



Third Party Fiduciary Agent

Guam Department of Education

In partial fulfillment of Contract: 011-2010

Monthly Project Status Report

Report 30

March 15, 2013



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## **Overview of Accomplishments and Activities, March 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 March 15, 2013 include the following:

- The Department and A&M are preparing the Quarterly Comprehensive Corrective Action Plan report for submission to the US Department of Education on Monday, March 18.
- A&M has completing the physical inventories at 21 GDOE schools. The GDOE property management group has participated in several of these physical inventories. A&M has completed the inventory using the electronic scanners generating electronic data files for these inventory events for both the property purchased with USDOE funds as well as local funds.
- The Project Manager for the Financial Management Information System completed their contract and turned the day to day coordination and supervision of the on-going tasks over to GDOE.
- A&M and GDOE recommended to USDOE's Risk Management Office that the installation of the FMIS system should be regarded as complete and they agreed. There are remaining improvements and planned future upgrades but the initial definition, set-up, installation and testing of the system is fundamentally complete. The General Ledger and procurement modules have been operational since April of last year. The Fiscal Year has been closed within the system and the annual, financial audit is underway.
- The Project Manager for the FMIS has turned final copies of the Standard Operating Procedures over to GDOE for final edits, and approval.
- Late Liquidation requests were resubmitted to USDOE by GDOE for the 2009 ARRA RLIS, the 2009 Consolidated Grant and the 2010 Consolidated Grant in response to questions and suggestions by the USDOE. Approval of these late liquidation requests are under consideration of the USDOE.



## 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  
(no changes awaiting late liquidation approval)

| <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>Feb-13</u> | <u>2nd Quarter to Date</u> | <u>Total for FY13 to Date</u> |
|--------------------------|---------------|----------------------------|-------------------------------|
| Requisition Created      | 40            | 82                         | 162                           |
| Purchase Orders Issued   | 27            | 70                         | 103                           |
| Funds drawn for Payments | \$ 367,862    | \$ 5,374,676               | \$17,873,401                  |
| Receipt of Fixed Assets  | 24            | 2,711                      | 4,851                         |



Guam Department of Education

## Grant Status Report Executive Summary

Grant Status Report as of 3/14/2013 12:05:13 PM

| Grant Name                        | Budget               | Encumbrances        | Requisitions        | Actual Expenditures  | Available Budget     | Available Percent | Obligated By |
|-----------------------------------|----------------------|---------------------|---------------------|----------------------|----------------------|-------------------|--------------|
| FY09 Project TFASEG               | \$ 999,830           | \$ 100,149          | \$ 62,528           | \$ 787,017           | \$ 50,135            | 5.01%             | 9/30/2013    |
| Striving Readers                  | \$ 312,967           | \$ 5,172            | \$ -                | \$ 235,092           | \$ 72,703            | 23.23%            | 7/31/2013    |
| 2011 Consolidated Grant           | \$ 20,592,543        | \$ 2,613,037        | \$ 1,668,622        | \$ 8,084,079         | \$ 8,226,806         | 39.95%            | 9/30/2013    |
| FY2011 SPED Part B                | \$ 13,962,402        | \$ 585,059          | \$ 29,826           | \$ 11,428,003        | \$ 1,919,514         | 13.75%            | 9/30/2013    |
| 2012 Consolidated Grant - Title V | \$ 20,290,400        | \$ 803,392          | \$ 2,171,659        | \$ 733,181           | \$ 16,582,169        | 81.72%            | 9/30/2014    |
| FY2011 Special Education Part C   | \$ 1,424,395         | \$ 208,910          | \$ 15,735           | \$ 497,433           | \$ 702,317           | 49.31%            | 9/30/2013    |
| FY2012 SPED Part B                | \$ 14,098,659        | \$ -                | \$ 304,758          | \$ 10,683            | \$ 13,783,218        | 97.76%            | 9/30/2014    |
| FY12 Project TFASEG               | \$ 908,222           | \$ 20,264           | \$ 77,901           | \$ -                 | \$ 810,057           | 89.19%            | 9/30/2013    |
| FY2012 Special Education Part C   | \$ 1,448,962         | \$ 34,309           | \$ 359              | \$ -                 | \$ 1,414,294         | 97.61%            | 9/30/2014    |
|                                   | <b>\$ 74,038,380</b> | <b>\$ 4,370,291</b> | <b>\$ 4,331,388</b> | <b>\$ 21,775,489</b> | <b>\$ 43,561,212</b> | <b>58.84%</b>     |              |



