

Guam Department of Education Monitoring Report

1/11/23

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U.S. Department of Education
 Office of Rural, Insular and Native Achievement Programs
 Office of Elementary and Secondary Education
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 Washington, DC 20202

Insular Areas Team Performance Review Process

The Insular Areas Team (IAT), within Rural, Insular, and Native Achievement Programs (RINAP) in the Office of Elementary and Secondary Education (OESE), is committed to supporting the Insular Areas (American Samoa, Guam, Commonwealth of the Northern Mariana Islands, and U.S. Virgin Islands) as they implement United States Department of Education (Department) programs through the Consolidated Grant to the Insular Areas (CG). This includes a monitoring process designed to both address the IAT's responsibilities for fiscal and programmatic oversight and to also identify areas in which the Insular Areas need assistance and support to meet their goals and obligations. The monitoring process is anchored around ongoing conversations between IAT program officers and grantees and is conducted using both off-site (desk) monitoring and on-site monitoring visits to grantees.

The goal of the monitoring process is to conduct a program-centered, performance-focused review of the CG through a single, streamlined process that results in improved and strengthened partnerships between the Department and the Insular Areas. To accomplish this, the IAT monitoring process is organized into specific grant performance topics, which reflect the programmatic and fiscal requirements of the CG program.

Monitoring Report

This monitoring report summarizes the results of the May 23 – May 27, 2022 IAT on-site review of the Guam Department of Education's (GDOE) implementation of the fiscal year (FY) 2021 CG. The report is based on information provided in GDOE's submitted documentation, information gathered during the on-site review, and other relevant qualitative data gathered from discussions with GDOE State educational agency (SEA) staff as well as CG project leads and school site visits. The primary goal of this monitoring report is to ensure that implementation of the CG program is consistent with the fiscal and administrative requirements contained in the CG authority at 48 U.S.C. 1469a, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR Part 200 (Uniform Guidance), the Education Department General Administrative Requirements (EDGAR), including the CG-specific EDGAR provisions at 34 CFR 76.125-76.137, and applicable program requirements in the Elementary and Secondary Education Act of 1965 (ESEA).¹

¹ This report focuses on fiscal and program requirements applicable to the Insular Areas, as well as the uniform administrative requirements and general management systems of State and local educational agencies. Because this report summarizes the results of a non-comprehensive set of CG compliance requirements, the issuance of this report does not preclude Department program offices, or independent auditors, from identifying areas of noncompliance that are not outlined in this report.

The CG allows Insular Areas to consolidate funds from two or more of nine eligible State-administered formula grant programs² under one application, and to decide how to allocate those funds among one or more of these programs. Eight of these programs are authorized under the ESEA:

1. Title I, Part A – Local Educational Agency (LEA) Grants (Title I-A);
2. Title I, Part B – State Assessment Grants (Title I-B);
3. Title II, Part A – Supporting Effective Instruction State Grants (Title II-A);
4. Title III, Part A – English Language Acquisition State Grants (Title III-A);
5. Title IV, Part A – Student Support and Academic Enrichment Grants (SSAE);
6. Title IV, Part B – 21st Century Community Learning Centers (Title IV-B);
7. Title V, Part B, Subpart 2 – Rural and Low-Income School Program (RLIS); and
8. Education for Homeless Children and Youth Grants (EHCY) authorized by the McKinney-Vento Homeless Assistance Act (McKinney-Vento).

The ninth program, the Career and Technical Education-Basic State Grants Program, is authorized by Perkins V.

Section I: Grantee Overview

In Section I, the IAT includes relevant grantee background information as a way of providing context for the review conversation. All data presented in Section I are reported by grantees to either the National Center for Education Statistics (NCES), Common Core of Data (CCD), through standard oversight activities, or from the GDOE website.³

Section II: Grant Administration and Fiscal Management Evaluation

The information provided in Section II is intended to help a grantee quickly assess whether there are sufficient capacities, infrastructure, and resources allocated to grantee activities by area, in a manner that enables the grantee to achieve its strategic goals for the reviewed Federal program. The section provides the IAT's rating of performance on grant administration of the Federal programs which were consolidated by the Insular Area in fiscal year 2021. Each rating reflects how a grantee is addressing fiscal and program requirements⁴ in a particular area of grant administration. The IAT's analysis for each area is primarily based on evidence submitted by the grantee in the form of answers to the self-assessment questions, documents submitted by the grantee prior to the monitoring, and the responses provided to questions during monitoring interviews. IAT's rating is also informed by evidence collected through public sources and other components of the monitoring process.

