



Third Party Fiduciary Agent

Guam Department of Education

In partial fulfillment of Contract: 011-2010

Monthly Project Status Report

Report 47

August 15, 2014



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Overview of Accomplishments and Activities, August 15, 2014

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 August 15, 2014 include the following:

- 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.
 - TPFA continues to review and make recommendations for improvement on GDOE's drafts of standard operating procedures (SOPs).
- TPFA furnishes GDOE with a weekly cash flow report which categorizes both source and uses of cash as well as shows variance of weekly cash. Weekly cash reports thru week ending 8/8 have been distributed.
- TPFA has completed the 2014 spring physical inventory audit and continues to conduct meetings with GDOE schools/divisions to review evaluations, provide support on fixed asset management, and obtain a status on missing/pending assets.



Grant Status Highlights and Activity Data

Guam Department of Education

Grant Status Report Executive Summary

Grant Status Report as of 8/20/2014 7:11:36 AM

| Grant | Grant Name | Budget | Encumbrances | Requisitions | Actual Expenditures | Available Budget | Available % | Obligated By |
|-------|------------------------------------|------------------------|-----------------------|-----------------------|------------------------|------------------------|---------------|--------------|
| F1213 | FY12 Striving Readers Compreh Lit. | 246,932.00 | 115,741.68 | - | 130,478.20 | 712.12 | 0.29% | 7/31/2014 |
| F1282 | 2012 Consolidated Grant - Title V | 20,663,597.00 | 2,463,219.25 | 1,919,601.10 | 13,494,486.01 | 2,786,290.64 | 13.48% | 9/30/2014 |
| F1295 | FY2012 SPED Part B | 14,098,659.00 | 605,768.10 | - | 13,212,997.24 | 279,893.66 | 1.99% | 9/30/2014 |
| F1296 | FY12 Project TFASEG | 908,222.00 | 149,631.37 | 234,019.08 | 324,304.72 | 200,266.83 | 22.05% | 9/30/2014 |
| F1313 | FY13 Striving Readers Compreh Lit. | 212,346.00 | 13,686.00 | 8,819.00 | 1,951.33 | 187,889.67 | 88.48% | 7/31/2015 |
| F1382 | 2013 Consolidated Grant - Title V | 19,917,123.00 | 2,234,678.19 | 1,116,018.31 | 8,583,352.01 | 7,983,074.49 | 40.08% | 9/30/2015 |
| F1394 | FY2012 Special Education Part C | 1,448,962.00 | 53,089.30 | - | 1,204,477.34 | 191,395.36 | 13.21% | 9/30/2014 |
| F1395 | FY2013 SPED Part B | 13,962,402.00 | 617,035.61 | 522,378.85 | 3,986,446.19 | 8,836,541.35 | 63.29% | 9/30/2015 |
| F1396 | FY13 Project TFASEG | 948,262.00 | 146,920.65 | 168,800.00 | 82,604.62 | 549,936.73 | 57.99% | 9/30/2015 |
| F1494 | FY2013 Special Education Part C | 1,448,962.00 | 58,725.31 | 188,668.00 | 144,888.91 | 1,056,679.78 | 72.93% | 9/30/2015 |
| | | \$73,855,467.00 | \$6,458,495.46 | \$4,158,304.34 | \$41,165,986.57 | \$22,072,680.63 | 29.89% | |

2014 Expiring Grants

For grants that expire on September 30, 2014, there is \$4.4M to be obligated following successful completion of the procurement process.

Statistics for Current Fiscal Year

| | July | 4th Quarter to Date | Total for FY14 to date |
|--------------------------|--------------|------------------------|---------------------------|
| Requisitions Created | 83 | 83 | 631 |
| Purchase Orders Issued | 243 | 243 | 634 |
| Funds drawn for Payments | \$ 3,749,721 | \$ 3,749,721 | \$ 34,744,742 |
| Receipt of Fixed Assets | 0 | 0 | 1882 |



