



Third Party Fiduciary Agent

Guam Department of Education

In partial fulfillment of Contract: 011-2010

Monthly Project Status Report

Report 56

May 15, 2015



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Overview of Accomplishments and Activities, May 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 May 15, 2015 include the following:

- A&Mⁱ continues work on the transition plan for GDOE to support getting off high risk status.
 - A&M 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 completed the final versions of their transition plans at the beginning of May.
 - GDOE is scheduled to meet on a bi-weekly basis to track progress and distribute to the Co-Chairs. An executive summary is being developed by the Co-Chairs and will be distributed to the Superintendent monthly.
 - A&M provided the GDOE with sample internal tracking status sheets in an effort to assist the GDOE and move the process forward during the week of 5/11.
 - The GDOE plans to adjust their bi-weekly agenda with the USDOE to focus on transition efforts / progress.
- Bill Roberti provided the Superintendent with a recap of his visit to Guam in late April of 2015, which included clear recommendations on what the needed to be accomplished in order to eventually remove the GDOE of the USDOE's high risk designation.
- TPFA continues to assist GDOE Property Management with Property Liaison fixed asset management training and FY2015 physical inventory. The inventory inspections are 95% complete, with additional reconciliations and follow-up to be completed by the end of June.



Grant Status Highlights and Activity Data

Guam Department of Education

Grant Status Report Executive Summary

Grant Status Report as of 5/15/2015 4:02:33 AM

| Grant | Grant Name | Budget | Encumbrances | Requisitions | Actual Expenditures | Available Budget | Available % | Obligated By |
|-------|------------------------------------|------------------------|-----------------------|-----------------------|----------------------|------------------------|---------------|--------------|
| F1296 | FY12 Project TFASEG | 908,222.00 | 124,800.00 | - | 782,954.00 | 468.00 | 0.05% | 9/30/2015 |
| F1313 | FY13 Striving Readers Compreh Lit. | 212,346.00 | 68,295.58 | 2,156.10 | 83,978.63 | 57,915.69 | 27.27% | 7/31/2015 |
| F1382 | 2013 Consolidated Grant - Title V | 19,917,123.00 | 798,922.41 | 280,738.32 | 17,493,189.96 | 1,344,272.31 | 6.75% | 9/30/2015 |
| F1395 | FY2013 SPED Part B | 13,962,402.00 | 844,316.16 | 27,928.19 | 12,326,243.81 | 763,913.84 | 5.47% | 9/30/2015 |
| F1396 | FY13 Project TFASEG | 948,262.00 | 357,551.59 | - | 328,175.96 | 262,534.45 | 27.69% | 9/30/2015 |
| F1413 | FY14 STRIVING READERS | 270,133.00 | - | - | 30,280.16 | 239,852.84 | 88.79% | 7/31/2016 |
| F1482 | 2014 Consolidated Grant - Title V | 25,555,909.00 | 1,717,318.15 | 2,985,356.51 | 6,435,259.97 | 14,417,974.37 | 56.42% | 9/30/2016 |
| F1494 | FY2013 Special Education Part C | 1,448,962.00 | 20,533.83 | 221,658.00 | 991,377.27 | 215,392.90 | 14.87% | 9/30/2015 |
| F1495 | FY2014 SPED Part B | 14,096,945.00 | 1,000.00 | 335,000.00 | 893,651.16 | 12,867,293.84 | 91.28% | 9/30/2016 |
| F1496 | FY14 project TFASEG | 963,140.00 | 167,328.58 | 177,227.31 | 49,003.09 | 569,581.02 | 59.14% | 9/30/2015 |
| F1594 | FY2014 Special Education Part C | 1,462,924.00 | 8,397.63 | - | 2,630.41 | 1,451,895.96 | 99.25% | 9/30/2016 |
| | | \$79,746,368.00 | \$4,108,463.93 | \$4,030,064.43 | 39,416,744.42 | \$32,191,095.22 | 40.37% | |

Statistics for Current Fiscal Year

| | <u>April</u> | <u>3rd Quarter to Date</u> | <u>Total for FY15 to date</u> |
|--------------------------|--------------|----------------------------|-------------------------------|
| Requisitions Created | 151 | 151 | 362 |
| Purchase Orders Issued | 46 | 46 | 132 |
| Funds drawn for Payments | \$ 2,949,150 | \$ 2,949,150 | \$ 27,417,498 |
| Receipt of Fixed Assets | 0 | 0 | 542 |



