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FRANKLIN
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Chief Internal Auditor

September 21, 2015

MEMORANDUM

TO: Acting Deputy Superintendent of Accountability and Assessment

CC: Superintendent of Education
Deputy Superintendent for Finance and Administrative Services
Deputy Superintendent for Educational Support and Community Learning

FROM: Chief Internal Auditor

SUBJECT: Foundation for Public Education Inc. Grants

REFERENCES: Guam Education Board Policy 715 for Non-Appropriated Funds (NAF)
Guam Department of Education (GDOE) Requisition and Procurement
Standard Operating Procedures (SOP)

Hafa Adai,

The Foundation for Public Education Inc. (Foundation)'s plan to award grants to five GDOE schools was brought to the Internal Audit Office (IAO)'s attention. Grants totaling \$80,446 were to be awarded as follows: (1) \$19,000 for Inajaran Middle School's STEM programs, (2) \$51,946 for Okkodo High School's art supplies and performing arts, (3) \$9,500 to be shared by George Washington High, H.B. Price Elementary, and L.P. Untalan Middle Schools' for their nurse and science programs. The Foundation and the schools requested for the grants to be directly received by the schools and accounted for through each school's Trust and Agency Fund (TAF) account in GDOE's Munis system.

The IAO supports the Foundation and schools' request, so long as internal controls were established and complied with to ensure proper administration and reporting of grant funds. To ensure fiscal accountability, the IAO recommends the following guidelines:

If the total grant award is less than \$5,000:

- The Foundation writes a check of the grant amount to the recipient school and provides a notice of the award to IAO.

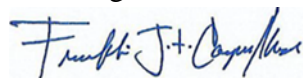
- The IAO creates a sub-account, under the recipient school's TAF account in Munis, to distinguish the award from the school's other TAF funds.
- The recipient school deposits and accounts for the funds in its TAF account.
- Since the award is under TAF, the recipient school must follow the Non-Appropriated Fund policies and procedures, to include:
 - Obtaining one price quote for purchases of less than \$500 using the grant award, and three price quotes for purchases of \$500 or more.
 - Submission of monthly and Annual Reports of TAF transactions to the IAO.
- The recipient school provides quarterly reports of its grant award expenditures to the Foundation.
- The IAO will perform its annual audit of the recipient school's TAF, including the grant award funds. IAO's report will be provided to the Superintendent.

If the total grant award is \$5,000 or more:

- The Foundation writes a check of the grant award to GDOE and provides a notice of the award to IAO.
- The Budget Office creates an account for the recipient school in Munis.
- Since the award is under GDOE, the recipient school must coordinate with the Office of Supply Management and follow GDOE's SOPs for requisition and procurement. Note: The recipient school must plan its expenditures to adjust for processing time.
- The Deputy Superintendent of Accountability and Assessment will approve all the grant award expenditures.
- The Business Office accounts for the recipient school's expenditures of the Foundation's grant award funds in Munis.
- The Business Office provides monthly reports of the grant award expenditures to the Deputy Superintendent of Accountability and Assessment and the Superintendent.
- The IAO will perform an annual audit of the Foundation's grant awards held in trust by GDOE for the recipient schools. IAO's report will be provided to the Superintendent.

Should you have questions or concerns, please feel free to contact me at 300-1336 or fjtcooper-nurse@gdoe.net.

Best Regards,



Franklin Cooper-Nurse
Chief Internal Auditor