Performance Plan Evidence of Completion Achievement

2013-14 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 | Transfer all necessary data from the 3 rd party FMIS to GDOE's FMIS, communicating information to GDOE's FMIS contractor and providing feedback to GDOE and the USDOE on GDOE's implementation of the FMIS. | <p>Reconciliation report confirming complete and accurate transfer of 3rd party financial records to GDOE's FMIS</p> <p>2013-14 Automated transfer of 3rd party financial records to GDOE's FMIS</p> | By 10 th of the month after the first drawdown transaction. | <p>On-going.</p> <p>2013-14 With the go-live of GDOE's FMIS, there is a new focus on creating capability of automated sharing information from 3rd party system. Details regarding what will be shared (detailed vs. summary data) and frequency of data transfer are under discussion.</p> |
| Compliance Management | Develop a compliance roadmap equivalent to a Comprehensive Corrective Action Plan | Developed and Approved Comprehensive Corrective Action Plan | <p>Continued quarterly submission of the CCAP</p> <p>2013-14 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</p> | <p>CCAP officially accepted by USDOE on Dec 15, 2011.</p> <p>2013-14 submissions and reconciliation of comments provided by USDOE</p> |



| Performance Area | Activities | Final Evidence of Completion | Schedule Based upon Updated Performance Plan | Accomplishments To Date and Planned |
|------------------------------|---|---|--|--|
| | Perform quarterly tracking of CCAP | Documented tracking of progress against Plan and incorporation of any required changes based upon new process and/or compliance changes | 2013-14 Continue to manage the coordination of tracking and preparation of the CCAP for review | 2013-14 Support the submission of quarterly reports by GDOE. |
| External Audit Support | Support for external audits and facilitating information requests, etc. | <p>Provide responses to information requests and meetings set with external auditors.</p> <p>Assist with internal audit department with identification of risk areas.</p> | <p>2013-14 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>TPFA provided audit support for all audits performed during our engagement with GDOE. TPFA also responds to follow-up requests re: prior year audit findings as requested.</p> <p>2013-14 TPFA has provided audit support materials for the FY2013 audit and will continue to provide support for external audit activities as needed.</p> |
| 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 | | On-going, as needed. |



| Performance Area | Activities | Final Evidence of Completion | Schedule Based upon Updated Performance Plan | Accomplishments To Date and Planned |
|--|------------------------------|--|---|--|
| Transactional Support/Daily Operations | Perform inventory management | Inventory reconciliation reports | | 2013-14 TPFA provided updated guidance for physical inventory of locally purchased assets. |
| | Payroll | Clean drawdown request for payroll expenses | On-going | For the period of July 16 th thru August 15 th , TPFA reimbursed approximately \$1.33M for payroll for consolidated and discretionary grants and \$1.63M 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. | On-going. |
| | Procurement | Monthly summary of completed purchases and procurement actions | Feb 5, 2011 And continuing to monitor for effectiveness. | On-going. |
| | Records management | EDGAR compliant transaction document files | Dec 29, 2010 | On-going |
| | Cash management | Compliant daily bank balance reports | Dec 29, 2010 | On-going. |



| Performance Area | Activities | Final Evidence of Completion | Schedule Based upon Updated Performance Plan | Accomplishments To Date and Planned |
|------------------|---|---|---|---|
| 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 | Updated SOPs reflecting updated processes and FMIS capabilities by GDOE personnel. 2014 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. 2013-14 Improvements to 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 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 |



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|------------------------------------|---|---|---|---|
| | | | | 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. | On-going. |
| | 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 And continuing to monitor for effectiveness | 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 | Initial - Jan 31, 2011 And continuing to monitor for effectiveness 2012-13 Work collaboratively with GDOE Supply Management to improve procurement processes | On-going. 2013-14 Update internal control associated with CCAP and other policies and procedures. |
| | Establish contacts and | Review of an authorized | Initial - Nov 15, 2010 | Have established |



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|---------------------------------|--|---|--|--|
| | 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. | vendors list and monthly tracking of procurement actions | Continuing to monitor for effectiveness 2012-13 Assist GDOE in improving overall supplier management processes | numerous relationships with technology and other key vendors based upon planned procurements in grants. Participate in vendor management activities as appropriate. 2013-14 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. 2013-14 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 via web-conferencing were conducted by GDOE's Supply Management Administrator, Tyler |



| 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.) | | Technologies, and BMI. Training included all GDOE warehouse and property management personnel with attendance and assistance from A&M. 2013-14 A&M's continued use of scanners in support of inventory and fixed assets |
| | Continued oversight of federal funded 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 | 2013-14 Work with GDOE to align FA approaches and provide integration with the FMIS FA module. | 2013-14 – Provide ongoing management through the FA module and coordinate with GDOE's FMIS and FA management approach to support transition of data and technical approach. |
| | Transition to decentralized warehouse management and receiving | Training and operational procedures at school level | August- Jan 31, 2014 | Review of receiving operations at school level. 2013-14 Procedures, training and operational practices will be introduced and implemented across GDOE. |



| Performance Area | Activities | Final Evidence of Completion | Schedule Based upon Updated Performance Plan | Accomplishments To Date and Planned |
|--------------------|--|---|--|--|
| Records Management | Detailed specification of internal control standards and process improvement actions required by CCAP | Checklist of records management procedure changes to be implemented | 2013-14 Work with GDOE Internal Audit team to improve internal controls and identify risk areas. | 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 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 | Issue memos or emails; monthly program | Monthly | 2013-14 Continue to produce status reports |