**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<br>And continuing to monitor for effectiveness.<br><br><b>2012-13</b> Update and support as policies and procedures are updated by GDOE  | Training programs developed for procurement management.<br><br>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<br><br><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.<br><br><b>2012-13</b> submissions and reconciliation of comments provided by USDOE  |
|  | Perform quarterly tracking of CCAP  | Documented tracking of progress against Plan and  | <b>2012-13</b> Continue to manage the coordination  | TPFA is working to improve its supplemental  |



| Performance Area | Activities  | Final Evidence of Completion   | Schedule Based upon Updated Performance Plan   | Accomplishments To Date and Planned   |
|------------------|---|--|--|---|
|                  |   | incorporation of any required changes based upon new process and/or compliance changes   | of tracking and preparation of the CCAP for review   | <p>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 identification of risk areas.</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 continue to provide support for external audit</p> |



| Performance Area                       | Activities  | Final Evidence of Completion   | Schedule Based upon Updated Performance Plan  | Accomplishments To Date and Planned  |
|--|---|--|---|--|
|  |   |  |   | 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<br>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.<br><br><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.<br><br>GDOE /A&M began conducting physical inventories with 2 or 3 inventories scheduled each week To date 21 schools have been inventoried.<br><br><b>2012-13</b> TPFA continues 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 February 16 <sup>th</sup> thru March 15 <sup>th</sup> , approximately \$1.4 million payroll was reimbursed (SPED = \$1.4M).                   |
|                         | 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<br>And continuing to monitor for effectiveness. | Payables are processed daily and checkruns at least weekly.<br>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<br>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.                         |
|                         | Cash management    | Compliant daily bank balance reports   | Dec 29, 2010  | TPFA performs daily and monthly bank reconciliations. Monthly   |



| Performance Area | Activities  | Final Evidence of Completion                             | Schedule Based upon Updated Performance Plan                | Accomplishments To Date and Planned  |
|------------------|---|--|---|--|
|                  |   |  |   | 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<br>And continuing to monitor for effectiveness | SOPs are continuing to be reviewed and refined by key GDOE personnel.<br><br><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<br>And continuing to monitor for effectiveness | Activities to improve GDOE payroll and personnel processes are currently underway. Program Manager meetings with A&M to discuss payroll reimbursement processes are regular.<br><br><b>2012-13</b> A&M will continue to focus on the general ledger/labor cost analysis and creation of inter-department communication/efficiency. |
|                  | Document and maintain   | Publication and external                                 | Jan 31, 2011  | A&M uses a three way   |



| Performance Area | Activities  | Final Evidence of Completion  | Schedule Based upon Updated Performance Plan | Accomplishments To Date and Planned   |
|------------------|---|---|--|---|
|                  | records appropriately   | auditor verification of compliance with SOPs  | And continuing to monitor for effectiveness  | 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. |
| 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.<br><br>Grant status reports are provided to GDOE monthly and updates can be generated as needed on demand.   |



| Performance Area                   | Activities  | Final Evidence of Completion  | Schedule Based upon Updated Performance Plan  | Accomplishments To Date and Planned  |
|------------------------------------|---|---|---|--|
|                                    | 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<br><br>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<br><br>Continuing to monitor for effectiveness<br><br><b>2012-13</b> Work collaboratively with GDOE Supply Management to improve procurement processes | On-going.<br><br><b>2012-13</b> Update internal control associated with CCAP and other policies and procedures   |
|                                    | 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<br><br>Continuing to monitor for effectiveness<br><br><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.<br><br><b>2012-13</b> Identify and document improved practices related to |



