



Third Party Fiduciary Agent

Guam Department of Education

In partial fulfillment of Contract: 011-2010

Monthly Project Status Report

Report 31

April 15, 2013



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Overview of Accomplishments and Activities, April 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 April 15, 2013 include the following:

- Transferred the physical inventory process from A&M to GDOE Property Management group. A&M will continue to monitor the physical inventories. A&M and GDOE property management have completed the physical inventory at 31 GDOE schools. We are using the BMI electronic scanners to generate electronic inventory data files for both the property purchased with USDOE funds as well as local funds. A list of missing assets has been given to property management for distribution so that school property liaisons have another opportunity to locate assets that were not found during schools visits.
- Select members from GDOE federal programs team and A&M are attending the U.S. Department of Education technical assistance meeting in preparation for the 2013 consolidated grant application. Federal programs' technical assistance to GDOE program managers is scheduled for May 9th and 10th.
- A&M has conducted a local implementation planning workshop with GDOE department heads. The purpose of the local implementation plan is to add actionable internal controls activities for each department to get GDOE off of high risk status. Each department head has been asked to review its department's policies and standard operating procedures (SOP's) in the effort of improving internal controls and will submit individual Internal Comprehensive Corrective Action Plans (ICCAP's).
- The remaining funds from the ARRA State Fiscal Stabilization Fund (SFSF) were liquidated on March 29, 2013, closing the grant.



Grant Status Highlights and Activity Data

Guam Department of Education

Late Liquidation Grant Status Report Executive Summary

Grant Status Report as of 4/15/2013 3:51:34 PM

Grant	Grant Name	Budget	Encumbrances	Actual Expenditures	Available Budget	Available %	Obligated By
A0960	ARRA RLIS	12,206,153.00	1,297,580.02	10,908,572.38	0.60	0.00%	9/30/2012
F0982	FY2009 Consolidated Grant	23,983,357.00	117,324.84	23,867,145.82	(1,113.66)	0.00%	9/30/2012
F1082	FY2010 Consolidated Grant	21,900,177.00	182,653.51	20,835,147.46	882,376.03	4.03%	9/30/2012
		\$58,089,687.00	\$1,597,558.37	\$55,610,865.66	\$881,262.97	1.52%	

First in-first out activity between the FY2011 consolidated grant and the FY2010 consolidated will be completed once the late liquidation request is approved.

Statistics for Current Fiscal Year

	March	2nd Quarter to Date	Total for FY13 to date
Requisitions Created	81	163	228
Purchase Orders Issued	60	124	167
Funds drawn for Payments	\$ 3,484,551	\$ 9,306,840	\$ 22,038,609
Receipt of Fixed Assets	974	3414	5772



Guam Department of Education

Grant Status Report Executive Summary

Grant Status Report as of 4/15/2013 4:08:27 PM

<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>	<u>Obligated By</u>
F0996	FY09 Project TFASEG	999,830.00	63,662.23	48,835.91	830,111.50	57,220.36	5.72%	9/30/2013
F1113	Striving Readers Compreh Literacy	312,967.00	5,171.96	-	235,092.37	72,702.67	23.23%	7/31/2013
F1182	2011 Consolidated Grant	20,592,543.00	2,367,237.52	2,077,806.37	9,096,084.87	7,051,414.24	34.24%	9/30/2013
F1195	FY2011 SPED Part B	13,962,402.00	276,001.91	20,508.65	11,792,532.89	1,873,358.55	13.42%	9/30/2013
F1282	2012 Consolidated Grant - Title V	20,290,400.00	847,326.21	2,510,418.44	1,935,861.70	14,996,793.65	73.91%	9/30/2014
F1294	FY2011 Special Education Part C	1,424,395.00	131,209.48	38,428.28	671,884.32	582,872.92	40.92%	9/30/2013
F1295	FY2012 SPED Part B	14,098,659.00	2,806.88	548,260.20	1,807,004.07	11,740,587.85	83.27%	9/30/2014
F1296	FY12 Project TFASEG	908,222.00	13,161.05	75,000.00	10,004.25	810,056.70	89.19%	9/30/2013
F1394	FY2012 Special Education Part C	1,448,962.00	34,308.75	189,037.25	0.00	1,225,616.00	84.59%	9/30/2014
		\$74,038,380.00	\$3,740,885.99	\$5,508,295.10	\$26,378,575.97	\$38,410,622.94	51.88%	



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.

Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
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. 2012-13 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 2012-13 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. 2012-13 submissions and reconciliation of comments provided by USDOE
	Perform quarterly tracking of CCAP	Documented tracking of progress against Plan and	2012-13 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>2013 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>2012-13 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>2012-13 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 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. 2012-13 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 /A&M began conducting physical inventories with 2 or 3 inventories scheduled each week To date, 31 schools have been inventoried. 2012-13 TPFA continues to provide updated guidance for physical inventory of locally purchased & federally funded assets.



