



**U.S. DEPARTMENT OF EDUCATION
BUDGET INFORMATION NON-CONSTRUCTION PROGRAMS**

OMB Control Number: 1894-0008
Expiration Date: 08/31/2020

Name of Institution/Organization
CNMI Public School System

Applicants requesting funding for only one year should complete the column under "Project Year 1." Applicants requesting funding for multi-year grants should complete all applicable columns. Please read all instructions before completing form.

SECTION A - BUDGET SUMMARY U.S. DEPARTMENT OF EDUCATION FUNDS

Budget Categories	Project Year 1 (a)	Project Year 2 (b)	Project Year 3 (c)	Project Year 4 (d)	Project Year 5 (e)	Total (f)
1. Personnel	15,362,884					15,362,884.00
2. Fringe Benefits	3,848,221					3,848,221
3. Travel	0					0
4. Equipment	350,000					350,000
5. Supplies	348,560					348,560
6. Contractual	550,000					550,000
7. Construction	0					0
8. Other	1,294,828					1,294,828
9. Total Direct Costs (lines 1-8)	21,754,493					21,754,493
10. Indirect Costs *Enter Rate Applied <u> </u>	172,991					172,991
11. Training Stipends	1,236,250					1,236,250
12. Total Costs (lines 9-11)	23,163,734					23,163,734

***Indirect Cost Information (To Be Completed by Your Business Office):**

If you are requesting reimbursement for indirect costs on line 10, please answer the following questions:

(1) Do you have an Indirect Cost Rate Agreement approved by the Federal government? X Yes No.

(2) If yes, please provide the following information:

Period Covered by the Indirect Cost Rate Agreement: From: 10 /01 / 2019 To: 09 /30 / 2021 (mm/dd/yyyy)

Approving Federal agency: ED X Other (please specify): Department of Interior Affairs The Indirect Cost Rate is 5.11 %

(3) If this is your first Federal grant, and you do not have an approved indirect cost rate agreement, are not a State, Local government or Indian Tribe, and are not funded under a training rate program or a restricted rate program, do you want to use the de minimis rate of 10% of MTDC? Yes No. If yes, you must comply with the requirements of 2 CFR § 200.414(f).

(4) If you do not have an approved indirect cost rate agreement, do you want to use the temporary rate of 10% of budgeted salaries and wages? Yes No. If yes, you must submit a proposed indirect cost rate agreement within 90 days after the date your grant is awarded, as required by 34 CFR § 75.560.

(5) For Restricted Rate Programs (check one) -- Are you using a restricted indirect cost rate that: Is included in your approved Indirect Cost Rate Agreement? Or Complies with 34 CFR 76.564(c)(2)? The Restricted Indirect Cost Rate is 4.20 %

(6) For Training Rate Programs (check one) -- Are you using a rate that: Is based on the training rate of 8 percent of MTDC (See EDGAR § 75.562(c)(4))? Or Is included in your approved Indirect Cost Rate Agreement, because it is lower than the training rate of 8 percent of MTDC (See EDGAR § 75.562(c)(4)).

CNMI PSS Education Stabilization Fund Budget Narrative

Personnel – \$15,362,884

1. 135 staff, including Principals, VPs, Distance Education Teachers, Classroom teachers and central staff that provided the learning packets, summer school, teacher training and related services.

The reason for this back-filling of the local budget is the 53% reduction in local funds this fiscal year because the corona virus has ended all international flights to Saipan. 95% of our tourists come from three major markets which are China at 45%, South Korea at 40% and Japan at 10% of our tourists according to Marianas Visitors Association (MVA)

Fringe Benefits - \$3,848,221

1. Employer share of FICA @7.65%,
2. Government Health and Life insurance @ 8.55%
3. Retirement (401A) employer 4% share

Travel - \$0

Equipment – \$350,000

1. 2 School Bus replacements for our neighbor islands of Tinian and Rota @ \$175,000 each which includes freight from North Carolina to LA and then ocean freight from LA to Saipan and then barge one bus to Tinian and barge one bus to Rota. These two busses are outfitted with wifis which provide needed connectivity for students living in remote areas of Tinian and Rota which do not have internet connectivity. Students have in-class instruction for 2 hours twice a week and the balance of instruction is on-line learning. So, the provision of internet service is an equity issue as well as an instructional issue created by the prevalence of the virus.

