

# Guam Department of Education



## USEd GRMSD Status Update—February 2024

In October 2023, U.S. Department of Education (ED) removed the third-party fiduciary agent (TPFA) requirement for the Guam Department of Education (GDOE). The GDOE Internal Audit Office (IAO) will provide monthly status updates on ED grants that will cover financials, employee time tracking, procurement, property management and internal controls. The status updates are meant to provide a snapshot of GDOE’s operational status as it related to ED grants and general observations to provide a level of assurance as it pertains to compliance with laws, rules, regulations, and grant agreements.

### Financials

#### Grant Status Report

As of February 29, 2024 the total available ED grant balance is \$203M. Requisitions in process totaled \$104M. Grants with negative available balances are due to current payroll charges to incorrect grant year and purchase orders that have not been closed following the transfer of expenditures between grants. These discrepancies must be corrected to ensure accurate and reliable reporting of grant status.

**Table 1: Grant Status Report as of February 29, 2024**

Grant Name	Budget	Encumbrances	Requisitions	Actual Expenditures	Available Budget	Available %	Obligated By
FY21 Project Hita Para Mona	250,000	-	-	351,941	(101,941)	-41%	10/31/2021
FY20 Project ESF-SEA	41,521,997	-	-	41,521,997	-	0%	9/30/2022
FY22 Project Hita Para Mona	250,000	1,260	-	167,961	80,779	32%	10/31/2022
FY21 ARP Individuals with Disability	3,385,571	25,808	-	3,359,763	-	0%	9/30/2023
FY21 Project ESF-SEA	110,563,287	5,258,252	-	105,542,654	(237,619)	0%	9/30/2023
FY21 Consolidated Grant - RLIS	32,602,812	1,034,343	-	32,183,476	(615,008)	-2%	9/30/2023
FY21 Sped State Grant - B	16,960,627	1,025,219	-	16,275,903	(340,495)	-2%	9/30/2023
FY21 Special Education Part C	2,358,661	36,372	-	2,109,257	213,032	9%	9/30/2023
FY23 Project Hita Para Mona	250,000	58,266	100,000	23,683	68,050	27%	10/31/2023
FY20 Project ETASLDS (GOSDV)	1,123,441	8,743	607,990	490,882	15,826	1%	2/28/2024
FY21 Project ETASLDA (GOSDV)	703,980	-	255,996	141,958	306,026	43%	2/28/2024
FY22 Project ETASLDA (GOSDV)	709,102	364	129,014	18,506	561,218	79%	2/28/2024
FY23 Project ETASLDA (GOSDV)	713,396	-	-	-	713,396	100%	2/28/2024
2021 American Rescue Plan - ARP	286,940,627	14,586,984	98,949,063	35,657,732	137,746,848	48%	9/30/2024
FY21 Comprehensive Literacy state De	324,074	46,426	3,495	169,759	104,395	32%	9/30/2024
FY22 Comprehensive Literacy State De	391,641	42,000	-	18,003	331,638	85%	9/30/2024
FY22 Consolidated Grant - RLIS	34,225,878	4,688,983	1,865,614	6,599,684	21,071,596	62%	9/30/2024
FY22 Sped State Grant - B	17,234,421	768,404	358,383	7,587,656	8,519,979	49%	9/30/2024
FY22 Special Education Part C	1,544,042	20,535	7,388	562,802	953,317	62%	9/30/2024
FY23 Consolidated Grant - RLIS	35,768,085	1,130,903	1,385,959	1,411,118	31,840,105	95%	9/30/2025
FY22 Bipartisan Safer Communities	1,681,978	-	-	119,284	1,562,694	93%	9/30/2025
<b>Totals</b>	<b>\$589,503,620</b>	<b>\$28,732,863</b>	<b>\$103,662,901</b>	<b>254,314,021</b>	<b>\$202,793,835</b>	<b>34%</b>	

