc.	<p>Responses to information requests and meetings set with external auditors</p> <p>Assist with internal audit department with identification of risk areas.</p>	<p><b>2012-13</b> A-133 audit support when scheduled with external auditors by the Deputy Superintendent.</p> <p>Review standard operating procedures (SOPs) and department policies to assist in development of audit plan.</p> <p>Assist with internal audit department with</p>	<p>Ongoing meetings have occurred with the external auditor in advance of audit performance.</p> <p>TPFA provided audit support for the FY2012 audit. TPFA also responds to follow-up requests re: prior year audit findings as requested.</p> <p><b>2012-13</b> TPFA will</p>



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
			identification of risk areas.	continue to provide support for external audit activities.
In -Kind Valuation Processes	Determine the basis for valuations related to cost sharing and matching funds for grant reporting	Maintenance of records sufficient to document the basis of in kind valuations through audit reviews	Jan 31, 2011 And continuing to monitor for effectiveness	On-going, as needed.
Transactional Support/Daily Operations	Perform inventory management	Inventory reconciliation reports Cycle Counts for 3 schools per month during open school sessions	Complete inventory of items purchased using grant funds after Oct 1, 2006 was completed in 2011.  <b>2012-13</b> Physical inventories of federally and locally funded assets to begin September 2012.	USDOE Funded Assets - GDOE completed its 2012 physical inventory of fixed assets. Reconciliation of the assets purchased with US Ed funds has been completed.  GDOE will begin conducting annual inventories in February 2013 with a schedule of inventory of 2 to 3 schools weekly.  <b>2012-13</b> TPFA to provide updated guidance for physical inventory of locally purchased & federally funded assets.





<b>Performance Area</b>	<b>Activities</b>	<b>Final Evidence of Completion</b>	<b>Schedule Based upon Updated Performance Plan</b>	<b>Accomplishments To Date and Planned</b>
	Payroll	Clean drawdown request for payroll expenses	On-going	For the period of January 16 <sup>th</sup> thru February 15 <sup>th</sup> , approximately \$4.5 million payroll was reimbursed (Consolidated & Discretionary Grants = \$3M, SPED = \$1.5M).
	Payables	Daily transactions listing support each request for a draw of grant funds by the Business Office	Immediately after release of funds by the USDOE And continuing to monitor for effectiveness.	Payables are processed daily and checkruns at least weekly. TPFA prepares drawdown request forms for GDOE personnel to process drawdowns in US Ed G5 system.
	Procurement	Monthly summary of completed purchases and procurement actions	Feb 5, 2011 And continuing to monitor for effectiveness.	TPFA participates in biweekly meetings to discuss progress on procurements related to education grant and local funds.
	Records management	EDGAR compliant transaction document files	Dec 29, 2010	Records supporting payables, procurement, and payroll reimbursements are maintained electronically in TPFA financial management system.



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	Cash management	Compliant daily bank balance reports	Dec 29, 2010	TPFA performs daily and monthly bank reconciliations. Monthly reconciliations are documented, shared appropriate GDOE accounting personnel and maintained in TPFA repository.
Payroll systems	Detailed specification of internal control standards and process improvement actions required by CCAP	Checklist of payroll procedure changes to be implemented	Jan 31, 2011 And continuing to monitor for effectiveness	SOPs are continuing to be reviewed and refined by key GDOE personnel.  <b>2012</b> SOPs will be updated to integrate with FMIS implementation.
	Implement compliant payroll processes and system setup	Bi-weekly report of payroll exceptions	Dec 15, 2010 And continuing to monitor for effectiveness	Activities to improve GDOE payroll and personnel processes are currently underway. Special Education has reduced their payroll reimbursement rate consistently to 0%. Federal Programs and Program Manager staff for the Consolidated and Discretionary Grants has reduced the payroll reimbursement errors to



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
				<p>approximately 4%. Program Manager meetings with A&amp;M to discuss payroll reimbursement processes are regular.</p> <p><b>2012-13</b> A&amp;M will continue to focus on the general ledger/labor cost analysis and creation of inter-department communication/efficiency.</p>
	Document and maintain records appropriately	Publication and external auditor verification of compliance with SOPs	Jan 31, 2011 And continuing to monitor for effectiveness	A&M uses a three way match to reimburse payroll costs. GDOE is improving their match error rate as a result of the error report reconciliations and emphasis on payroll system improvements at the school and division levels. Federal Roster and TDR processing is continuing to be the focus on payroll reimbursement processes.