² Under the Consolidated Grant authority in 48 U.S.C. 1469a, the Department has authority to determine what programs are eligible to be consolidated. Currently, there are nine such programs.

³ GDOE website: <https://www.gdoe.net/>

⁴ To reduce burden, some fiscal components of the Consolidated Grant monitoring protocol were removed from the Consolidated Grant monitoring instrument due to our collaborative on-site review with Grants Risk Management Services Division on the Reconsideration Evaluation Plan (REP); therefore, those cross-cutting fiscal components are covered in the REP.

Ratings are based on a four-point scale, for which “met requirements with commendation” represents high quality implementation where the grantee is exceeding expectations; “met requirements” indicates that work is of an acceptable quality and the grantee is meeting expectations; “met requirements with recommendations” indicates there are quality implementation concerns and some improvements could be made to ensure the grantee continues to meet expectations; and “action required” indicates there are significant compliance or quality concerns that require urgent attention by the Insular Area and will be revisited until the Insular Area has remedied the issue.

Section III: Met Requirements with Commendation ●●●●

This section highlights those areas where the Insular Area has exceeded requirements and is commended on the grant administration and fiscal management. This section provides an opportunity for the IAT to highlight those areas where the Insular Area has implemented an innovative or highly successful system or approach.

Section IV: Met Requirements ●●●○

This section identifies those areas where the IAT has determined that the Insular Area has met basic requirements of grant administration and fiscal management and is implementing those requirements in a satisfactory manner. In those areas, the IAT is neither recommending nor requiring the Insular Area to take any further action.

Section V: Met Requirements with Recommendations ●●○○

This section identifies those areas where the IAT has recommendations to improve the quality of grant administration and fiscal management. In those instances, the IAT is determining that the Insular Area is currently complying with requirements, but that improvements could be made to improve the efficiency or effectiveness of operations. Identified issues are grouped according to relevant area and requirement, with citations provided. For each issue listed, the IAT will provide a recommendation for improvement, but is not *requiring* the Insular Area to take any further action.

Section VI: Action Required ●○○○

This section identifies those areas where the IAT has significant compliance and quality concerns. For those issues, the IAT will outline the current practice, the nature of noncompliance, and the required action. Documentation indicating completion of required action steps must be provided to the IAT within thirty (30) business days of the receipt of the final performance review report. In some instances, the action required may be too complex to effectively implement and document within thirty days (30), and, in those cases, the adjusted timeframe will be noted.

SECTION I

Grantee Overview



COVERED GRANT PROGRAMS⁵

TITLE V, PART B, SUBPART 2



STUDENT CHARACTERISTICS

Enrolled 28,812



RACIAL/ETHNIC BACKGROUND (%)

Chamorro:	46.0	Filipino:	20.8
Chuukese:	19.6	Other Mixed Ethnicity:	3.1
Pohnpeian:	3.3	Palauan	1.9
Yapese	1.7	Kosraean	0.8
White (Non-Hispanic)	0.6	Korean	0.5
Japanese	0.4	Chinese	0.4
Marshallese	0.3	Other Pacific Islander	0.2
African/American	0.1	Hispanic/Latino	0.2
Hawaiian	0.1	Vietnamese	0.1
American	0.1	Samoan	0.0
Indian/Alaskan Native			
Russian	0.0	Asian – Indonesian	0.0



SCHOOL CHARACTERISTICS

Unitary System:	State Educational Agency (SEA)
Per-Pupil Expenditures:	\$7,305
Full Time Equivalent Teachers:	2,362



