



Third Party Fiduciary Agent

Guam Department of Education

In partial fulfillment of Contract: 011-2010

Monthly Project Status Report

Report 34

July 15, 2013



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

- The 2013 Title V, Part A Consolidated grant application was finalized and submitted to U.S. Department of Education on July 12, 2013.
- A request has been submitted to the U.S. Department of Education to modify the budget for the year 1 funds and to extend the obligation deadline for the year 2 funds of the Striving Readers grant. We are anticipating a favorable response. Otherwise funds expire July 31, 2013.
- The external audit of FY2012 financials has been completed.
- Search for Chief Internal Auditor is underway. Resumes are being accepted through July 31, 2013.
- In order to spend the remaining funds on grants expiring in September, TPFA has hired a summer intern to help with small procurement.
- TPFA has brought on new team members to work on the physical inventory overview, quarterly CCAP reporting and the GDOE local CCAP implementation plan.



## Grant Status Highlights and Activity Data

Guam Department of Education

### Grant Status Report Executive Summary

Grant Status Report as of 7/19/2013 2:56:39 PM

<u>Grant</u>	<u>Grant Name</u>	<u>Budget</u>	<u>Encumbrances</u>	<u>Actual Expenditures</u>	<u>Available Budget</u>	<u>Available %</u>	<u>Obligated By</u>
A0960	ARRA RLIS	12,206,153.00	69,401.66	12,136,750.74	0.60	0.00%	9/30/2012
F0982	FY2009 Consolidated Grant	23,983,357.00	41.98	23,982,272.37	1,042.65	0.00%	9/30/2012
F1082	FY2010 Consolidated Grant	21,900,177.00	27,099.91	21,873,077.08	0.01	0.00%	9/30/2012
		<b>\$58,089,687.00</b>	<b>\$96,543.55</b>	<b>\$57,992,100.19</b>	<b>\$1,043.26</b>	<b>0.00%</b>	

## Statistics for Current Fiscal Year

	<u>June</u>	<u>3rd Quarter to Date</u>	<u>Total for FY13 to date</u>
Requisitions Created	293	459	684
Purchase Orders Issued	56	160	326
Funds drawn for Payments	\$ 1,412,472	\$ 7,557,272	\$ 29,595,881
Receipt of Fixed Assets	12	142	6276



Guam Department of Education

## Grant Status Report Executive Summary

Grant Status Report as of 7/19/2013 4:03:53 PM

<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	999,830.00	128,848.27	-	869,701.89	1,279.84	0.13%	9/30/2013
F1113	FY11 Striving Readers Compreh Lit.	312,967.00	8,547.06	55,155.05	236,125.76	13,139.13	4.20%	7/31/2013
F1182	2011 Consolidated Grant	20,592,543.00	2,866,691.69	2,024,637.88	9,805,028.98	5,896,184.45	28.63%	9/30/2013
F1195	FY2011 SPED Part B	13,962,402.00	94,481.68	450.00	12,000,005.82	1,867,464.50	13.37%	9/30/2013
F1213	FY12 Striving Readers Compreh Lit.	246,932.00	-	83,772.11	0.00	163,159.89	66.07%	7/31/2013
F1282	2012 Consolidated Grant - Title V	20,645,898.00	2,276,614.50	3,902,650.92	2,133,374.38	12,333,258.20	59.74%	9/30/2014
F1294	FY2011 Special Education Part C	1,424,395.00	48,814.94	66,225.98	904,144.58	405,209.50	28.45%	9/30/2013
F1295	FY2012 SPED Part B	14,098,659.00	182,606.78	600,550.12	2,974,653.04	10,340,849.06	73.35%	9/30/2014
F1296	FY12 Project TFASEG	908,222.00	42,171.76	203,244.62	21,601.11	641,204.51	70.60%	9/30/2013
F1394	FY2012 Special Education Part C	1,448,962.00	134,243.75	-	94,837.25	1,219,881.00	84.19%	9/30/2014
		<b>\$74,640,810.00</b>	<b>\$5,783,020.43</b>	<b>\$6,936,686.68</b>	<b>\$29,039,472.81</b>	<b>\$32,881,630.08</b>	<b>44.05%</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 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
	Perform quarterly tracking of CCAP	Documented tracking of progress against Plan and	<b>2012-13</b> Continue to manage the coordination	TPFA is working with GDOE to improve its