Supplies - \$348,500

1. Thermal imaging wands with temperature @ \$80/TI wand X 232 – \$18,560 with one for every three classrooms
2. Cleaning solution for 3 times a day cleaning of all classroom surfaces at our schools @ \$15,000/year per school X 20 schools = \$300,000
3. Hand sanitizers for every classroom \$4 per 14 ounce hand sanitizer X 500 classrooms and school offices X 15 refills = \$30,000

Contractual - \$550,000

1. Hiring of 21 nurses (1 per school) \$2,500/month X 10 months X 22 Nurses = \$550,000
2. We need to be able to assure parents, students and teachers that our schools are safe from the corona virus which we can do daily through thermal temperature scans of all students and staff. Our plan is to hire part-time retired Nurses to conduct the daily scans, and take any ill students to a safe room

where the student can rest as he/she waits for the parents to come and take them home. The cost calculation is \$2,500/month per part time Nurse X 10 months X 22 Nurses.

Construction - \$0

Other - \$1,294,828

1. Utilities @\$895,828 for 20 schools and offices or \$149,305/month, on average.
2. Connectivity upgrades at our schools by adding DSL lines in our school libraries and/or school cafeterias for student use after school, Fridays and Saturdays @ \$1,500/school X 10 months X 20 = \$300,000
3. Payment for our teacher trainers for 20 day blended learning training @ \$248/day X 20 days X 20 trainers \$99,200

Total Direct Costs - \$21,754,493

Indirect @ less than 1% - \$172,991

1. The IDC is to pay for the shared costs such as independent audit, payroll processing, project monitoring, advertisements for supply and material purchases, etc. not easily expensed to any one school or activity.
2. We are only going to claim less than 1% as we need more funding for direct costs.

Teacher stipends \$1,236,250

1. 4 week training @ \$120/day X 20 days X 400 public school teachers and 115 private school teachers = 515 teachers
2. Blended teaching and student learning training for 420 public school teachers and 95 private school teachers calculated at \$120 stipend per day X 20 days X 515 teachers = \$1,236,000.
3. The blended learning training is vital so that our teachers are confident in teaching both in the classroom and on line. We do not know what the future holds with COVID-19 cases increasing. If our schools are ordered to close then we must continue teaching our children on-line. The blended learning training prepares our teachers while we hope for the best and a cure for the COVID-19.

Totals- \$23,163,734



CNMI Public School System

Education Stabilization Funds

Internal Control and Monitoring Plan

Submitted: Oct 26, 2020

Purpose

To provide an internal control and monitoring plan for use of funds for administration and for emergency needs to address issues related to COVID-19; and to ensure that funds are used for allowable purposes in accordance with cash management principles.

Background Information

The Commonwealth of the Northern Mariana Islands Public School System (CNMI PSS) is responsible for the development, management, and implementation of elementary and secondary education programs in the Commonwealth of the Northern Mariana Islands. The CNMI PSS is both a State educational agency and a local educational agency for purposes of administering Federal financial assistance programs.

In March 2020, the CNMI along with the rest of the US experienced the public health and economic impacts of COVID-19. Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act and it was signed into law by President Trump on March 27th, 2020. The CARES Act is a \$2 trillion package of assistance measures, including \$30.75 billion for an Education Stabilization Fund. On May 16, 2020, the Department awarded \$23.1 million in Education Stabilization Funds to the CNMI PSS.

Grant Management Structure

The CNMI PSS department responsible for administering the Education Stabilization Funds is the Federal Programs Office. See Figure 1 for the CNMI PSS' organizational chart.

