



Third Party Fiduciary Agent

Guam Department of Education

In partial fulfillment of Contract: 011-2010

Monthly Project Status Report

Report 53

February 15, 2015



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## Overview of Accomplishments and Activities, February 15, 2015

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 February 15, 2015 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 and GDOE leadership met with US Department of Education Risk Management officials to discuss GDOE's transition and preparation for removal of high risk status.
  - TPFA and GDOE have assigned transition leads for each defined focus area and have had “kick-off” meetings to set expectations and general timelines.
  - Transition teams have been working to complete detailed transition plans that will be communicated to the Co-Chairs in the next several weeks.
  - The TPFA has built a reporting template that is being reviewed by both the CFO and Ike Santos. In the next week this template will be distributed to each team for their input. The file will be updated on a bi-weekly basis to track progress and distributed to the Co-Chairs. An executive summary will be completed by the Co-Chairs and distributed to the Superintendent monthly.
- TPFA continues to assist GDOE Property Management with Property Liaison fixed asset management training.
- TPFA is providing MS Excel training to business office and other GDOE departments.
- TPFA attended technical assistance meetings in Washington, DC related the FY2015 Title V, Part A consolidated grant application.



## Grant Status Highlights and Activity Data

Guam Department of Education

### Grant Status Report Executive Summary

Grant Status Report as of 2/20/2015 5:27:16 AM

Grant	Grant Name	Budget	Encumbrances	Requisitions	Actual Expenditures	Available Budget	Available %	Obligated By
F1313	FY13 Striving Readers Compreh Lit.	212,346.00	1,377.96	50,000.00	56,969.46	103,998.58	48.98%	7/31/2015
F1382	2013 Consolidated Grant - Title V	19,917,123.00	1,240,409.95	-	15,932,790.39	2,743,922.66	13.78%	9/30/2015
F1395	FY2013 SPED Part B	13,962,402.00	793,221.97	363,471.29	9,594,114.84	3,211,593.90	23.00%	9/30/2015
F1396	FY13 Project TFASEG	948,262.00	335,557.17	5,565.00	150,677.75	456,462.08	48.14%	9/30/2015
F1413	FY14 STRIVING READERS	270,133.00	30,000.00	-	280.16	239,852.84	88.79%	7/31/2015
F1482	2014 Consolidated Grant - Title V	25,011,595.00	525.00	28,374.39	0.00	24,982,695.61	99.88%	9/30/2016
F1494	FY2013 Special Education Part C	1,448,962.00	33,829.00	260,949.44	634,087.60	520,095.96	35.89%	9/30/2015
F1495	FY2014 SPED Part B	14,096,945.00	-	-	0.00	14,096,945.00	100.00%	9/30/2016
F1496	FY14 project TFASEG	963,140.00	192,571.67	126,275.00	23,760.00	620,533.33	64.43%	9/30/2015
F1594	FY2014 Special Education Part C	1,462,924.00	-	1,761.00	0.00	1,461,163.00	99.88%	9/30/2016
		<b>\$62,049,830.70</b>	<b>\$2,627,492.72</b>	<b>\$836,396.12</b>	<b>\$26,392,680.20</b>	<b>\$48,437,262.96</b>	<b>78.06%</b>	

### Statistics for Current Fiscal Year

	January	2nd Quarter to Date	Total for FY15 to date
Requisitions Created	13	13	71
Purchase Orders Issued	15	15	51
Funds drawn for Payments	\$ 3,073,351	\$ 3,073,351	\$ 15,494,833
Receipt of Fixed Assets	0	0	541



**Performance Plan Evidence of Completion Achievement**

2014-15 activities will continue to 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 <sup>rd</sup> 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.	Reconciliation report confirming complete and accurate transfer of 3 <sup>rd</sup> party financial records to GDOE's FMIS  <b>2014-15</b> Automated transfer of 3 <sup>rd</sup> party financial records to GDOE's FMIS	By 10 <sup>th</sup> of the month after the first drawdown transaction.	On-going.  <b>2014-15</b> Focus on creating capability of automated sharing information from 3 <sup>rd</sup> party system. Details regarding what will be shared (detailed vs. summary data) and frequency of data transfer are under discussion.
Compliance Management	Develop a compliance roadmap equivalent to a Comprehensive Corrective Action Plan	Developed and Approved Comprehensive Corrective Action Plan	Continued quarterly submission of the CCAP  <b>2014-15</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>2014-15</b> submissions and reconciliation of comments provided by USDOE
	Perform quarterly tracking of	Documented tracking of	<b>2014-15</b> Continue to	<b>2014-15</b> Support the



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
	CCAP	progress against Plan and incorporation of any required changes based upon new process and/or compliance changes	manage the coordination of tracking and preparation of the CCAP for review	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><b>2014-15</b> A-133 audit support when scheduled with external auditors by the Deputy Superintendent.</p> <p>Review standard operating procedures (SOPs) and department policies to assist in development of audit plan.</p> <p>Assist with internal audit department with identification of risk areas.</p>	<p>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><b>2014-15</b> TPFA submitted audit support materials for the FY2014 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.



