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January 10, 2011

South Plains College
1401 College Avenue
Levelland, TX 79336

ATTN: Ms. Teresa Green, Controller

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. 3622
(b) USDE Prime Award No. S397A090044

Dear Ms. Green,

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 your institution'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 3.d: South Plains College did not have written procedures to ensure compliance with the period of availability of federal funds requirements.

Step 3.e.i: South Plains College does not have specific written procedures to ensure that reconciliations of financial status reports to supporting documentation take place.

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@thecb.state.tx.us

ATTCH

SOUTH PLAINS COLLEGE

February 2, 2011

Texas Higher Education
Coordinating Board
P.O. Box 12788
Austin, Texas 78711

ATTN: Dan Griffiths, Director, ARRA Grants Program

SUBJ: Management's response to on-site monitoring report for

American Recovery and Reinvestment Act (ARRA), State

Fiscal Stabilization (SFSF), Government Service Fund,

Subrecipient award

REF: (a) THECB ARRA Notice of Grant Award No. 3622

(b) USDE Prime Award No. S397A090044

Dear Mr. Griffiths,

This is South Plains College's management response to the monitoring report conducted by the firm of Clifton Gunderson LLP.

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

Response: South Plains College management response is that the majority of grant funds are requested on a reimbursement basis. This complies with the requirements of the CMIA (Cash Management Improvement Act of 1990). The only exception to requesting on a reimbursement basis is when the awarding agency sends the funds upon award notification. South Plains College proposes that this policy be added to the Policy and Procedure Manual of South Plains College.

Step 3. d: South Plains College did not have written procedures to ensure compliance with the period of availability of federal funds requirements.

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SOUTH PLAINS COLLEGE

Response: South Plains College's unwritten policy is to request reimbursement for funds spent on grants unless awarding agency sends funds upon award notification. South Plains College proposes that this unwritten policy be added to the Policy and Procedures manual for the college.

Step 3.e.i: South Plains College does not have specific written procedures to ensure that reconciliations of financial status reports to supporting documentation take place.

Response: South Plains College's unwritten policy has been to ensure that reconciliations of financial status reports to supporting documentation take place on an as needed basis for each grant. South Plains College management proposes that this procedure be written into the Policy and Procedure Manual for future reference.

Sincerely,

Teresa Green

Teresa Green, CPA
Controller
South Plains College

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