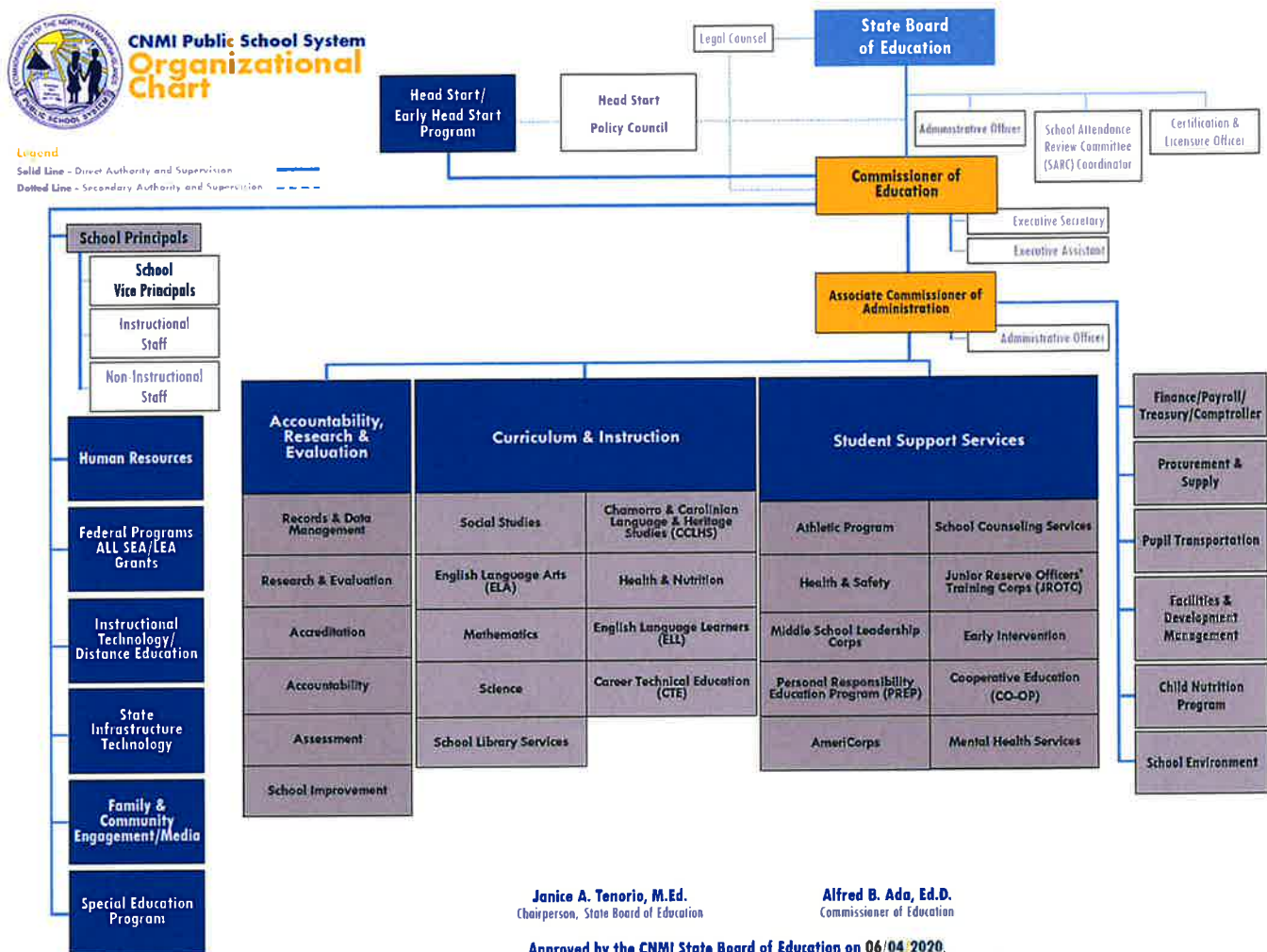


Figure 1. The CNMI PSS' organizational chart with Education Stabilization Funds under Federal Programs.

The Federal Programs Office (FPO) is responsible for overseeing and monitoring grant management activities for the CNMI PSS to ensure compliance with applicable regulations and guidelines and to prevent the lapsing of funds. The office has a federal programs officer, director of private schools, program coordinator (AP Program/Student Competitions), federal financial budget analyst, financial analyst, and an accountant. The Federal Programs Office is working in partnership with the Office of Procurement & Supply, Office of Accountability, Research & Evaluation, Office of Curriculum & Instruction, Office of Facilities Development & Management, and the Office of Pupil Transportation in implementing programs and projects at our twenty public schools (GTC Elementary School, Tanapag Middle School, Garapan Elementary School, Kagman Elementary School, Chacha Middle School, Kagman High School, San Vicente Elementary School, Dandan Middle School, Marianas High School, Oleai Elementary School, Hopwood Middle School, FMS Middle School, WSR Elementary School, Saipan Southern High School, Koblerville Elementary School, Da'Ok Academy, Tinian Elementary School, Tinian Jr/Sr High School, Sinapalo Elementary School, RHI

Jr/Sr High School) and thirteen private schools (Mt. Carmel School, Saipan Community School, Golden Harvest International School, Saipan International School, Green Meadow School, Saipan Seventh Day Adventist School, Brilliant Star School, Isla Montessori, Northern Marianas International School, Agape Christian School, Grace Christian Academy Saipan, Grace Christian Academy Rota, and Eskuelan San Francisco De Borja).

The Office of Procurement & Supply has 8 staff and the managerial and operational oversight responsibility over all of the CNMI PSS' purchasing, contracting, and distributing of goods and services for its schools, and administrative offices.

The Office of Accountability, Research & Evaluation has three staff that are responsible for reviewing and evaluating the CNMI PSS internal control and monitoring plan, and conducting quarterly progress monitoring updates for federal grants including the Education Stabilization Funds. The staff members in the Office of Accountability, Research & Evaluation are the senior director, accountability program coordinator and a research & evaluation program coordinator.

The Senior Director for the Office of Curriculum & Instruction, the Director of the Office of Facilities Development & Management, the Director of the Office of Pupil Transportation, and the principals of the twenty public schools and thirteen private schools are overseeing the allowable expenditures that pertain to their respective office or school. The CNMI PSS is both an SEA and LEA, therefore, there are no subrecipients of this grant.