## Financials cont.

**Table 2: Summary of February 2024 Grant Expenditures**

Grant	Salaries	Benefits	Travel	Contractual	Supplies	Equipment	Total Expenditures
American Rescue Plan	\$ 162,800	\$ 69,264	\$ -	\$ 1,642,002	\$ 61,105	\$ 24,251	\$ 1,959,422
ARP Individuals with Disabilities	\$ -	\$ -	\$ -	\$ -	\$ 3,355	\$ -	\$ 3,355
Bipartisan Safer Communities Act	\$ 37,330	\$ 12,124	\$ -	\$ -	\$ -	\$ -	\$ 49,454
Consolidated Grant	\$ 1,767,706	\$ 543,817	\$ 103,491	\$ 120,243	\$ 125,708	\$ 81,786	\$ 2,742,751
Comprehensive Literacy State Dev	\$ 861	\$ 439	\$ -	\$ 30,000	\$ 3,133	\$ -	\$ 34,433
Education Stabilization Fund II	\$ -	\$ -	\$ -	\$ 465	\$ 159,448	\$ 3,285	\$ 163,199
Project ETASLDS (GOSDV)	\$ 9,629	\$ 3,547	\$ 1,329	\$ -	\$ -	\$ -	\$ 14,504
Project Hita Para Mona	\$ 4,410	\$ 1,548	\$ -	\$ 9,180	\$ -	\$ -	\$ 15,138
Special Education Part B	\$ 1,355,961	\$ 578,830	\$ 9,038	\$ 80,375	\$ -	\$ -	\$ 2,024,205
Special Education Part C	\$ 120,469	\$ 43,784	\$ 480	\$ 49,419	\$ 75	\$ -	\$ 214,227
<b>Grand Total</b>	<b>\$ 3,459,165</b>	<b>\$ 1,253,353</b>	<b>\$ 114,338</b>	<b>\$ 1,931,685</b>	<b>\$ 352,824</b>	<b>\$ 109,322</b>	<b>\$ 7,220,686</b>

### *Request for Reimbursement / Drawdown Requests*

From the last reporting period (January 29) to February 29, GDOE submitted drawdown requests totaling \$9.1M, of which the IAO approved \$7.9M. The \$1.2M variance is due to questioned expenditures tied to expired grant funding with check dates outside of the 120-day liquidation period and expenditures for the expired ESF II grant. See Tables 3 and 4.

**Table 3: Summary of Reimbursements**

Grant	Contractual	Supplies	Equipment	Travel	Personnel	Total
American Rescue Plan	\$ 587,078	\$ 76,779	\$ 9,869	\$ -	\$ -	\$ 673,727
Consolidated Grants	\$ 397,257	\$ 17,893	\$ -	\$ 28,110	\$ 3,483,256	\$ 3,926,516
Special Education Part B	\$ 100,335	\$ -	\$ -	\$ -	\$ 2,849,951	\$ 2,950,286
Special Education Part C	\$ 3,238	\$ -	\$ -	\$ 424	\$ 309,716	\$ 313,378
SPED Project Hita Para Mona	\$ 17,237	\$ -	\$ -	\$ -	\$ -	\$ 17,237
Project ETASLDS (GOSDV)	\$ -	\$ -	\$ -	\$ -	\$ 5,690	\$ 5,690
<b>Grand Total</b>	<b>\$ 1,105,145</b>	<b>\$ 94,672</b>	<b>\$ 9,869</b>	<b>\$ 28,534</b>	<b>\$ 6,648,613</b>	<b>\$ 7,886,833</b>