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|--|--|--|--|--|
| | 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. | management reports | | and review with Federal Programs and management. |
| Performance Improvements | Identified opportunities to streamline processes and increase operational efficiency and improve internal controls. | Provide leadership and support to update all SOPs based upon process changes as part of the FMIS implementation effort | Sept 2013-February 2014 | 2013-14 Review fiscal controls and update SOPs to reflect changes associated with FMIS implementation and identify opportunities to improve performance and compliance. |
| 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 | Complete. | Complete. Providing additional procurement support and template-updating as necessary. 2013-14 Review required updates and set forth an appropriate schedule for |



| Performance Area | Activities | Final Evidence of Completion | Schedule Based upon Updated Performance Plan | Accomplishments To Date and Planned |
|------------------------------|---|--|--|---|
| | | | | delivery |
| Local Implementation Support | <p>Augment supply management staff as needed to ensure obligation of expiring grants funds.</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. Department of Education.</p> <p>Review of GDOE organizational structure to include human capital assessment.</p> | <p>Provide additional staffing for surge support for end of year processing.</p> <p>Project plan, action plan, tracking (activities reports) and support for managing development of a business case.</p> <p>Activities report to include recommendations of best practices on organizational structure, financial operations and staff development.</p> | <p>Summer 2014 Provided increased staffing as needed to support increased procurement activities.</p> <p>2013 – 14 Provide leadership to support goal setting, tracking, and project management.</p> | <p>2013-14 Review opportunities to improve small procurement and services contracts to increase efficiency of procurement processes.</p> <p>Developed activities reports per functional area identifying target capabilities and gaps.</p> <p>2013-2014 Continue to expand activities reports and perform tracking based upon GDOE performance against targeted capabilities.</p> |
| Indirect Cost Analysis | Support development of the indirect cost package for submission to U.S. Dept of | Package for submission and analytical cost model as well as training for GDOE | Spring 2014 Complete restricted and unrestricted applications for FY13-14 | Received U.S. DOI approvals for restricted and unrestricted |



| | | | | |
|--|--|--|--|--|
| | Education and Interior. | personnel on how to apply | | applications for FY10-12 |
| Internal Audit Interim Support | Support development and application of the Management Internal Control (MIC) Plan and identification, evaluation and implementation of appropriate internal controls in SOPs | Updated MIC and ongoing support, SOP review and development support, and involvement in other internal audit responsibilities as agreed. | | |
| Optional Tasks | To be reviewed based upon GDOE's requirements. | | | |
| Facilities Management Planning and Operational Support | Provide leadership support from a Superintendent's viewpoint | Operational performance measures and facilities management guidance | | Tom Brady visited GDOE schools and warehouse to assess current facilities. Subsequently, he met with Superintendent Fernandez to discuss long-range facilities planning. |
| Budget Diagnostic | Conduct a Department wide budget analysis to determine opportunities for cost control, implement budget policies & practices to support sustained management & control. | Budget presentation, budget financial model, draft policies and procedures | | Not Started per direction of the Superintendent. |



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 and testing 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.
- Continue work on the local implementation plan for getting off high risk including feedback to GDOE on progress of standard operating procedures. Local implementation activities include a comprehensive human capital assessment for GDOE in order to make recommendations about best practices and identify risk areas.
- Continue to work with GDOE and Tyler Tech to complete the upload of USDOE, Local, and Non-USDOE fixed assets into the GDOE MUNIS system before the upcoming school semester, and address security concerns at both the warehouse and school sites.
- GDOE and TPFA are considering modifications to payroll reimbursement-related processes with the objective of achieving quicker reimbursement turnaround times.
- GDOE federal programs team and program directors continue to review FY12, FY13 and FY14 payroll error reports in order to resolve errors.
- Complete and submit indirect cost rate proposals for FY2013 and FY2014.
- Continue procurement efforts to obligate remaining funds on grants that expire in September.