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
	Payroll	Clean drawdown request for payroll expenses	On-going	For the period of March 16 th thru April 15th, approximately \$2 million payroll was reimbursed for consolidated and discretionary grants and \$1.9M for SPED.
	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.
	Cash management	Compliant daily bank balance	Dec 29, 2010	TPFA performs daily and



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
		reports		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. 2012 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. Program Manager meetings with A&M to discuss payroll reimbursement processes are regular. 2012-13 A&M will continue to focus on the general ledger/labor cost analysis and creation of inter-department



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
				communication/efficiency.
	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.
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.



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
	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.	<p>TPFA prepares drawdown request forms for GDOE personnel to process drawdowns in US Ed G5 system.</p> <p>Grant status reports are provided to GDOE monthly and updates can be generated as needed on demand.</p>
	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	<p>Initial - Jan 10, 2011</p> <p>Continuing to monitor for effectiveness</p>	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	<p>Initial - Jan 31, 2011</p> <p>Continuing to monitor for effectiveness</p> <p>2012-13 Work collaboratively with GDOE Supply Management to improve procurement processes</p>	<p>On-going.</p> <p>2012-13 Update internal control associated with CCAP and other policies and procedures</p>
	Establish contacts and working relationships with prospective vendors that can	Review of an authorized vendors list and monthly tracking procurement actions	<p>Initial - Nov 15, 2010</p> <p>Continuing to monitor for</p>	Have established numerous relationships with technology and other



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
	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.		effectiveness 2012-13 Assist GDOE in improving overall supplier management processes	key vendors based upon planned procurements in grants including- FMIS, FMIS PM, Construction, etc. Participate in vendor management activities as appropriate. 2012-13 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. 2012-13 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 (Note given the lack of power to support computers at the warehouse receiving will continue with paper copies of	Jan 31, 2011	On-going. BMI Scanner workshops and training sessions were conducted by GDOE's Supply Management Administrator, Tyler Technologies, and BMI.



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
		receiving information until FMIS automated receiving is implemented.		<p>Training included all GDOE warehouse and property management personnel with attendance and assistance from A&M.</p> <p>2012-13 A&M is using BMI scanners in support of inventory and fixed assets.</p>
	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	<p>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.</p> <p>2012-13 Work with GDOE to align FA approaches</p>	<p>USDOE Funded Assets – A total of 7,938 fixed assets have now been loaded into the MUNIS Fixed asset Module.</p> <p>2012-13 –Provide ongoing management through the FA module and coordinate with GDOE’s FMIS and FA management approach to support transition of data.</p>
	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



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				<p>developed for effective use of this system as part of FMIS implementation.</p> <p>2012-13 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 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	Compliant financial transaction files	Dec 31, 2010, as inclusion in the training materials for GDOE MUNIS users And continuing to monitor for effectiveness	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
	available for audit and or inquiry by various parties including GDOE executive and program offices.			
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 issues and address operational concerns	Issue memos or emails; monthly program management reports	Monthly	2012-13 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 Updated policies and procedures	Initial - Sept 15, 2011 Continuing to monitor for effectiveness	Specific performance improvement activities have focused on Procurement through development of training and a procurement



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
				<p>improvement plan working in concert with the Supply Chain Administrator.</p> <p>2012-13 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>
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	2012-13 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>2012-13 Review required updates and set forth an appropriate schedule for delivery.</p>
	Conduct procurement training for GDOE Supply Management staff consistent with federal compliance	Final procurement documents accepted by AG	2012-13 Design and deliver updated training	Conducted procurement training for 69 GDOE professionals – project managers, program



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
	requirements			coordinators, and school administrators. 2012-13 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.	2012-13 From May through September, provide increased staffing to support increased procurement activities.	2012-13 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	Local implementation planning kickoff meeting was conducted on April 3, 2013. First drafts of departmental plans to be submitted for review April 22, 2013.



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. Restricted Rate submission for FY 2012 being prepared for submission to USDOE.
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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.
- 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.
- Finalize submission of 2012 Restricted Indirect Cost Rate to USDOE and 2013 Indirect Cost Rate proposal to U.S. Department of Interior Business Center. A meeting is scheduled April 19th to discuss next steps.
- Establish the on-going training program for effective use of the Interactive Electronic Whiteboards.
- US Department of Education review is underway for late liquidation requests for the 2009 ARRA RLIS grant and the 2009 and 2010 Title V Part A consolidated grants. A&M currently has \$660K in invoices for immediate payment upon approval of the late liquidation requests. We are currently following up with vendors to complete orders for \$1.4M in open orders for the late liquidation.
- GDOE acting comptroller to determine next steps for A&M support of FY2012 audit.
- GDOE departments heads to submit their Internal Comprehensive Corrective Action Plans (ICCAP's) to A&M for review by April 22nd.
- Initiate special tracking of funds requiring procurement processing through Supply Management for grants expiring in 2013. Currently there is \$2.2M in requisitions and an additional \$10.4M available to be obligated by September 30, 2013.