Internal Controls, Monitoring Protocols & Risks Assessment

Internal control practices enable CNMI PSS to achieve its grant objectives while maintaining an ethical and accountable environment. Effective control activities help the CNMI PSS to identify priorities, achieve grant goals, report reliably, meet compliance regulations and safeguard resources. The CNMI PSS Federal Programs Office follows the Uniform Guidance under the 2 Code of Federal Regulations (C.F.R.) § 200.303 to establish and maintain effective internal control over the Federal award that provides reasonable assurance that it is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Burger & Comer, P.C., provided an independent auditors' report on compliance for each major program and on internal control over compliance required by the Uniform Guidance (see attached). Burger & Comer, P.C. (2019) stated in their most recent independent auditors report:

"In our opinion, the PSS complied, in all material respects, with the types of compliance requirements... that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2018" (p. 50).

This statement from the CNMI PSS independent auditor indicates that the CNMI PSS continues to be a low-risk status, and Burger & Comer, P.C., gave PSS' books an "unqualified audit opinion," which means that the financial statements are a true and accurate representation of the fiscal year.

Procurement of Goods & Services

The following table describes the established structure, responsibility, and lines of authority and risk management for internal control practices and monitoring protocols employed by the CNMI PSS, its departments and private schools.

Table 1. Internal controls, monitoring protocols & risk assessments associated with the procurement of goods and services

Procurement of Goods					
Considerations	Internal Control Activity	Who Performs Activity	Who Monitors Activity	Potential Risk Assessment	Mitigation of Risk
Pre-solicitation planning	Establish a need for goods prior to requesting for quotations follows: <ul style="list-style-type: none"> - BOE policy (Admin Code § 60-40-210 Small Purchases) - Procurement & Supply SOP 5.1.4. request for quotation 	Department/School/Office Designee	Department/School/Office Supervisor	No known potential risks.	Although policies and SOPs are in place, training and technical assistance on the pre-solicitation, and solicitation processes are provided by the Department/School/Office Supervisor to their designees. Additional support for the public schools, departments and offices are provided by the Procurement & Supply Office staff upon request.
Solicitation process - Small Emergency Purchase Orders	Ensure soliciting goods follows: <ul style="list-style-type: none"> - BOE policy (Admin Code § 60-40-210 Small Purchases) - Procurement & Supply SOP 5.1 <ul style="list-style-type: none"> - 5.1.1. for purchases \$2,500 and below - 5.1.2. for purchases under \$250 - 5.1.3. for purchases under 	Department/School/Office Designee	Reviewed and monitored in the following order (independent of each other): <ol style="list-style-type: none"> 1) Department/School/Office Supervisor 2) Federal Programs Office - Director for Private Schools (if applicable), Federal Programs Officer (as 	No known potential risks.	Private school staff are provided training and technical assistance by the Director of Private Schools, who meets with the Private School Principals once a month.

	<p>ranging from \$2,501-\$10,000</p> <ul style="list-style-type: none"> - 5.1.4. request for quotation 		<p>the expenditure authority) & Lead Accountant</p> <ol style="list-style-type: none"> 3) Chief Procurement & Supply Officer 4) Director of Finance 5) Commissioner of Education 		
Solicitation process - Sole Source Procurement	<p>Ensure soliciting contracts to be awarded without competition where there is only one sole source follows:</p> <ul style="list-style-type: none"> - BOE policy (Admin Code § 60-40-215 Sole Source Procurement) - Procurement & Supply SOP 5.2 for purchases \$2,500 and below 			No known potential risks.	
Solicitation process - Emergency Procurement	<p>Ensure soliciting goods to be procured under unusual and compelling urgency follows:</p> <ul style="list-style-type: none"> - BOE policy (Admin Code § 60-40-220 Emergency Procurement) - Procurement & Supply SOP 5.3 for emergency procurement 			No known potential risks.	
Solicitation process - Competitive Sealed Bidding	<p>Ensure inviting contractors to bid for various projects through the Invitation for Bid (IFB) process follows:</p> <ul style="list-style-type: none"> - BOE policy (Admin Code § 60-40-205 Competitive Sealed Bidding) - Procurement & Supply SOP 5.4 for competitive sealed bidding: <ul style="list-style-type: none"> - 5.4.1. IFB and supporting documents - 5.4.2. IFB announcement package - 5.4.3. Public Notice for IFB - 5.4.4. 	Procurement & Supply Staff (in consultation with the requesting Department/School/Office)	<p>Reviewed and monitored in the following order (independent of each other):</p> <ol style="list-style-type: none"> 1) Federal Programs Office - Director for Private Schools (if applicable), Federal Programs Officer (as the expenditure authority) & Lead Accountant 2) Chief Procurement & Supply Officer 	No known potential risks.	Although no potential risks are foreseen, an invitation for bid or request for proposals may be cancelled and any and all bids or proposals may be rejected, when such action is determined by the Chief Procurement & Supply and approved by the Commissioner of Education to be in the best interests of the Public School System (Admin Code § 60-40-235 Cancellation)