## Financials cont.

**Table 4: GDOE Request - Approved Drawdowns**

GDOE Drawdown Request	GDOE Requested Drawdown Amount	Approved Drawdown Amount	Variance
DOEPR004 (Payroll Reimbursement)	\$ 1,367,963	\$ 1,367,963	\$ -
DOEPR005 (Payroll Reimbursement)	\$ 543,967	\$ 543,967	\$ -
DOEAM016	\$ 322,622	\$ 109,628	\$ (212,994)
DOEAM017	\$ 333,650	\$ 118,648	\$ (215,002)
DOEAM018	\$ 103,634	\$ 85,989	\$ (17,645)
DOEAM019	\$ 904,287	\$ 263,591	\$ (640,697)
DOEAM020	\$ 199,394	\$ 199,394	\$ -
DOEAM021	\$ 25,898	\$ 25,466	\$ (431)
DOEAM022	\$ 137,951	\$ 3,779	\$ (134,173)
DOEAM023	\$ 125,668	\$ 123,561	\$ (2,107)
DOEAM024	\$ 75,116	\$ 75,116	\$ -
DOEAM025	\$ 18,075	\$ 18,075	\$ -
DOEPR006 (Payroll Reimbursement)	\$ 1,141,983	\$ 1,141,983	\$ -
DOEPR007 (Payroll Reimbursement)	\$ 1,615,647	\$ 1,615,647	\$ -
DOEPR008 (Payroll Reimbursement)	\$ 726,976	\$ 726,976	\$ -
DOEPR009 (Payroll Reimbursement)	\$ 13,955	\$ 13,955	\$ -
DOEPR010 (Payroll Reimbursement)	\$ 1,238,122	\$ 1,238,122	\$ -
DOEAM026	\$ 69,930	\$ 69,930	\$ -
DOEAM027	\$ 61,331	\$ 61,331	\$ -
DOEAM028	\$ 83,713	\$ 83,713	\$ -
<b>Totals</b>	<b>\$ 9,109,881</b>	<b>\$ 7,886,833</b>	<b>\$ (1,223,048)</b>

Variations identified were as follows:

- Drawdown requests DOEAM016-022 included **\$1,220,941** in expenditures, which were tied to expired grant funding with check dates outside of the allowable 120-day liquidation period.
  - ◊ In accordance with 2 CFR §200.344, unless the grantor authorizes an extension, federal grant recipients must liquidate all financial obligations incurred under the federal award no later than one hundred and twenty (120) calendar days after the end date of the period of performance as specified in the terms and conditions of the federal award.
  - ◊ The liquidation date for the grants in question was January 28, 2024.
- Drawdown request DOEAM023 included **\$2,107** of expired ESF II expenditures

After identifying variances, the IAO provided notice to the Business Office, on February 2 and February 16 respectively, of IAO's inability to drawdown the questioned expenditures. The Business Office concurred with IAO's findings and IAO was able to complete drawdown of grant funds for allowable expenditures.

## Financial cont.

### Drawdown Process Timeline

From the last reporting period to February 29, 2024, drawdowns processed by the IAO averaged a 7-day turnaround from the date of GDOE’s request to the date funds deposited into GDOE’s bank account. See Table 2.

