



# TEXAS HIGHER EDUCATION COORDINATING BOARD

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December 17, 2010

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Laredo Community College  
5500 South Zapata Hwy.  
Laredo, TX 78045

ATTN: Mr. Cesar Vela, Comptroller

SUBJ: On-site Monitoring Report for American Recovery and Reinvestment Act (ARRA), State Fiscal Stabilization (SFSF), Government Services Fund, Subrecipient award

REF: (a) THECB ARRA Notice of Grant Award No. 3560  
(b) USDE Prime Award No. S397A090044

Dear Mr. Vela,

The Texas Higher Education Coordinating Board (THECB) has engaged the firm of Clifton Gunderson LLP to conduct on-site monitoring of the above referenced (a) grant subaward. Clifton Gunderson has completed the site visit and reported to the THECB all observations based on an agreed-upon set of procedures, both of which have been incorporated into the monitoring report.

You will find attached for your review the final report of that monitoring effort, with the following test results requiring Laredo College's management response:

- Step 3.a: Fiscal policies and procedures do not directly address the requirements of the federal Cash Management Improvement Act (CMIA).
- Step 5.a: Written administrative procedures do not directly address if activities and costs are allowable under federal and state procurement and contracting laws, and do not address suspension and debarment of vendors.
- Step 5.d: Laredo CC does not have written procedures to ensure that it maintains adequate property records, safeguards these assets, and keeps these items in good working condition.

Your written response is requested within fifteen (15) business days of receipt of this letter to (a) confirm receipt of the THECB's monitoring report, and (b) provide management's response relevant to the above on-site monitoring observations.

In addition, please be advised that in the interest of increased transparency under ARRA, the U.S. Department of Education has requested that the THECB post all monitoring reports and management responses to its ARRA grants program website.

The THECB sincerely appreciates the opportunity to work with your staff in this endeavor and the commitment your institution has made to ensure this ARRA project met its requirements of accountability and transparency. If you have any questions or need additional information, please do not hesitate to contact me directly at the numbers listed below.

Sincerely,

Dan Griffiths  
Director, ARRA Grants Program  
(TEL) 512.427.6118  
(EML) [dan.griffiths@theeb.state.tx.us](mailto:dan.griffiths@theeb.state.tx.us)

ATTCH

## Griffiths, Dan

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**From:** Cesar Vela [cvela@LAREDO.EDU]  
**Sent:** Wednesday, January 12, 2011 11:40 AM  
**To:** Griffiths, Dan  
**Cc:** Susana Carreon; Barchers, Kristen; Eleazar Gonzalez; Lynda Gomez; Ramiro V. Martinez - Purchasing Dir.; Vicky Villalobos; President's Office  
**Subject:** RE: THECB ARRA Grants Program :: On-site monitoring report for Laredo College  
**Attachments:** Property Management and Inventory Procedures.pdf; Laredo Final Report 11-29-10.pdf; THECB CoverLetter Laredo 12 17 10.pdf

Mr. Griffiths,

Below are Laredo Community College's management responses to the November 29, 2010 ARRA on-site monitoring report. Please let me know if you have any questions or if additional information is needed.

Step 3.a: Fiscal policies and procedures do not directly address the requirements of the federal Cash Management Improvement Act (CMIA).

**Management Response:**

We consulted with our external auditors and based on their interpretation, the CMIA does not apply to Laredo Community College.

Step 5.a. Written administrative procedures do not directly address if activities and costs are allowable under federal and state procurement and contracting laws, and do not address suspension and debarment of vendors.

**Management Response:**

Laredo Community College complies with federal and state procurement and contracting laws. Laredo Community College has written purchasing procedures which address activities and costs allowable under state procurement and contracting laws. For federal grant purchases, all grant contracts and awards are reviewed for allowable activities and costs. In addition, vendor information is reviewed to ensure that they meet and comply with all state and federal guidelines. We are currently updating our purchasing procedures to include language which addresses the suspension and debarment of vendors.

Step 5.d. Laredo CC does not have written procedures to ensure that it maintains adequate property records, safeguards these assets, and keeps these items in good working condition.

**Management Response:**

We do not recall the auditor asking for written inventory procedures. The auditor's request was for the inventory listing which was provided. Laredo Community College does have written inventory procedures. See attachment.

I have attached a copy of the ARRA on-site monitoring for reference purposes.

Thank you,

Cesar E. Vela Jr., CPA  
Comptroller  
Laredo Community College

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**From:** Griffiths, Dan [<mailto:Dan.Griffiths@THECB.state.tx.us>]  
**Sent:** Friday, December 17, 2010 4:46 PM  
**To:** Cesar Vela  
**Cc:** Susana Carreon; Barchers, Kristen  
**Subject:** THECB ARRA Grants Program :: On-site monitoring report for Laredo College

Mr. Vela,

The Coordinating Board has concluded an on-site monitoring visit to review the ARRA Government Services Funds awarded to your institution.

Please find attached my cover letter and related report for your review and comment, and ask that you respond in kind with an email for the requested information.

We sincerely appreciate your staff availability and assistance during this activity, let me know if you have any questions.

Regards,  
Dan

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**Dan Griffiths**  
Director, ARRA Grants Program  
Texas Higher Education Coordinating Board  
1200 E. Anderson Lane, Austin, TX 78752  
TEL: 512.427.6118  
FAX: 512.427.6127  
EML: [dan.griffiths@thecb.state.tx.us](mailto:dan.griffiths@thecb.state.tx.us)