	Approval for IFB announcement		3) Director of Finance 4) Commissioner of Education		
Solicitation process - Competitive Sealed Proposal	<p>Ensure soliciting the competitive sealed bidding process in lieu of an IFB when an IFB is either not practical or advantageous to PSS follows:</p> <ul style="list-style-type: none"> - BOE policy (Admin Code § 60-40-225 Competitive Sealed Proposals) - Procurement & Supply SOP 5.5 for competitive sealed proposals: <ul style="list-style-type: none"> - 5.5.1. Condition for use - 5.5.2. Request for Proposals (RFP) requirements - 5.5.3. RFP announcement package - 5.5.4. Public Notice for RFP - 5.5.5. Approval for RFP announcement 	Requesting Department/School/Office (in consultation with the Commissioner of Education and Legal Counsel)		No known potential risks.	
Solicitation process - Competitive Selection Procedures for Professional Services	Ensure soliciting the professional services follows BOE policy (Admin Code § 60-40-230 Competitive Selection Procedures for Professional Services)	Requesting Department/School/Office (in consultation with the Chief Procurement & Supply Officer)		No known potential risks.	
Awarding Contracts - IFB process	<p>Ensure awarding contracts follows the IFB policies and follows the following policies and SOPs:</p> <ul style="list-style-type: none"> - BOE policy (Admin Code § 60-40-205 Competitive Sealed Bidding) - Procurement & Supply SOP 5.4 for competitive 	Procurement & Supply Staff (in consultation with the requesting Department/School/Office)		No known potential risks.	Not applicable

	sealed bidding: <ul style="list-style-type: none"> - 5.4.5. Bidding time - 5.4.6. Bidding receipt - 5.4.7. Bid Opening - 5.4.8. Acceptance and Evaluation - 5.4.9. Award 				
Award Contracts - RFP process	Ensure awarding contracts follows the RFP process: <ul style="list-style-type: none"> - BOE policy (Admin Code § 60-40-225 Competitive Sealed Proposals) - Procurement & Supply SOP 5.5 for receiving and awarding contracts: <ul style="list-style-type: none"> - 5.5.6. Receipt for proposal - 5.5.7. Evaluation Factors - 5.5.8. Discussions with responsible offerors - 5.5.9. Award 			No known potential risks.	Not applicable
Awarding Contracts - For Professional Services	Ensure awarding contracts for professional services and negotiating contracts on the basis of demonstrated competence and qualifications at a fair and reasonable price follows BOE policy (Admin Code § 60-40-230 Competitive Selection Procedures for Professional Services)			The need for nursing professionals is in high demand and in low supply in the CNMI.	If there are not enough nursing professionals to fill the vacancies, then the Federal Programs Officer, in consultation with the Commissioner of Education, will make necessary determinations on how to prioritize nurses on each island and are currently exploring the possibility of utilizing nursing assistants who have graduated from the local community college.
Receiving Purchased Goods and Reporting	Ensure receiving goods from vendors to the Procurement & Supply Warehouse follows the Procurement & Supply	Procurement & Supply Staff	Chief Procurement & Supply Officer	Goods procured in large quantities are often shipped from off-island	Ensure ample time is allotted to account for the anticipated and unavoidable delays with the shipment of goods.

	SOP 5.9 for receiving purchased goods and reporting			and are not immediately available. This causes a delay in receiving goods. Further delays are experienced if goods are shipped through China as a result of the increased screening protocols as a result of COVID-19.	
				Sanitation services are in high demand and with the economic downturn due to COVID-19, there may be a shortage in stock and furloughs/layoffs of staff at local cleaning businesses. This may cause delays in services.	The Federal Programs Officer, in consultation with the Commissioner of Education and school Principals, will make the necessary determinations on how cleaning service shortages will affect students entering buses, classrooms and other shared spaces where social distancing is in place.
Inspect Place of Business	Ensure inspecting a place of business follows the BOE policy (Admin Code § 60-40-255 Right to Inspect Place of Business	Commissioner of Education	1) Chief Procurement & Supply Officer 2) Board of Education	No potential risks known.	Not applicable.
Audit Records	Ensure inspecting a place of business and audit reports for contractors and subcontractors follows BOE policy (Admin Code § 60-40-260 Right to Audit Records)	CNMI Public Auditor	1) Chief Procurement & Supply Officer 2) Commissioner of Education	No potential risks known.	Not applicable.
Vendor Payment	Ensure receiving goods from vendors to the Procurement & Supply Warehouse follows the Procurement & Supply SOP 5.9 for receiving purchased goods and reporting	Procurement & Supply Staff	1) Chief Procurement & Supply Officer 2) Director of Finance 3) Commissioner of Education	No potential risks known.	Not applicable.