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
Cash Management	Implement a system of cash management that provides for cash – neutral or limited use of general funds for federal programs.	Daily bank balance reports and completion of test draws arriving in appropriate bank account.	Complete. Monitoring is on-going.	Monthly bank reconciliations are provided to GDOE.
	Confirm that reimbursement requests are supported by appropriate documentation and documentation is maintained for an appropriate period of time.	Monthly report showing grant status by organization, school or program	Complete.	TPFA prepares drawdown request forms for GDOE personnel to process drawdowns in US Ed G5 system.  Grant status reports are provided to GDOE monthly and updates can be generated as needed on demand.
	Confirm that account balances are monitored to prevent the failure to timely obligate and liquidate funds and prevent the lapsing of funds.	Grant award status report and monthly reporting	Initial - Jan 10, 2011  Continuing to monitor for effectiveness	On-going.
Procurement operations and systems	Detailed specification of internal control standards and process improvement actions required by CAP	Checklist of procurement procedure changes to be implemented	Initial - Jan 31, 2011  Continuing to monitor for effectiveness  <b>2012-13</b> Work collaboratively with GDOE Supply Management to	On-going.  <b>2012-13</b> Update internal control associated with CCAP and other policies and procedures



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
			improve procurement processes	
	Establish contacts and working relationships with prospective vendors that can provide goods and services that GDOE needs under the grants. Enter into contracts with vendors on behalf of GDOE, and, in doing so, must comply with the provisions for procurement.	Review of an authorized vendors list and monthly tracking procurement actions	Initial - Nov 15, 2010  Continuing to monitor for effectiveness  <b>2012-13</b> Assist GDOE in improving overall supplier management processes	Have established numerous relationships with technology and other key vendors based upon planned procurements in grants including- FMIS, FMIS PM, Construction, etc. Participate in vendor management activities as appropriate.  <b>2012-13</b> Identify and document improved practices related to supplier management
	Establish procurement processes and system functions	Publication and external auditor verification of compliance with SOPs	Initial - Jan 31, 2011	Complete.  <b>2012-13</b> Support enhancements in procurement activities through updates to SOPs based upon organizational, systems and potential compliance requirements.



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
Fixed Assets /Inventory systems	Detailed specification of internal control standards and process improvement actions required by CAP	Checklist of fixed assets procedure changes to be implemented (Note given the lack of power to support computers at the warehouse receiving will continue with paper copies of receiving information until FMIS automated receiving is implemented.	Jan 31, 2011	On-going. BMI Scanner workshops and training sessions were conducted by GDOE's Supply Management Administrator, Tyler Technologies, and BMI. Training included all GDOE warehouse and property management personnel with attendance and assistance from A&M.  <b>2012-13</b> A&M will implement the use of scanners in support of inventory and fixed assets.
	Through active oversight of the warehouse, procurement and inventory, oversee the management of all tangible personal property procured under the grants by the GDOE in accordance with the requirements	Fixed assets inventory reconciliation report	Initial - Apr 30, 2011 Revised to October 31, 2011. Priority is after the task of procurement. Procurement process is continuing to be extensive and absorbing most time of staff.  <b>2012-13</b> Work with GDOE to align FA approaches	USDOE Funded Assets – A total of 6,888 fixed assets have now been loaded into the MUNIS Fixed asset Module.  <b>2012-13</b> –Provide ongoing management through the FA module and coordinate with GDOE's FMIS and FA



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				management approach to support transition of data.
	Awareness building and training of personnel on all management processes	Publication and external auditor verification of compliance with SOPs	Initial - Jan 31, 2011	<p>Introduced the BMI scanning system for receiving and taking physical inventories. Procedures are being developed for effective use of this system as part of FMIS implementation.</p> <p><b>2012-13</b> procedures will be introduced for effective use of this system as part of FMIS implementation. Initial SOP Draft for AssetTrak/TransTrak has been completed.</p>
Records Management	Detailed specification of internal control standards and process improvement actions required by CCAP	Checklist of records management procedure changes to be implemented	Initial - Jan 31, 2011 And continuing to monitor for effectiveness	Ongoing population of TPFA deliverables repository. Materials are updated as standard operating procedures, training documents and other materials are implemented or revised.
	Appropriate records management in compliance with EDGAR requirements	Compliant financial transaction files	Dec 31, 2010, as inclusion in the training materials for GDOE MUNIS users	Electronic record storage will be implemented as part of the FMIS system.