**Table 5: Drawdown Process Timeline**

GDOE Drawdown Request	Submitted for Review	Approved	Processed in G6	Funds Received	Vendors Paid	# of Days to Process
DOEPR004 (Payroll)	1/22/2024	1/30/2024	1/30/2024	1/31/2024	-	8
DOEPR005 (Payroll)	1/22/2024	1/30/2024	1/30/2024	1/31/2024	-	8
DOEAM016	1/26/2024	2/2/2024	2/7/2024	2/8/2024	2/8/2024	12
DOEAM017	1/26/2024	2/2/2024	2/7/2024	2/8/2024	2/8/2024	12
DOEAM018	1/26/2024	2/2/2024	2/7/2024	2/8/2024	2/8/2024	12
DOEAM019	1/26/2024	2/2/2024	2/7/2024	2/8/2024	2/8/2024	12
DOEAM020	1/26/2024	2/2/2024	2/7/2024	2/8/2024	2/8/2024	12
DOEAM021	1/29/2024	2/2/2024	2/7/2024	2/8/2024	2/8/2024	9
DOEAM022	1/29/2024	2/2/2024	2/7/2024	2/8/2024	2/8/2024	9
DOEPR006 (Payroll)	1/29/2024	1/30/2024	1/30/2024	1/31/2024	-	1
DOEPR007 (Payroll)	1/30/2024	1/30/2024	1/30/2024	1/31/2024	-	0
DOEPR008 (Payroll)	2/1/2024	2/1/2024	2/1/2024	2/2/2024	-	0
DOEPR009 (Payroll)	2/1/2024	2/1/2024	2/1/2024	2/2/2024	-	0
DOEAM023	2/16/2024	2/20/2024	2/20/2024	2/21/2024	2/21/2024	4
DOEAM024	2/16/2024	2/20/2024	2/20/2024	2/21/2024	2/21/2024	4
DOEAM025	2/16/2024	2/20/2024	2/20/2024	2/21/2024	2/21/2024	4
DOEPR010 (Payroll)	2/16/2024	2/20/2024	2/20/2024	2/21/2024	-	4
DOEAM026	2/21/2024	3/6/2024	3/6/2024	3/7/2024	3/8/2024	14
DOEAM027	2/21/2024	3/6/2024	3/6/2024	3/7/2024	3/8/2024	14
DOEAM028	2/21/2024	3/6/2024	3/6/2024	3/7/2024	3/8/2024	14

## Employee Time Tracking

As of February 29, 2024, pending payroll reimbursement totaled \$14.5M.

The Payroll Reimbursement Lead is working closely with the respective federal program officer to clear items pending reimbursement.

There has been a delay in transitioning compliance review and validation responsibilities to the Federal Programs Office as several key Federal Programs staff have been assisting with FEMA and American Rescue Plan activities.

SPED has encountered challenges with generating accurate certifications due to the change in worksite locations on the Munis to reflect “SPED Admin” rather than the employees actual worksite.

**Table 6: Pending Payroll Reimbursement**

Grant	Amount
Consolidated Grant	\$ 5,654,502
Bipartisan Safer Communities Act	\$ 32,969
Special Education Part B	\$ 4,184,567
Special Education Part C	\$ 156,257
Comprehensive Literacy State Dev	\$ 2,166
Project ETASLDS (GOSDV)	\$ 7,588
Project Hita Para Mona	\$ 60,602
Education Stabilization Fund II	\$ 752,000
American Rescue Plan	\$ 3,618,119
ARP Individuals with Disabilities	\$ 37,928
<b>Total</b>	<b>\$ 14,506,699</b>

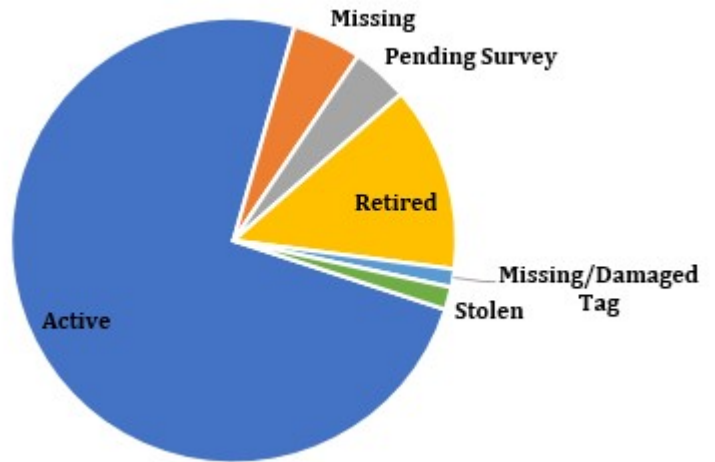
## Property Management

### School Year 2023-2024 Annual Inventory Inspection

GDOE's annual fixed asset inventory inspection commenced on January 2, 2024 and is scheduled to be completed on May 24, 2024. GDOE's total inventory count of ED funded assets as of February 27, 2024 totaled 97,176. As of February 27, 2024, 40,301 assets have been inspected.