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 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. | Reconciliation report confirming complete and accurate transfer of 3 rd party financial records to GDOE's FMIS 2014-15 Automated transfer of fixed asset data from 3 rd party financial records to GDOE's FMIS | By 10 th of the month after the first drawdown transaction. | On-going. 2014-15 Automated data transfers between TPFA and GDOE systems will be limited to fixed asset data. Financial data will be incorporated into GDOE's system manually by sharing TPFA month-end financial reports. |
| 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 2014-15 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. 2014-15 submissions and reconciliation of comments provided by USDOE |
| | Perform quarterly tracking of CCAP | Documented tracking of progress against Plan and | 2014-15 Continue to manage the coordination | 2014-15 Support the submission of quarterly |



| 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 | 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>2014-15 Single 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>2014-15 TPFA participated in audit meetings with GDOE, external auditors and Guam Office of Public Accountability to support completion of FY14 audit.</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 | | <p>2014-15 TPFA provided updated guidance for physical inventory of locally purchased assets.</p> <p>The 2015 Spring Inventory is approx. 95% finished and on schedule to be completed by the end of June.</p> |
| | Payroll | Clean drawdown request for payroll expenses | On-going | For the period of April 16 th thru May 15 th , TPFA reimbursed approximately \$1.4M for payroll for consolidated and discretionary grants and \$1.02M 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. 2014-15 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. 2014-15 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 | TPFA 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 2012-13 Worked collaboratively with GDOE Supply Management to improve procurement processes | On-going. 2014-15 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 2012-13 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. 2014-15 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. 2014-15 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. | Jan 31, 2011 | On-going. BMI Scanner workshops and training sessions via web-conferencing were conducted by GDOE's Supply Management |



| Performance Area | Activities | Final Evidence of Completion | Schedule Based upon Updated Performance Plan | Accomplishments To Date and Planned |
|------------------|---|---|---|---|
| | | | | <p>Administrator, Tyler Technologies, and BMI. Training included all GDOE warehouse and property management personnel with attendance and assistance from TPFA.</p> <p>2014-15 TPFA'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 | 2014-15 Work with GDOE to align FA approaches and provide integration with the FMIS FA module. | 2014-15 – 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. 2014-15 Procedures, training and operational practices will be introduced and |



| Performance Area | Activities | Final Evidence of Completion | Schedule Based upon Updated Performance Plan | Accomplishments To Date and Planned |
|--------------------|--|---|--|--|
| | | | | implemented across 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 | 2014-15 Work with GDOE Internal Audit team to improve internal controls and identify risk areas. | Ongoing population of TPGA 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. |



| Performance Area | Activities | Final Evidence of Completion | Schedule Based upon Updated Performance Plan | Accomplishments To Date and Planned |
|---|---|---|--|---|
| | <p>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.</p> | <p>Issue memos or emails; monthly program management reports</p> | <p>Monthly</p> | <p>2014-15 Continue to produce status reports and review with Federal Programs and management.</p> |
| <p>Performance Improvements</p> | <p>Identified opportunities to streamline processes and increase operational efficiency and improve internal controls.</p> | <p>Provide leadership and support to update all SOPs based upon process changes as part of the FMIS implementation effort</p> | <p>Sept 2013-February 2014</p> | <p>2014-15 Review fiscal controls and update SOPs to reflect changes associated with FMIS implementation and identify opportunities to improve performance and compliance.</p> |
| <p>Procurement Support as an added function</p> | <p>Draft procurement document templates that comply with ARRA and other federal requirements.</p> | <p>Accepted by GDOE Office of Supply Management</p> | <p>Complete.</p> | <p>Complete. Providing additional procurement support and template-updating as necessary.</p> <p>2014-15 Review required</p> |



| Performance Area | Activities | Final Evidence of Completion | Schedule Based upon Updated Performance Plan | Accomplishments To Date and Planned |
|------------------------------|--|--|---|--|
| | | | | updates and set forth an appropriate schedule for delivery |
| | Augment supply management staff as needed to ensure obligation of expiring grants funds. | Provide additional staffing for surge support for end of year processing. | Summer 2014 Provided increased staffing as needed to support increased procurement activities. | 2014-15 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. | 2013 – 14 Provided leadership to support goal setting, tracking, and project management. Developed activities reports per functional area identifying target capabilities and gaps. | 2014-15 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 | Summer 2014 Submitted IDC applications for FY13 and FY14. | Received approval of provisional restricted rates for FY13 and FY14 |



| | | | | |
|--|--|--|---|---|
| | Education and Interior. | personnel on how to apply | | from U.S. Dept of Education. Submitted FY15 application. |
| 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. | | Reviewed departmental SOPs and provided recommendations for improvements. |
| 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 | 2013-14 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 and control. | Budget presentation, budget financial model, draft policies and procedures | | Not Started per direction of the Superintendent. |



Immediate Areas Requiring GDOE/TPFA 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 fixed asset data transfer between TPFA and GDOE MUNIS systems.
- Continue work on the transition plan for getting off high risk including feedback to GDOE on progress of standard operating procedures.
- 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 to take corrective action to address concerns related to veracity of time distribution reports to ensure accurate and fair allocation of time to federal activities.
- GDOE federal programs team and program directors continue to review FY13, FY14, and FY15 payroll error reports in order to resolve errors.
- Conduct FY13 and FY14 restricted indirect cost rate negotiations with U.S. Department of Education. Conduct FY15 unrestricted rate negotiations with the U.S. Department of Interior once a negotiator is assigned.
- 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.

ⁱ Note: In this report, we use “TPFA” when we are referring to work performed as part of our contract in accordance with the statement of work and “A&M” when referring to out of scope work.