



Guam Department of Education
Internal Audit Office
IAO Advisory
USED Grants Accounting and Reporting

Issued January 24, 2024



DEPARTMENT OF EDUCATION INTERNAL AUDIT OFFICE

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Superintendent of Education

**FRANKLIN
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Chief Internal Auditor

January 24, 2024

MEMORANDUM

TO: K. Erik Swanson, Ph.D., Superintendent of Education
Guam Education Board Audit Committee

CC: Joann G. Camacho, Deputy Superintendent of Finance and Administrative Services

FROM: Franklin Cooper-Nurse, Chief Internal Auditor

SUBJECT: USED Grants Accounting and Reporting

Hafa Adai Superintendent Swanson and Audit Committee,

In reviewing the January 2024 Grant Status Report (GSR), the Guam Department of Education (GDOE) has \$241 million (M) in available U.S. Department of Education (USED) grant funds. Of this available balance, \$165.3M is American Rescue Plan (ARP) funding, which must be obligated by fiscal year end. \$2.7M in Special Education ARP funding and \$201 thousand in Education Stabilization Fund (ESF) II funding have expired and would need to be liquidated. See Table 1. Furthermore, outstanding federal payroll reimbursements currently total \$14M.

Table 1: USED Grant Status Report as of January 10, 2024

Grant Name / Recipient	Budget	Encumbrances	Requisitions	Actual Expenditures	Available Budget	Obligate By
2021 American Rescue Plan - ARP	286,940,627.01	15,489,367.96	71,549,002.25	34,612,568.07	165,289,688.73	9/30/2024
FY21 ARP Individuals with Disability	3,385,571.00	208,032.60	-	465,180.59	2,712,357.81	9/30/2023
FY21 Project ESF-SEA	110,563,287.00	6,441,064.99	115,488.36	103,805,555.11	201,178.54	9/30/2023
FY21 Comprehensive Literacy state De	324,074.00	42,507.80	106,560.85	134,143.97	40,861.38	9/30/2023
FY22 Comprehensive Literacy State De	391,641.00	42,000.00	100,428.00	16,270.04	232,942.96	9/30/2024
FY20 Project ETASLDS (GOSDV)	1,123,441.00	8,743.48	623,815.52	490,882.00	-	2/28/2024
FY21 Project ETASLDA (GOSDV)	703,980.00	-	255,996.00	124,499.00	323,485.00	2/28/2024
FY22Project ETASLDA (GOSDV)	709,102.00	364.00	67,528.00	18,506.00	622,704.00	2/28/2024
FY23Project ETASLDA (GOSDV)	713,396.00	-	-	-	713,396.00	2/28/2024
FY22 Consolidated Grant - RLIS	34,220,248.00	4,621,864.21	1,896,221.12	4,152,851.39	23,549,311.28	9/30/2024
FY23 Consolidated Grant - RLIS	35,768,085.00	1,100,095.20	21,000.00	762,969.49	33,884,020.31	9/30/2025
FY22 Sped State Grant - B	17,234,421.00	782,214.83	335,044.70	4,852,407.46	11,264,754.01	9/30/2024
FY22 Special Education Part C	1,544,042.00	25,592.00	153,988.00	340,465.66	1,023,996.34	9/30/2024
FY22 Project Hita Para Mona	250,000.00	5,944.05	-	163,277.00	80,778.95	10/31/2024
FY23 Project Hita Para Mona	250,000.00	80,000.00	-	1,950.00	168,050.00	10/31/2024
FY22 Bipartisan Safer Communities	1,681,978.00	-	-	53,622.00	1,628,356.00	9/30/2025
Totals	537,325,890.01	28,847,791.12	75,225,072.80	191,517,144.78	241,735,881.31	

In consideration of the condition of GDOE's USED federal grant inventory, it is imperative that the Financial Affairs Division work with the respective federal divisions and offices to take action for the expiring grant funds to avoid missed opportunities and the potential return of available federal grant funds.

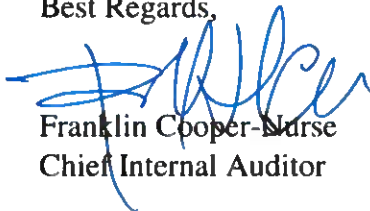
Additionally, the IAO has received several requests for assistance with federal accounting. The IAO notes the roles and responsibilities of federal grant accounting and reporting remain with the Financial Affairs Division, which includes:

1. Preparation of the GSR
2. Preparation of the Labor Cost Distribution Report (Federal Payroll Reimbursement)
3. Preparation of the Schedule of Expenditures of Federal Awards (SEFA) & Schedule of Federal Receivables and Deferrals (SEFRAD)
4. Recording of revenue and accounts receivable
5. Adjusting entries – transfer of allowable expenditures to reduce unexpended expired grant funds

In accordance with USED's letter dated November 9, 2023, GDOE successfully removed the requirement for a third-party fiduciary (TPFA) oversight as of October 31, 2023. With the removal of the TPFA, the Internal Audit Office (IAO) was designated with the overall responsibility of assessing internal controls of all USED grants, which includes monitoring and creating a structure independent of GDOE's Financial Affairs Division and Federal Programs.

The IAO will continue to produce financial reports and compliance audits, perform expenditure monitoring, and review employee time tracking and drawdown requests per our reporting requirements with USED Risk Management. As such, the IAO can only provide limited assistance which does not create a conflict with Government Auditing Standards and the IAO's established Audit Charter. Should you have any questions or require further guidance, please contact me at (671) 300-1336 or fjtcooper-nurse@gdoe.net.

Best Regards,



Franklin Cooper-Nurse
Chief Internal Auditor