Personnel

The CNMI Public School Human Resource Office is responsible for activities that consists of a wide array of essential human capital functions that encompass staffing, development, compensation, safety and health, and employee and employer relations of which center on the well-being of the employee and CNMI Public School System for mutual benefit for both.

In light of COVID-19, the Education Stabilization Funds Funds will help to support staff retention by addressing a number of key concerns. The first of which relates to compensation in light of the financial crisis of the system brought about by an economic downturn and the exacerbated by COVID-19. To ensure teacher retention, a portion of the stabilization funding will be used to account for local funding shortfall. Secondly, the funding will be used to support the retention of instructional staff. To incentive instructional staff to continue to serve, there is a need to shore up efforts to support professional growth and development related to the new forms of remote learning resulting from COVID-19.

Remote Teacher Training

In light of COVID 19, the CNMI Public School System has identified remote learning as a primary form of instruction to account for physical parameters needed for safety and mitigation. Thus, professional development for instructional staff is needed to address the new technical and pedagogical infrastructure. The general series of activities include:

1. Identify Remote Learning Trainers
2. Execute Training of Trainers
3. Development of Exemplar Training Course
4. Facilitate Training & Support for All Instructional Staff

Identified trainers were selected from the Instructional Technology & Distance Education Department to build on existing local capacity. These trainers are experienced educational technology experts who also are skilled online course designers and facilitators. The trainers will receive training specific to the new learning management system and will be tasked with the development and facilitation of the exemplary training course that will be used to support the training of all instructional staff. Compensation for professional development for trainers and trainees are included in the Education Stabilization Funds Professional Development Plan. Related procedures include:

1. The Director of Instructional Technology and Distance Education Manager conducted a call for interested trainers, vetted appropriate candidates, then selected a final group of trainers.

2. Federal Program Officer and Commissioner of Education approved the identified listing of trainers and the associated pay differentials in the form of a request for compensation (BOE Admin Code § 60-30.1-446-448)
3. Payment Processing will be conducted after the completion of activities for all individuals who have been previously listed in the approved request for compensation. A request for payment will follow with accompanying attendance sheets, and compensation summary, as well as the attached prior approved request for compensation. The documents will be routed for verification and payment processing with federal programs and finance accordingly.

The grouping framework for professional development for the training of the entire school system is detailed in the chart below. It accounts for the elementary training framework, school groups, school staff population, and number of assigned trainers. The secondary school framework is subject specific, accounts for instructional staff, and the number of trainers assigned accordingly. Differentials will be paid to trainers as well as trainees in accordance with the differential policy in Admin Code § 60-30.1-446 Premium Pay.

Elementary Framework

Training Group	School	Instructional Staff Size	IT & DE Trainer
Group 1	GTC	26	3
	KAG	37	
Group 2	SIN	23	3
	GES	42	
Group 3	SVS	47	3
	TinES	18	
Group 4	KES	37	3
	OES	36	
Group 5	WSR	50	3
*School groups include Classroom Teachers, Bilingual Instructors, Librarians, Literacy Coaches, Counselors, and Special Education teachers.			

Secondary Framework

Subject	Instructional Staff Size	IT & DE Trainers
Language Arts	Middle School: 20 High School: 26	3
Math	Middle School: 26 High School: 31	3
Science	Middle School: 24 High School: 15	3
Social Studies	Middle School: 18 High School: 16	3
CTE, PE & Health, LOTE, Bilingual, LC, JROTC	Middle School: 31 High School: 26	3
Librarians, Counseling, & SPED	Counselors: 29 SPED Teachers: 11 Librarians: 4	3

Both attendance and evaluation will be monitored. For all remote learning professional development activities, participants/trainers will be required to complete a sign-in/sign-out sheet to track participation and account for time investment. Evaluation surveys will also be a staple of practice for each professional learning session to ensure the alignment of goals and objectives to ensure that the investment in training is optimal.

Table 2 describes the established structure, responsibility, lines of authority and risk management for internal control practices and monitoring protocols for personnel and remote teacher training.

Table 2. Internal controls, monitoring protocols & risk assessments associated with personnel and remote teacher training.