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>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 quarterly report for the period March 1 – May 31 is being finalized and will be submitted for US Ed review the week of July 22nd.</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</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>



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
			department with identification of risk areas.	<b>2012-13</b> TPFA will 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 2013 physical inventory of fixed assets. Reconciliation of the assets purchased with US Ed funds has been completed.  Planning is underway, including training for property liaisons and warehouse staff, in preparation for next year's physical inventory.  <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 June 16 <sup>th</sup> thru July 15th, approximately \$588K for payroll for consolidated and discretionary grants and \$456K for SPED payroll was reimbursed.
	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.  <b>2013</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. Program Manager meetings with A&M to discuss payroll reimbursement processes are regular.  <b>2012-13</b> 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 CCAP	Checklist of procurement procedure changes to be implemented	<p>Initial - Jan 31, 2011</p> <p>Continuing to monitor for effectiveness</p> <p><b>2012-13</b> Work collaboratively with GDOE Supply Management to improve procurement processes</p>	<p>On-going.</p> <p><b>2012-13</b> 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  <b>2012-13</b> 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.  <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.
Fixed Assets /Inventory systems	Detailed specification of internal control standards and process improvement actions required by CCAP	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&amp;M.</p> <p><b>2012-13</b> A&amp;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><b>2012-13</b> Work with GDOE to align FA approaches</p>	<p>USDOE Funded Assets – A total of 8,522 fixed assets have now been loaded into the MUNIS Fixed asset Module.</p> <p><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.</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



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
				<p>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 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	<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  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><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>
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</b> Review required updates and set forth an appropriate schedule for delivery.</p>
	Conduct procurement training for GDOE Supply Management staff consistent	Final procurement documents accepted by AG	<b>2012-13</b> Design and deliver updated training	Conducted procurement training for 69 GDOE professionals – project



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
	with federal compliance requirements			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.  In the absence of a GDOE buyer for small purchases, TPFA has hired a summer intern to handle small procurements.
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 per direction of the Superintendent.



<p>Local Implementation Support</p>	<p>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.</p>	<p>Project plan, action plan and support for managing development of a business case</p>	<p>To initiate in 2012-13</p>	<p>Initial discussions regarding the local implementation and goals have taken place. Work to develop the plan to continue throughout August. TPFA to develop plans for GDOE review.</p>
<p>Indirect Cost Analysis</p>	<p>Support development of the indirect cost package for submission to U.S. Dept. of Education and Interior</p>	<p>Package for submission and analytical cost model as well as training for GDOE personnel on how to apply</p>	<p>Underway in 2012 with annual updates</p>	<p>Completed in November, 2012. 2013 Indirect Cost Rate proposal to be submitted. Restricted Rate submission for FY 2012 being prepared for submission to USDOE.</p>



## 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 to make the major upgrade to MUNIS version 10.4.
- 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.
- Complete 2013 physical inventory reconciliation of local assets and begin importing fixed asset data for US Education funded assets and other assets into GDOE MUNIS system. And continue efforts to find assets that were considered missing. (The missing assets list has been reduced from 164 to 102 missing assets.)
- Continue work on local CCAP implementation plan to include a comprehensive list of activities to be accomplished in order to remove high-risk designation. Create an Internal Comprehensive Corrective Action Plans (ICCAP's) tool that includes actionable internal control activities for each department to get GDOE off of high risk status.
- Finalize submission of 2012 Restricted Indirect Cost Rate to USDOE and 2013 Indirect Cost Rate proposal to U.S. Department of Interior Business Center.
- Establish the ongoing training program for effective use of the Interactive Electronic Whiteboards.
- Continue tracking of funds requiring procurement processing through Supply Management for expiring grants. Currently there's \$5.8M remaining in the consolidated grant, \$3.1M of which needs to go through procurement. There's also \$1.8M and \$405K remaining in SPED B and SPED C respectively.
- Research the eligibility and timelines related to retroactive salary increments.
- Review potential changes to warehouse and property management impacting the distribution and management of assets.
- Liquidate the remaining encumbrances (approximately \$100K) for the 2009 ARRA RLIS grant and the 2009 and 2010 Title V Part A consolidated grants before the August 13, 2013 deadline.