



Third Party Fiduciary Agent

Guam Department of Education

In partial fulfillment of Contract: 011-2010

Monthly Project Status Report

Report 37

October 15, 2013



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

- U.S. Department of Education approved GDOE's request to reprogram FY2011 Consolidated Grant funds in the amount of \$2,599,105.47.
- TPFA continues work on the local implementation plan activities report including human capital assessment and the internal control activities for GDOE to support getting off high risk status.
- Submitted revised unrestricted rate applications for FY2010 to FY2012 to U.S. Department of the Interior on 9/27/13.



Grant Status Highlights and Activity Data

Guam Department of Education

Grant Status Report Executive Summary

Grant Status Report as of 10/23/2013 6:02:39 AM

Grant	Grant Name	Budget	Encumbrances	Requisitions	Actual Expenditures	Available Budget	Available %	Obligated By
F0996	FY09 Project TFASEG	999,830.00	73,666.59	-	915,321.10	10,842.31	1.08%	9/30/2013
F1113	FY11 Striving Readers Compreh Lit.	312,967.00	30,772.88	-	280,958.48	1,235.64	0.39%	9/30/2013
F1182	2011 Consolidated Grant	20,592,543.00	3,044,308.44	-	14,990,592.23	2,557,642.33	12.42%	9/30/2013
F1195	FY2011 SPED Part B	13,962,402.00	8,230.23	-	13,924,570.03	29,601.74	0.21%	9/30/2013
F1213	FY12 Striving Readers Compreh Lit.	246,932.00	50,832.24	-	52,427.64	143,672.12	58.18%	7/31/2014
F1282	2012 Consolidated Grant - Title V	20,645,898.00	1,902,755.03	2,376,708.71	5,641,485.95	10,724,948.31	51.95%	9/30/2014
F1294	FY2011 Special Education Part C	1,424,395.00	44,084.72	-	1,368,883.40	11,426.88	0.80%	9/30/2013
F1295	FY2012 SPED Part B	14,098,659.00	322,987.41	522,786.83	5,612,111.01	7,640,773.75	54.20%	9/30/2014
F1296	FY12 Project TFASEG	908,222.00	79,243.99	322,916.00	67,480.80	438,581.21	48.29%	9/30/2014
F1394	FY2012 Special Education Part C	1,448,962.00	174,652.17	3,995.56	103,233.89	1,167,080.38	80.55%	9/30/2014
F1395	FY2013 SPED Part B	13,962,402.00	-	-	0.00	13,962,402.00	100.00%	9/30/2014
		\$88,603,212.00	\$5,731,533.70	\$3,226,407.10	\$42,957,064.53	\$36,688,206.67	41.32%	

Highlighted items represent grants with an obligation deadline of September 30, 2013.

- There are FY2013 payroll reimbursements (including retroactive pay adjustments) remaining to be processed that will reduce the remaining balances for the expiring grants.
- First-in, first-out (FIFO) transactions in the amount of \$2.5M have been approved by U.S. Ed for FY2011 CG. These adjustments will be applied to reduce the available budget for this grant. With transactions described, FY2011 CG will have no (minimal) remaining available funds.



Statistics for Current Fiscal Year

	September	<u>4th Quarter to Date</u>	<u>Total for FY13 to date</u>
Requisitions Created	13	174	855
Purchase Orders Issued	180	552	878
Funds drawn for Payments	\$ 2,119,745	\$ 11,440,620	\$ 43,341,207
Receipt of Fixed Assets	103	113	6360



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 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 CCAP document.</p> <p>2013 Support the submission of quarterly reports by GDOE.</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>2012-13 TPFA will continue to provide support for external audit activities.</p> <p>In preparation for the FY2013 fiscal year-end, TPFA and GDOE accounting personnel reinstated regular meetings to review critical reconciling items for the GDOE and TPFA accounting systems.</p>
In -Kind Valuation	Determine the basis for valuations related to cost	Maintenance of records sufficient to document the	Jan 31, 2011 And continuing to monitor for	On-going, as needed.