FEDERAL FUNDING

Eligible Program	FY21 Allocation	FY21 Consolidation	Eligible Program	FY21 Allocation	FY21 Consolidation
Title I, Part A – Improving Basic Programs Operated by Local Educational Agencies	\$21,985,461		Title IV, Part B:	\$1,531,143	
Title I, Part B – State Assessment Grants	\$809,126		Title V, Part B:	\$205,888	\$32,602,812
Title II, Part A – Supporting Effective Instruction	\$3,874,773		Education for Homeless Children and Youth	\$35,952	
Title III, Part A – English Language Acquisition, Language Enhancement, and Academic Achievement	\$1,358,058		Career and Technical Education-Basic State Grants	\$753,486	
Title IV, Part A – Student Support and Academic Enrichment Grants	\$2,048,925				

⁵ Data Source: U.S. Department of Education, Common Core of Data, unless otherwise noted (see https://nces.ed.gov/ccd/schoolsearch/school_list.asp?Search=1&DistrictID=6600002). Please also refer to <https://www.gdoe.net/District/Department/8-Research-Planning-and-Evaluation/Portal/annual-state-of-public-education-report>).

Monitoring Information

Monitoring Dates

May 23 – May 27, 2022

Reviewers

Dr. Tiffany T. Forrester, Group Leader

Maria Chang, Program Officer

FY 2021 GDOE CG Approved Projects

- College, Career, Civic Engagement, and Life Readiness (CCCLR)
- Curriculum and Instructional Quality and Development (CIQD)
- Classroom Supports and Academic Interventions (CSAI)
- School Climate Culture and Engagement (SCCE)
- State Administration

FY 2021 GDOE CG Project Summaries

ESEA Title V, Part B, Subpart 2 – Rural and Low-Income School Program

- College, Career, Civic Engagement, and Life Readiness (CCCLR) – This program will focus on helping students develop academic knowledge and job skills to help them succeed in postsecondary education or their chosen career. It will provide assistance and opportunities for students to explore, identify, and build their competencies for a successful transition from high school to college or the workplace.
- Curriculum and Instructional Quality and Development (CIQD) – This program will improve academic student achievement by 1) increasing teacher and administrator induction, recruitment, and retention and 2) providing Professional Development opportunities that improve teacher effectiveness with the use of high-quality curriculum and instructional development.
- Classroom Supports and Academic Interventions (CSAI) – This program will support at-risk student populations graduate high school by providing interventions, such as online tutoring in core subjects, availability of school credit recovery models, and extended learning opportunities.
- School Climate Culture and Engagement (SCCE) – This program will provide increased engagement opportunities with parents of at-risk students to decrease dropouts and suspensions and promote healthy diets and lifestyles to decrease obesity for approximately 45% of the student population.
- State Administration – This program will assist GDOE to execute the following essential activities for the four Consolidated Grant projects: 1) administer and manage funding; 2) oversee planning, assessment, and reporting; and 3) communicate and provide training to stakeholders.

SECTION II

Grant Administration and Fiscal Management Evaluation

Assessment Criteria Key



Met requirements with commendation

High quality implementation & compliance.



Met requirements

Satisfactory implementation & compliance.



Met requirements with recommendation

Satisfactory compliance with quality concerns.



Action required

Significant compliance & quality concerns.

IAT Rating⁶



A. Program Management



B. Evaluation



C. Travel Activities



D. Non-Public Schools



E. Uses of Funds



F. Period of Availability

⁶ The following cross-cutting fiscal components from the Consolidated Grant monitoring instrument were removed due to our collaborative on-site visit with Grants Risk Management Services Division (GRMSD) in review of the Reconsideration Evaluation Plan (REP): (1) Equipment and Supplies Management; (2) Financial Management; (3) Procurement; and (4) Indirect Cost.

SECTION III

Met Requirements with Commendation

N/A

REQUIREMENT SUMMARY

N/A

SECTION IV

Met Requirements

C.

TRAVEL ACTIVITIES



REQUIREMENT SUMMARY

An Insular Area shall ensure that any travel costs funded with CG funds are reasonable, necessary, and allocable (2 CFR 200.403) and that they are consistent with Uniform Guidance requirements at 2 CFR 200.475.

Uniform Guidance 2 CFR 200.475



DESCRIPTION OF SATISFACTORY IMPLEMENTATION

GDOE's use of Federal funds for travel is governed by local travel policy outlined within GDOE Standard Operating Procedure (SOP) #200-021, consistent with the Uniform Guidance and EDGAR. GDOE complies with the General Services Administration per diem for lodging, meals, and incidentals on all travel costs. GDOE's SOP #200-021 establishes travel rules for GDOE employees and sets requirements and limits on associated expenses. It contains established guidelines and threshold limits that prohibit high cost and unallowable travel expenses, consistent with Federal regulations, and explicitly requires GDOE staff to demonstrate that travel activities support project goals.