Personnel and Remote Teacher Training					
Considerations	Internal Control Activity	Who Performs Activity	Who Monitors Activity	Potential Risk Assessment	Mitigation of Risk
Identification of Remote Learning Trainers	Ensure identified trainers are experienced educational technology experts who also are skilled online course designers and facilitators.	1) Distance Education Manager 2) Director of Instructional Technology	1) Federal Programs Officer 2) Commissioner of Education	All trainers have been identified. No potential risks are known.	Not applicable.
Notice of Personnel Action (NOPA)	Review NOPAs for correctness before finalizing for submission	Department Designee	Director of Human Resources	No potential risks known.	Not applicable.
Professional Development for Trainees and Trainers - Request for Compensation	Ensure pay differential processes follow BOE policies: - Admin Code § 60-30-1-446 Premium Pay) - Admin Code § 60-30-1-448 Approval of Proposal to Provide Premium Pay	Distance Education Manager	1) Director of Instructional Technology 2) Federal Programs Office - Federal Programs Officer (as the expenditure authority) & Lead Accountant 3) Director of Finance 4) Commissioner of Education	No potential risks known.	Not applicable.
Professional Development for Trainees and Trainers - Review & Approval of Attendance Sheets for Pay Differentials	Ensure trainees and trainers attendance sheets are signed to certify correctness of time (as per BOE policy § 60-30.1-454 Timekeepers)	Designated Timekeeper	Department/School/Office Supervisor	No known potential risks.	Not applicable.
	Verify accuracy of attendance sheets before submission to the Finance department for processing (as per BOE policy § 60-30.1-454 Timekeepers)	Department/ School/Office Supervisor	Director of Finance	No known potential risks.	Not applicable.

Professional Development for Trainees and Trainers - Request for Payment	Ensure pay differential processes follow BOE policy (Admin Code § 60-30-1-448 Approval of Proposal to Provide Premium Pay) and payment is made promptly through timely preparation and submission of pay differential documents.	Distance Education Manager	1) Director of Instructional Technology & Distance Education 2) Federal Programs Office - Federal Programs Officer (as the expenditure authority) & Lead Accountant 3) Director of Finance 4) Commissioner of Education	No potential risks known.	Not applicable.
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Additional Risk Considerations

Public School Risk Factors

Working with our public schools and vendors providing replacement textbooks and workbooks is a challenge as these goods must be shipped from the west coast to Saipan (5,000 miles away) which is costly and takes 2-3 months to arrive. The solution is to get ebooks versions which can be uploaded to the kindle function in our ipads and laptops. Also, we can exchange a wire transfer for say 3,000 licenses for the ebook version with no shipping cost and a transaction that can be done in a day. The downside is that many parents want to see their child with a textbook studying at home just as they did in yesteryear. So, we have to reassess what is still relevant - or a shift in need?

Another risk is families leaving the CNMI as our economy which is tourism-based has collapsed as international flights have been suspended this year. Many of these families include teachers which results in a brain-drain and higher student/teacher ratios. The solution in part is social distancing, wearing masks, and for political leaders making the difficult decision when to reopen the island economy for our international travelers. Another component is for schools and school leaders to reconfigure budgets and how we deliver instruction to our students.

Extended interrupted education that disengage students from the learning process has the potential cost of reversing gains in learning results. An even higher risk comes from the disengagement of students with learning challenges who may not effectively cope with remote learning strategies or cannot access information easily. The "hybrid" instruction model--a combination of online and in person classes--may also impact labor supply as it may increase the burden on parents, who may need to stay home or find alternative arrangements if they choose to have their child(ren) stay home.

Also, remote learning may work better for those students in households with better connectivity and with higher initial digital skills. This may leave those already disadvantaged further behind.

Private Schools Risk Factors

Private schools have small enrollments ranging from 20 to 500 students. Tuition is the factor that limits enrollment and this is especially a factor when the economy is in a recession. Families are leaving the CNMI as a result of furloughs and lay-offs. Families may also decide to save the tuition costs and register their children in our public schools. We are losing public school teachers and gaining in enrollment. The solution is remote learning using technology as best we can to mitigate the triple challenge of more students, fewer teachers and less budget to support students and teachers. For the private schools with declining enrollments the challenge is to know when it is time to close and also when it is time to reopen when the economy improves.

The common thread for both public and private schools is that education must change. The risk is how we manage the change in ways that enable students to learn and grow. Using technology will be integral to this change.

Primary Documentation

The CNMI PSS ensures that internal controls necessary to safeguard assets and maintain the integrity of financial reporting processes are in place. Each of these processes, from the inception of any transaction through transaction completion, and its proper reflection in our audited financial statements, has many documented steps. Each step has controls in place to ensure that the transaction exists, is complete with detailed supporting documentation, accurately valued, classified properly, recorded in the proper period, and posted and summarized properly in the financial statements. These controls not only safeguard our assets and facilitate accurate financial reporting but are also integral to running an effective and efficient operation.

The CNMI PSS has created a robust internal control environment that promotes accountability and demands detailed financial procedures in compliance with finance rules and regulations. The FPO follows the Uniform Guidance under the 2 Code of Federal Regulations (C.F.R.) § 200.303 to establish and maintain effective internal control over managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. The FPO works with the Finance Office and our contracted independent auditing firm to ensure that PSS has annual audits that have a clean opinion on both federal compliance and internal control. This has enabled PSS to attain low-risk auditee status for the past three years. In June 2019, PSS received the highest opinion, the best audit grade possible from an unbiased, independent and federally-mandated audit for fiscal 2018.