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
Processes	sharing and matching funds for grant reporting	basis of in kind valuations through audit reviews	effectiveness	
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 2013 physical inventory of fixed assets. Reconciliation of the assets purchased with US Ed funds has been completed. Planning for next year's physical inventory continues, including training for property liaisons and warehouse staff. 2012-13 TPFA continues to provide updated guidance for physical inventory of locally purchased & federally funded assets.
	Payroll	Clean drawdown request for payroll expenses	On-going	For the period of September 16 th thru October 15th, approximately \$926K for payroll for consolidated and discretionary grants and \$1.67M for SPED



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				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 check runs 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 reports	Dec 29, 2010	TPFA performs daily and monthly bank reconciliations. Monthly reconciliations are documented, shared appropriate GDOE



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
				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. 2013 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 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



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				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. 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	Grant award status report and monthly reporting	Initial - Jan 10, 2011 Continuing to monitor for	On-going.



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
	obligate and liquidate funds and prevent the lapsing of funds.		effectiveness	
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	Initial - Jan 31, 2011 Continuing to monitor for effectiveness 2012-13 Work collaboratively with GDOE Supply Management to improve procurement processes	On-going. 2012-13 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 Continuing to monitor for effectiveness 2012-13 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. 2012-13 Identify and document improved practices related to supplier management
	Establish procurement processes and system	Publication and external auditor verification of	Initial - Jan 31, 2011	Complete.



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
	functions	compliance with SOPs		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 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 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. 2012-13 A&M is using BMI scanners in support of inventory and fixed assets.
	Through active oversight of the warehouse, procurement and inventory, oversee the	Fixed assets inventory reconciliation report	Initial - Apr 30, 2011 Revised to October 31, 2011. Priority is after the	USDOE Funded Assets – A total of 8,615 fixed assets have now been



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	management of all tangible personal property procured under the grants by the GDOE in accordance with the requirements		<p>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>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	<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>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	Detailed specification of internal control standards and process improvement	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



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Management	actions required by CCAP			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 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 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	Issue memos or emails; monthly program management reports	Monthly	2012-13 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
	<p>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</p>			
Performance Improvements	<p>Identified opportunities to streamline processes and increase operational efficiency</p>	<p>Presentation to GDOE with implementation plans</p> <p>Updated policies and procedures</p>	<p>Initial - Sept 15, 2011 Continuing to monitor for effectiveness</p>	<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>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</p>



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
				to improve operational effectiveness.
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	Complete. Providing additional procurement support and template-updating as necessary. 2012-13 Review 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	2012-13 Design and deliver updated training	Conducted procurement training for 69 GDOE professionals – project managers, program 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 for year-end surge support, yet effectively track requirements and staff appropriately. In the absence of a



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				GDOE buyer for small purchases, TPFA 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.
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	Discussions regarding the local implementation plan and goals have taken place. Work to develop the plan continues.
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	Revised unrestricted rate applications for FY2010 to FY2012 submitted to DOI on 9/27/13.



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 upgrade to MUNIS version 9.4 with enhancements. Due to major changes with MUNIS that will be part of version 10.5, Tyler Technologies recommended that GDOE upgrade to MUNIS version 9.4 with enhancements instead of upgrading to version 10.5 as originally planned.
- Based upon the physical inventory process, ongoing issues that require resolution to meet compliance standards have been identified: 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. 3) Review potential changes to warehouse and property management impacting the distribution and management of assets.
- Complete the 2013 physical inventory reconciliation of local assets and begin importing fixed asset data for US Department of Education funded assets and other assets into GDOE MUNIS system. And continue efforts to find assets that were considered missing.
- Continue work on the local implementation plan for getting off high risk including meetings with GDOE divisions to monitor progress of standard operating procedures. Local implementation activities will include a comprehensive human capital assessment for GDOE in order to make recommendations about best practices and identify risk areas.
- Finalize and submit FY2010 - 2012 Restricted Indirect Cost Rates proposals to U.S. Department of Interior's Business Center after feedback is received on the revised unrestricted rate submissions.
- Continue search for GDOE Chief Internal Auditor.
- Reimburse for remaining FY2013 payrolls including retroactive salary increments.
- Finalize the budget and scope for 2014 TPFA contract.