During the review, GDOE described a rigorous approval process for each CG funded travel activity. GDOE has processes in place to ensure travel cost are reasonable, necessary, and allocable to the grant. GDOE reviews Federal regulations, statues, guidelines as well as the necessity of each travel activity to ensure proposed travel will help the project meets its goals and objectives. All travel activities and the number of travelers are aligned with the CG application projects approved by the Department. GDOE has a systemic way to ensure travel activities are successful and expected outcomes are met. Project managers and project leads advertise professional development opportunities and oversee the application process to select personnel who clearly demonstrate how the skills and knowledge gained by participating in the travel activity (e.g., professional development conference) will enhance their job performance; build content knowledge and skills of other educators or administrators; and help address the needs of the school district.

Travel requests are submitted as a memorandum and approved at several levels. Prior approval from the Superintendent of Education (Superintendent) is required and once the travel activity is approved, the Federal Programs Division (FPD) creates an internal packet that documents the travel arrangements and its funding. Then, the FPD reviews the travel activity to make sure it is allowable and within budget. Lastly, the travel packet is shared with the Finance and Administration Office and subsequently routed to the Superintendent for final review and approval.

After the travel activity is completed, travelers must submit a travel report to the Project Manager; Federal Program Administrator; and Superintendent. The report describes the sessions and activities of the travel activity; the skills and knowledge gained; and the traveler's plans to translate new information to be used in the classroom, school, or school district. Additionally, travelers must submit their final trip vouchers within 10 business days to the Business Office. Travelers are also required to share information and skills gained from the travel activity with their colleagues and/or school district school personnel. GDOE has demonstrated it has written, internal policies and procedures for evaluating the impact, effectiveness, and outcomes of travel activities.

SECTION V

Met Requirements with Recommendation

N/A

REQUIREMENT SUMMARY

N/A

SECTION VI

Action Required

A.

PROGRAM MANAGEMENT



REQUIREMENT SUMMARY

An Insular Area shall ensure that projects undertaken using CG funds are allowable under relevant specific authorized programs whose funds were included in the consolidation. Personnel conducting CG activities should ensure the efficient use of Federal funds to accomplish the goals of approved CG activities.

Consolidated Grant Authority 48 U.S.C. 1469a

EDGAR 34 CFR 76.129(b) and 76.132(a)(2)

EDGAR 34 CFR 76.132(a)(3)

EDGAR 34 CFR 76.132(a)(4)

Uniform Guidance 2 CFR 200.302



ISSUE

Insular Areas are required to ensure all CG funded activities are allowable under applicable authorized programs, based on their approved applications, as well as ensure the efficient use of Federal funds and fiscal controls are in place to accomplish the goals of approved CG activities. With respect to GDOE's consolidation and use of funds under RLIS, it implements a "Pre-Award Flowchart" during which the SEA works with project leads; schools; and non-public school officials to identify needs and ensure suggested activities align with RLIS statutory requirements. GDOE also works with Department staff and their Regional Comprehensive Center to determine allowability of proposed CG activities. GDOE communicates CG statutory requirements to CG personnel and conducts an annual "Consolidated Grant Application Stakeholders Consultative and Technical Assistance Workshop" to receive stakeholder feedback on its CG application.

GDOE also shared its Federal Manual Guidance as well as SOPs for processing procurements; invoicing and drawing down funds; managing fixed assets; determining allowability and uses of funds. Although GDOE has written SOPs, during several on-

site meetings, it was noted that SOPs are not implemented with fidelity. Further, GDOE does not have a clear, internal process for elevating concerns related to the misuse of funds and could not explain how adherence to SOPs is enforced and the next steps taken when non-compliant action is identified. GDOE also noted that the Federal Manual Guidance is in draft form. Additionally, GDOE staff noted that SOPs are created by different offices within GDOE (i.e., FPD, Procurement) and, at times, these SOPs do not align and lead to procurement processing delays, errors in vendor payments, and miscommunication among GDOE staff.