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
	and that supporting documentation is maintained for an appropriate period of time. This includes the entry of electronic copies of all supporting documentation into the integrated software system so that it is readily available for audit and or inquiry by various parties including GDOE executive and program offices.		And continuing to monitor for effectiveness	
Reporting	Conduct reconciliations on a monthly and quarterly basis	Reconciliation Reports Monthly and Quarterly	Complete	On-going.
	Define other custom reports as necessary to support operations	Special reports and analyses	Initial - Sep 15, 2011 Continuing to monitor for effectiveness	On-going.
	Program management reporting - Standard monthly reporting will track status of performance results as well as operating information on draw downs, procurement status and other pre-defined status indicators. Reporting will also identify any performance risks and issues. Informal, timely information exchange will also occur to share information, resolve	Issue memos or emails; monthly program management reports	Monthly	<b>2012-13</b> Continue to produce status reports and review with Federal programs and management





Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
	issues and address operational concerns			
Performance Improvements	Identified opportunities to streamline processes and increase operational efficiency	<p>Presentation to GDOE with implementation plans</p> <p>Updated policies and procedures</p>	Initial - Sept 15, 2011 Continuing to monitor for effectiveness	<p>Specific performance improvement activities have focused on Procurement through development of training and a procurement improvement plan working in concert with the Supply Chain Administrator.</p> <p><b>2012-13</b> Provide updated efficiency recommendations based upon changes in federal and local requirements. Review standard operating procedures (SOPs) related to the FMIS and recommend adjustments as necessary to improve operational effectiveness.</p>



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
Procurement Support as an added function	Draft procurement document templates that comply with ARRA and other federal requirements	Accepted by GDOE Office of Supply Management	<b>2012-13</b> Update templates based upon changes in local and federal requirements and process changes	Complete. Providing additional procurement support and template-updating as necessary.  <b>2012-13 Review</b> required updates and set forth an appropriate schedule for delivery.
	Conduct procurement training for GDOE Supply Management staff consistent with federal compliance requirements	Final procurement documents accepted by AG	<b>2012-13</b> Design and deliver updated training	Conducted procurement training for 69 GDOE professionals – project managers, program coordinators, and school administrators.  <b>2012-13</b> Support training in conjunction with Supply Management.
	Augment supply management staff as needed to ensure obligation of expiring grants funds.	Provide additional staffing for surge support for end of year processing.	<b>2012-13</b> From May through September, provide increased staffing to support increased procurement activities	<b>2012-13</b> Minimize the need to for year-end surge support, yet effectively track requirements and staff appropriately.



<b>Performance Area</b>	<b>Activities</b>	<b>Final Evidence of Completion</b>	<b>Schedule Based upon Updated Performance Plan</b>	<b>Accomplishments To Date and Planned</b>
Budget Diagnostic	Conduct a Department wide budget analysis to determine opportunities for cost control, implement budget policies & practices to support sustained management and control	Budget presentation, budget financial model, draft policies and procedures	To initiate in 2012-13	Not Started
Local Implementation Support	Facilitate working sessions and provide project management and technical support to address operational risk areas in support of transitioning off high risk status with the U.S. Dept. of Education	Project plan, action plan and support for managing development of a business case	To initiate in 2012-13	Not Started
Indirect Cost Analysis	Support development of the indirect cost package for submission to U.S. Dept. of Education and Interior	Package for submission and analytical cost model as well as training for GDOE personnel on how to apply	Underway in 2012 with annual updates	Completed in November, 2012. 2013 Indirect Cost Rate proposal to be submitted by March, 2013. Restricted Rate submission for FY 2012 being prepared for submission to USDOE.



### **Immediate Areas Requiring GDOE/A&M Attention**

The following critical activities and actions require attention:

- Continue to work toward finalizing the remaining implementation action items for the FMIS including:
  - Finalizing reports such as the staffing pattern, personnel action forms and time distribution reports.
  - Automation of the information transfer between TPFA and GDOE MUNIS systems
  - Adopting new standard operating procedures (SOPs) that support the FMIS.
  - Preparing the staff and system to make the major upgrade to MUNIS version 10.2.
- Based upon physical inventory, ongoing issues that require resolution to meet compliance standards: 1) A survey of technology assets, particularly computers, in order to assess whether to repair, repurpose or dispose of equipment. 2) Security concerns both at the warehouse and schools.
- Design new Board communication regarding A&M's scope of work and progress.
- Submit 2012 Restricted Indirect Cost Rate to USDOE and 2013 Indirect Cost Rate proposal to U.S. Department of Interior Business Center by March 31, 2013.
- Complete the initial training in the effective use of the Interactive Electronic Whiteboards and setup the on-going training program.