All payments and related paper and electronic documentation which supports the completion of the lifecycle of a financial transaction are properly controlled, monitored, and verified by the designated authority and our auditor. The CNMI PSS utilizes the JD Edwards Financial Management System to securely display expenses and store scanned supporting documentation (e.g., signed and approved purchase orders). On-Demand Audit Trails and Audit logs can be set for many different types of activities, including purging, invoice creation, approvals, and payroll. Because activity is tracked by accounting and transaction entry date, a clear paper and audit trail can be captured at any time. All reporting entries are accompanied by sufficient supporting documentation and approved.

Relevant CNMI PSS BOE policies identify documentation required for federal funds. These policies apply to internal and external reporting performed on a monthly, quarterly and annual basis, as well as the ongoing accounting records used to generate this reporting. Supporting documentation for the drawdowns are retained by the FPO, Finance Office, and Office of Procurement & Supply. After drawdowns are performed, the information is reported on G5, which often occurs three to four times a week. The Office of Procurement & Supply is charged with completing the mandatory annual inventory of its controlled and fixed assets, and monitoring all small purchase activities from submission and until payments are made to vendors and suppliers on a daily basis. The office regularly shares with the entire CNMI PSS a tracking and monitoring spreadsheet of small purchases. Information includes dates of request submissions, approval by procurement authorities, and the release of purchase orders. The separation of duties between the FPO, Finance Office, and Office of Procurement & Supply and the segregation of duties within these offices (e.g. drawdown approval process, reconciliations, required documentation, etc.) is to ensure the integrity and fiduciary transparency of federal grant funds.

The CNMI PSS has established a formal set of processes to monitor spending and progress towards meeting goals/objectives on a quarterly and annual basis. The Office of Accountability, Research & Evaluation assists FPO by monitoring expenditure of local and federal funds in the schools and progress towards meeting goals and objectives through the Schoolwide Improvement Plan and quarterly Progress Updates. This coordinated effort ensures compliance with laws and regulations and provides assurance regarding the achievement of grant objectives.

Payment and Disbursement for Funds

Vendor payment processing and disbursement for federal funds are detailed in the following process:

1. The FPOs Lead Accountant prepares a schedule of payments daily
2. Schedule of Payments is approved by the Federal Programs Officer
3. The CNMI PSS Finance Office Treasurer prepares vendor payment checks
4. The FPOs Lead Accountant prepares and performs drawdowns (upon the approval of the Federal Programs Officer)*

5. Funds are transferred from the federal to the local account
6. One of four authorized signatories signs the checks before it can be distributed. Official signatories are the Commissioner of Education, Interim Director of Finance, Federal Programs Officer, and one member of the State Board of Education

*After drawdowns are performed, the information is reported on G5, which often occurs three to four times a week.

The primary documentation of all Education Stabilization Fund purchases is scanned and stored in the JD Edwards system. The JD Edwards program securely displays expenses and stores scanned supporting documentation (e.g., signed and approved purchase orders) as a subsidiary report for future reference.

Subrecipient Monitoring

The CNMI PSS is both a state educational agency and a local educational agency for purposes of administering Federal financial assistance programs, therefore, there are no subrecipients. The CNMI PSS does monitor spending at the department and school levels as follows:

Personnel

The 190-day educators who are locally-funded were compensated for their work from May, a portion of the summer where time had already accumulated, and September. The payments were overseen by the Director of Finance and Comptroller (PSS Office of Finance) with the concurrence and monitoring by school Principals.

Fringe Benefits

Fringe benefits cover the employer share of FICA, Government Health and Life Insurance and the employer share for Retirement (401A), which are all overseen and monitored by the Office of Finance by the Director of Finance and Comptroller.

Equipment

The purchase of two bus replacements was through the Federal Program's Office with the guidance of the Director of Pupil Transportation, whose department will be utilizing the buses.

Supplies

The request for supplies (i.e., thermal imaging wands, cleaning solutions, hand sanitizers) was through the Federal Program's Office for all schools and departments. Monitoring of the use of the supplies is at the school and department levels.

Contractual

Health care workers are expected to be hired and work under the supervision of the PSS Department of Student Support Services.

Other - Utilities

Utilities payments for all schools and departments were managed through the Office of Finance by the Director of Finance and Comptroller.

Other - Connectivity upgrades

All connectivities upgrades are monitored by the Director of Instructional Technology.

Other - Teacher Trainers

Payments for teacher trainers were made by the Director of Instructional Technology. The Office of Distance Education & Instructional Technology processed the request for compensation for trainers, monitored trainers and submitted a for payment after training was completed.