GDOE staff also indicated using two different financial management systems and miscommunication with their third-party fiduciary agent further exacerbates these issues, resulting in frequent vendor payment errors, additional staff time to reenter requisitions due to system errors, and requisition number errors.



REQUIRED ACTION

Within 90 business days of receiving this report, GDOE must submit:

- Final Federal Manual Guidance with clear procurement and fixed asset SOPs applicable to all GDOE staff, which include SOPs that GDOE were required to develop as part of the Department-wide specific conditions.
- Documentation of the internal process for ensuring SOP compliance, including steps taken when non-compliant action is identified to address concerns related to the implementation of CG projects under RLIS.
- Documentation of the process for ensuring all GDOE offices, as well as the third-party fiduciary agent, have a clear approval mechanism that mitigates risk of vendor payment errors; procurement delays; issues with requisition numbers and purchase orders.



RECOMMENDATION

- Improve GDOE and third-party fiduciary agent collaboration through increased communication and shared planning activities, which would reduce risk, improve productivity, and ensure fidelity with approved policies and processes.

B.

EVALUATION**REQUIREMENT SUMMARY**

An Insular Area is responsible for ensuring that it has some means of evaluating program outcomes for each project implemented under the CG (34 CFR 76.132(a)(9)). Each project lead should develop a mechanism for monitoring effectiveness and progress and be prepared to adjust the project as needed to maximize the impact of Federal funding.

Consolidated Grant Authority, 48 U.S.C. 1469a

EDGAR, 34 CFR 76.132(a)(9)

**ISSUE**

A comprehensive approach to CG project evaluation and monitoring should be proactive, multi-layered, allow for mid-course corrections, and confirm alignment with CG requirements. Although GDOE submitted an “Evaluation” flowchart that outlines the project evaluation and monitoring steps as well as verbally communicated how they monitor projects during on-site meeting with Department staff, GDOE has provided limited documentation and evidence of a clear and comprehensive monitoring plan, protocol, or instrument and on-going schedule of monitoring activities and timelines. During on-site meetings, GDOE noted they review expenditures and adherence to project performance outcomes. GDOE reported that at the end of a school year, if a reoccurring project activity does not show progress, the activity is either amended or removed in the next fiscal year’s CG application. If a new CG project or activity is not making substantial progress within three to five years, it is either discontinued or amended. GDOE also stated they evaluate the project’s progress by measuring if it has met or not met the quarterly performance targets and annual objectives.

During on-site meetings, GDOE also mentioned they do not wait until the midpoint in project implementation to make corrections, but instead make changes as needed. State program officers and the State Data Officer in the Federal Program Division (FPD) conduct project evaluations every quarter or as needed during the grant period. If any corrections need to be made during these evaluations, a state program officer and State Data Officer write a corrective action plan. The state program officer and State Data Officer will provide technical assistance, as needed.

During the on-site visit, although GDOE stated they perform “daily, weekly, or monthly” monitoring to assess project implementation, track progress, and gather feedback from project leads, there was insufficient documentation, such as a CG monitoring protocol or schedule confirming routine monitoring occurs, such as on-site visits. Moreover, GDOE stated they rely on institutional knowledge in lieu of following

an established and written monitoring plan that consists of a protocol, instrument, and timeline.



REQUIRED ACTION

Within 120 business days of receiving this report, GDOE must provide:

- A comprehensive CG monitoring plan, timeline/schedule, and instrument which demonstrates a consistent; ongoing; and standardized mechanism to monitor CG projects and activities.
- A clear evaluation process and feedback loop to track and ensure corrective actions identified through CG monitoring and evaluation are resolved.

D.

NON-PUBLIC SCHOOLS**REQUIREMENT SUMMARY**

An Insular Area shall ensure that it follows all relevant Federal statutes and regulations (ESEA sections 8501-8504; 34 CFR Part 299, Subpart E; 2 CFR Part 200, Subpart E) regarding the provision of services to students and teachers in non-public schools within an Insular Area with CG funds.