| Performance Area                | Activities   | Final Evidence of Completion   | Schedule Based upon Updated Performance Plan | Accomplishments To Date and Planned   |
|---------------------------------|--|--|--|---|
|                                 | Establish procurement processes and system functions   | Publication and external auditor verification of compliance with SOPs  | Initial - Jan 31, 2011                       | supplier management<br>Complete.<br><b>2012-13</b> Support enhancements in procurement activities through updates to SOPs based upon organizational, systems and potential compliance requirements.   |
| 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<br>(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.<br><br><b>2012-13</b> A&M will implement the use of scanners in support of inventory and fixed assets. |



| Performance Area | Activities   | Final Evidence of Completion  | Schedule Based upon Updated Performance Plan  | Accomplishments To Date and Planned   |
|------------------|--|---|---|---|
|                  | 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<br>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.<br><br><b>2012-13</b> Work with GDOE to align FA approaches | USDOE Funded Assets – A total of 6,964 fixed assets have now been loaded into the MUNIS Fixed asset Module.<br><br><b>2012-13</b> –Provide ongoing management through the FA module and coordinate with GDOE’s FMIS and FA 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  | 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.<br><br><b>2012-13</b> procedures will be introduced for effective                           |



| <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>  |
|-------------------------|--|---|--|---|
|                         |  |   |  | use of this system as part of FMIS implementation. Initial SOP Draft for AssetTrak/TransTrak has been completed.  |
| 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<br>And continuing to monitor for effectiveness  | Ongoing population of TPFAs 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 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. | Compliant financial transaction files                               | Dec 31, 2010, as inclusion in the training materials for GDOE MUNIS users<br>And continuing to monitor for effectiveness | Electronic record storage will be implemented as part of the FMIS system.   |
| Reporting               | Conduct reconciliations on a monthly and quarterly basis   | Reconciliation Reports<br>Monthly and Quarterly                     | Complete   | On-going.   |



| Performance Area         | Activities  | Final Evidence of Completion  | Schedule Based upon Updated Performance Plan                       | Accomplishments To Date and Planned   |
|--------------------------|---|---|--|---|
|                          | Define other custom reports as necessary to support operations  | Special reports and analyses  | Initial - Sep 15, 2011<br>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 issues and address operational concerns | 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 Improvements | Identified opportunities to streamline processes and increase operational efficiency  | Presentation to GDOE with implementation plans<br><br>Updated policies and procedures | Initial - Sept 15, 2011<br>Continuing to monitor for effectiveness | 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.<br><br><b>2012-13</b> Provide updated efficiency |





| Performance Area                         | Activities  | Final Evidence of Completion                 | Schedule Based upon Updated Performance Plan   | Accomplishments To Date and Planned   |
|--|---|--|--|---|
|  |   |  |  | <p>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> |
| 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 | <p>Complete. Providing additional procurement support and template-updating as necessary.</p> <p><b>2012-13 Review</b> required updates and set forth an appropriate schedule for delivery.</p>                           |
|  | 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   | <p>Conducted procurement training for 69 GDOE professionals – project managers, program coordinators, and school administrators.</p> <p><b>2012-13</b> Support training in conjunction with Supply Management.</p>        |



| <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>   |
|------------------------------|---|---|--|--|
|                              | 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.  |
| 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 10.3.
- Transfer the physical inventory process from A&M to GDOE Property Management Group. A&M will continue to monitor the physical inventories.
- 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.
- 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.
- Establish the on-going training program for effective use of the Interactive Electronic Whiteboards.
- Finalize the CCAP and submit for USDOE review.
- Initiate special tracking of funds requiring procurement processing through Supply Management for those grants that expire September 30, 2013. Currently the 2011 Consolidated Grant has requisitions in process totaling \$1.6 million and available non-personnel budgets totaling \$3 million reflecting procurement planned but not requisitioned.