<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>
Transactional Support/Daily Operations	Perform inventory management	Inventory reconciliation reports		<b>2014-15</b> TPFA provided updated guidance for physical inventory of locally purchased assets.
	Payroll	Clean drawdown request for payroll expenses	On-going	For the period of January 16 <sup>th</sup> thru February 15 <sup>th</sup> , TPFA reimbursed approximately \$1.84M for payroll for consolidated and discretionary grants and \$1.04M 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.  <b>2014-15</b> SOPs will continue to 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.  <b>2014-15</b> 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





Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
				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.	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  <b>2012-13</b> Worked collaboratively with GDOE Supply Management to improve procurement processes	On-going.  <b>2014-15</b> Update internal control associated with CCAP and other policies and procedures.



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
	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 of procurement actions	Initial - Nov 15, 2010  Continuing to monitor for effectiveness  <b>2012-13</b> Assisted GDOE in improving overall supplier management processes	Have established numerous relationships with technology and other key vendors based upon planned procurements in grants. Participate in vendor management activities as appropriate.  <b>2014-15</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>2014-15</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	Jan 31, 2011	On-going. BMI Scanner workshops and training sessions via web-conferencing were conducted by GDOE's Supply Management



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		continue with paper copies of receiving information until FMIS automated receiving is implemented.)		<p>Administrator, Tyler Technologies, and BMI. Training included all GDOE warehouse and property management personnel with attendance and assistance from A&amp;M.</p> <p><b>2014-15</b> A&amp;M's continued use of scanners in support of inventory and fixed assets</p>
	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	<b>2014-15</b> Work with GDOE to align FA approaches and provide integration with the FMIS FA module.	<b>2014-15</b> – 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	<p>Review of receiving operations at school level.</p> <p><b>2014-15</b> Procedures, training and operational practices will be introduced and implemented across</p>



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				GDOE.
Records Management	Detailed specification of internal control standards and process improvement actions required by CCAP	Checklist of records management procedure changes to be implemented	<b>2014-15</b> 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	Issue memos or emails;	Monthly	<b>2014-15</b> Continue to



Performance Area	Activities	Final Evidence of Completion	Schedule Based upon Updated Performance Plan	Accomplishments To Date and Planned
	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.	monthly program management reports		produce status 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	<b>2014-15</b> 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.  <b>2014-15</b> Review required updates and set forth an



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	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>Summer 2014</b> Provided increased staffing as needed to support increased procurement activities.	appropriate schedule for delivery  <b>2014-15</b> Review opportunities to improve small procurement and services contracts to increase efficiency of procurement processes.
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. Department of Education.  Review of GDOE organizational structure to include human capital assessment.	Project plan, action plan, tracking (activities reports) and support for managing development of a business case.  Activities report to include recommendations of best practices on organizational structure, financial operations and staff development.	<b>2013 – 14</b> Provided leadership to support goal setting, tracking, and project management.  Developed activities reports per functional area identifying target capabilities and gaps.	<b>2014-2015</b> Continue to expand activities reports and perform tracking based upon GDOE performance against targeted capabilities.
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	<b>Summer 2014</b> Submitted IDC applications for FY13 and FY14.	Received approval of provisional restricted rates for both years from



	Education and Interior.	personnel on how to apply		U.S. Dept of Education.
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	<b>2013-14</b> Tom Brady visited GDOE schools and warehouse to assess current facilities. Subsequently, he met with Superintendent Fernandez to discuss long-range facilities planning.	Completed.
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 to address security concerns at both the warehouse and school sites.
- Finalize modifications to the 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.
- Conduct FY13 and FY14 unrestricted indirect cost rate negotiations with U.S. Department of the Interior once DOI assigns a negotiator to review the IDC rate applications.
- Submit late liquidation request to U.S. Department of Education for approval for FY12 Title V, Part A Consolidated Grant. The late liquidation is needed primarily to accommodate contractual services that were not completed prior to the normal liquidation deadline.