[ESEA sections 8501-8504](#)

[EDGAR, 34 CFR Part 299, Subpart E](#)

[Uniform Guidance, 2 CFR Part 200, Subpart E](#)

**ISSUE**

Under its approved CG application, GDOE is responsible for implementing equitable services with respect to CG funds used under ESEA programs in accordance with statutory and regulatory requirements. This, includes ensuring that services are supplemental; reasonable, necessary, and allocable to the applicable program; meet the needs of non-public school students and teachers identified through meaningful consultation; remain under supervision and control of a public entity; and are secular, neutral, and non-ideological. GDOE works directly with non-public school officials to review student and teacher need identification plans; consults with non-public school officials during GDOE’s annual “Consolidated Grant Application Stakeholders Consultative and Technical Assistance Workshop (TA Workshop);” holds a post-award meeting with non-public school officials to review implementation plans for equitable services as approved within the CG projects and activities; and obtains assurances from non-public school officials that activities will be implemented in alignment with the approved CG application and will remain secular, neutral, and non-ideological, though this is a requirement of the SEA/LEA in its provision of equitable services for non-public school students and teachers. GDOE also noted that they host additional meetings with non-public school personnel, if needed. ESEA section 8501 also requires that the SEA keep on file affirmation of consultation forms signed by all participating non-public schools. Although GDOE indicated that equitable services are determined based on timely and meaningful consultation with non-public school officials, GDOE lacks written procedures that ensures meaningful consultation, such as (1) clear documentation or evidence outlining if “meaningful consultation” is ongoing throughout the school year to help ensure effective implementation, service delivery, and assessment of equitable services (ESEA section 8501(c)(3)); (2) if GDOE in consultation with private school officials develop yearly consultation timelines listing the date and location of each meeting along with specific

agenda topics to ensure timely consultation; and (3) whether if non-public school representatives are given an opportunity to engage in consultation and receive equitable services if they are unable to participate in the initial meeting during GDOE’s annual TA Workshop. Furthermore, GDOE requests non-public school personnel to submit their “Intent to Participate” in CG equitable services forms, but the number of days for non-public school officials to respond is very short. It is also not clear whether GDOE consults with non-public school officials concerning the timelines for both submission of any documentation and for ongoing consultation as required by statute because it appears GDOE creates timelines without input from non-public school officials. Although GDOE has a designated ombudsman, the SOPs for the ombudsman duties and responsibilities is still under development.

Additionally, GDOE stated that non-public schools request GDOE to procure services and non-public schools are given limited access to GDOE’s MUNIS financial management system to increase efficiency and decrease the backlog of SEA procurement requests. Although GDOE noted that SEA staff review all non-public school personnel MUNIS requests, there are no written policies or procedures that explain the:

- Roles and levels of access given to non-public end users (individuals who have access to the system to put in procurement requests)
- Process for non-public school personnel when they are the end users
- Restrictions for non-public schools related to reimbursement for expenses
- Requirement that non-public school procurement requests must be aligned to the 1) agreed terms discussed during the consultation process and 2) approved CG activities



REQUIRED ACTION

Within 90 business days of receiving this report, GDOE must provide:

- SOPs or other documentation confirming that the following items have been addressed:
 - ✓ The SEA’s ombudsman duties and responsibilities to monitor and enforce equitable services requirements are delineated.
 - ✓ How GDOE ensures that consultation with non-public schools meets all requirements of “timely and meaningful consultation” as required under section 8501 of the ESEA.
 - ✓ The process to ensure non-public school officials have sufficient time and opportunity to submit their “intent to participate” and “affirmation of consultation” forms as well as additional opportunities to engage in

consultation and receive equitable services if they are not able to participate in the initial meeting with GDOE at a predesignated time and date.

- ✓ The process for assessing GDOE and/or contracted personnel, who are supporting CG funded projects and activities at non-public schools to ensure equitable services are being properly implemented according to Federal equitable services requirements and meeting the identified needs of non-public school students and teachers.
- ✓ A clear monitoring plan; timeline; and protocol; or instrument that GDOE uses to ensure the services provided to non-public school students and teachers benefit the students and address the specific needs identified through timely and meaningful consultation and not the “general” needs of the non-public schools.
- Documentation outlining the processes and internal controls that ensure non-public school personnel with MUNIS system access are only end users; cannot make or approve procurement requests within the system; and that non-public schools do not receive reimbursements.

E.