Status of assets inspected as of February 27, 2024:

- 29,998 (74%) are active assets
- 2,025 (5%) are missing
- 1,657 (4%) are pending survey
- 5,431 (13%) were retired
- 530 (1%) have missing/damaged asset tags
- 660 (2%) were reported stolen



## Procurement

### Requisitions in Progress

As of February 29, 2024, ED funded requisitions in progress totaled \$104M.

**Table 7: Requisitions in Progress**

Grant	Contractual	Supplies	Equipment	Total
Comprehensive Literacy State Development	\$ -	\$ 3,495	\$ -	\$ 3,495
Project ETASLDA (GOSDV)	\$ 993,000	\$ -	\$ -	\$ 993,000
Consolidated Grant	\$ 2,526,598	\$ 459,395	\$ -	\$ 3,251,573
American Rescue Plan	\$ 91,636,462	\$ 3,635,372	\$ 3,677,229	\$ 98,949,063
Project Hita	\$ 100,000	\$ -	\$ -	\$ 100,000
Special Education Part C	\$ 7,088	\$ 300	\$ -	\$ 7,388
Special Education Part B	\$ 358,383	\$ -	\$ -	\$ 283,800
<b>Grand Total</b>	<b>\$ 95,621,531</b>	<b>\$ 4,098,562</b>	<b>\$ 3,942,809</b>	<b>\$ 103,662,901</b>

On March 18, 2024, the Supply Management Administrator issued a memorandum to all schools and divisions indicating that due to the delay in the creation of expense accounts, the deadline for formal solicitations requisitions and contracts is April 26 and July 26 for small purchase requisitions.

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## Internal Controls

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### ***Staffing of Critical Positions***

On February 15, 2024, Superintendent Swanson assigned Sylvia Calvo as the Acting Federal Programs Administrator. Calvo is a School Program Consultant under Curriculum and Instruction.

### ***Financial Audit Status***

GDOE submitted an updated trial balance on March 20, 2024. GDOE is working with Ernst & Young (E&Y) auditors to finalize the trial balance and make adjusting journal entries. E&Y projects a late release with target date in late August or September, if there are no further request for extensions or delays in providing requested audit documentation.

### ***Office of Public Accountability (OPA) Laptop Audit***

The Guam OPA issued its report on GDOE's laptop inventory on March 4, 2024. The audit identified non-compliance with Guam procurement laws and regulations, and GDOE SOPs; questionable excessive laptop purchases and distributions; and significant weaknesses in internal controls. The OPA questioned the cost of \$23.1M laptop purchases with no contract with the awarded vendor and \$1.5M for the appearance of artificial division of small purchases. GDOE management concurred with the OPA's recommendations for improved procurement and internal controls. The IAO will work with the OPA to monitor the implementation of the audit recommendations.

### ***Late Liquidation of Grant Funds***

On March 6, 2024, GDOE received late liquidation approval for \$6M of ESF II funds. With this approval, GDOE will be able to continue drawing ESF II funds through September 30, 2024 for allowable obligations that occurred on or prior to September 30, 2023. The IAO is monitoring the drawdown of expenditures approved for late liquidation and will ensure compliance to cost principles prior to approving for drawdown.

### ***Standard Operating Procedures for Drawdowns***

The IAO has drafted its procedures for the drawdown of ED funds. The SOP is specific to the IAO's process of review. The draft procedures have been presented to the Audit Committee and Superintendent and is pending signature. In the interim, the IAO will provide the draft SOP to Bruman for their review and input prior to finalization.

### ***Delay in Requisitions and Account Set-up***

In February, the IAO observed that there was a nominal amount of requisitions in progress considering it was six months into the fiscal year (as of February 7, 2024, the system shows 70 requisitions for ARP). Further review revealed that certain expense accounts and corresponding roll-up codes for USEd grants were not established in Munis for end-users to requisition against. The delay in the requisition process may result in a sudden influx of requisitions for the procurement office to process in a narrow timeframe and risks the proper obligation and expenditure of funds. As a result, the procurement office has implemented strict deadlines for requisitions to be processed timely.