USE OF FUNDS**ISSUE**

GDOE's FPD evaluates the necessity and allocability of project lead requests by ensuring that all expenditures are aligned to approved projects and activities within GDOE's CG application, are allowable, and can be implemented within the period of availability. The FPD also ensures that use of CG funds is reasonable and that purchase orders that exceed certain thresholds receive additional review. Additionally, the FPD conducts individual and small group technical assistance sessions with key CG project personnel to provide guidance and technical assistance to CG project leads related to coordination with programs that share similar goals and purposes.

GDOE also stated that they ensure CG funds are only used for activities, goods, or services that are allowable, allocable, and reasonable through a combination of desk audit reviews, on-site monitoring, and a multi-level review of requisitions, contracts, purchase order modifications, and invoices. Although GDOE noted they identify projects that might need more in-depth monitoring and ensure monitoring efforts are not redundant, they lack a written monitoring plan; timeline; and/or protocol. Instead, GDOE relies on institutional knowledge to implement monitoring activities.

**REQUIRED ACTION**

Within 120 days of receiving this report, to ensure consistent and ongoing CG project evaluation and verification that CG funds are only used for activities, goods, or services that are reasonable, necessary, and allocable to the applicable program, GDOE must provide:

- Clear internal controls and a SOP, which outlines steps taken to prevent fraud, waste, and abuse.

REQUIREMENT SUMMARY

An Insular Area may only use CG funds for allowable costs, as authorized by the applicable program(s) as approved in the CG application and by the cost principles in the Uniform Guidance (2 CFR Part 200, Subpart E).

Uniform Guidance 2 CFR Part 200, Subpart E

F.

PERIOD OF AVAILABILITY**REQUIREMENT SUMMARY**

An Insular Area and its subgrantees may only charge a grant program for allowable costs incurred during the period of availability and any pre-award costs that have been authorized by the Department. Unless the Department authorizes an extension, the Insular Area shall liquidate all obligations incurred under the award not later than 120 calendar days after the end date of the performance period. If the Insular Area fails to obligate all funds by the end of the award year, it can “carryover” the remaining funds for a period of one additional fiscal year. Any funds not obligated by the end of the carryover period shall be returned by the Insular Area to the Federal government as an unobligated balance. The Insular Area and its subgrantees must demonstrate an understanding of obligation and the period of liquidation and have in place written procedures for liquidating CG funds.

EDGAR, 34 CFR 76.707 and 76.709-76.710

Uniform Guidance, 2 CFR 200.309 and 200.344

**ISSUE**

To ensure federal funds are expended by the end of the period of availability and liquidated within the final 120-day period, GDOE implements the First In, First Out (FIFO) process. The FPD follows the FIFO process, which allows expenditures that are reasonable, necessary, and allocable from the non-expiring CG award to be charged to the expiring CG award that is in liquidation because the goals, objectives, and activities of CG fiscal years are generally aligned.

Although GDOE tries to ensure the obligation and liquidation of CG funds within the fiscal year, GDOE routinely has large carryover balances. FPD conducts technical assistance sessions with CG project personnel to regularly review and discuss available, obligated, and expended federal funds. Then, the CG project personnel work with vendors and involved parties (i.e., payroll office, human resources) to ensure the timely expenditure of funds. However, in the supporting documentation it is unclear if there are internal controls in place to ensure a clear division of labor and checks and balances within the FPD. The SOPs (#812-201 and #812-202) repeatedly list “Federal Programs Division” on each phase in the review and approval process and do not clarify if the same person is reviewing and approving requests or if there are set roles and responsibilities at each level of the organization.

**REQUIRED ACTION**

Within 30 business days of receiving this report, to clarify the roles and responsibilities within the FPD for review and approval of expenditure requests, GDOE must provide:

- Updated written SOP that clearly distinguishes which FPD staff/positions are responsible for each step of the review process during the review and approval of drawdown requests and the timeline for approving and logging finalized drawdowns to ensure GDOE is implementing internal checks; separation of duties; and reasonable timeframes for the review of drawdown requests to help decrease large carryover balances and inability to liquidate all funds by the end of the CG award year.



RECOMMENDATION

- To help decrease large carryover balances the Department suggests time stamping documents, such as budget adjustment requests, to help track when items are submitted and approved.