TEXAS HIGHER EDUCATION
COORDINATING BOARD

P.O. Box 12788 Austin, Texas 78711

Fred W. Heldenfels IV
CHAIR

Elaine Mendoza
VICE CHAIR

Joe B. Hinton
SECRETARY OF THE BOARD

Eric Rohne
STUDENT REPRESENTATIVE

Durga D. Agrawal
Dennis D. Golden
Harold W. Hahn
Wallace L. Hall, Jr.
Lyn Bracewell Phillips
A.W. "Whit" Riter, III

Raymund A. Paredes
COMMISSIONER
OF HIGHER EDUCATION

512/ 427-6101
Fax 512/ 427-6127

Web site:
http://www.thecb.state.tx.us

February 15, 2011

The University of Texas at Permian Basin
4901 E. University Blvd.
Odessa, TX 79762-0001

ATTN: Mr. Christopher Forrest, V.P. Business Affairs

SUBJ: Desk Review 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. 3657
(b) U.S. Department of Education (USDE) Award No.S397A090044

Dear Mr. Forrest,

The Texas Higher Education Coordinating Board (THECB) has conducted a desk review of the referenced (a) subaward, and you will find attached for your review and comment the final report of that monitoring effort, with the following area of testing requiring follow-up from your institution:

> *6. Has the subrecipient been consistent with submitting quality supporting data with their reimbursement requests?* We recommend for future reporting that your staff contact THECB Grants Program personnel for any assistance needed with regards to file naming conventions, formatting and uploading activities.

Your response via email is requested within fifteen (15) business days of receipt of this letter to: (a) confirm receipt of the THECB's desk review monitoring report; and, (b) provide a follow-up response and any additional comments relevant to the monitoring activities.

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 has 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

Texas Higher Education Coordinating Board
ARRA Grant Program
Desk Review Evaluation

	THE UNIVERSITY OF TEXAS AT PERMIAN BASIN
NOGA:	**3657**
Amount of Award:	$400,587
Period of Performance:	October 01, 2009 to August 31, 2011
EIN:	37427427424
DUNS:	800188807

Y/N	Desk Review Item
N	1. **Does the subrecipient have an A-133 Audit on file that is free of any significant deficiencies?** Search the Federal Audit Clearinghouse to determine availability of latest information for community colleges at http://harvester.census.gov/sac/, or the SAO Federal Portion of the Statewide Single Audit Report for universities and state agencies at http://www.sao.state.tx.us/Reports/report.cfm/report/10-339. Review Data Collection Form (OMB No. 0348-0057) Parts II (Financial) and III (Federal Programs) for risk assessment, deficiencies, or material weaknesses.
Y	2. **If "No" to #1, is there a Management Response and/or a Corrective Action Plan on file?**
Y	3. **Are all equipment purchases over $5,000 accounted for on subrecipient's inventory list?** Check that equipment items purchased with ARRA funds are documented on the institution's inventory list and designated as ARRA purchases. Test all equipment items, up to ten items. If more than ten items have been purchased, test the ten most expensive. Test 50% of all subrecipient reports, up to five reports.
N/A	4. **Is the subrecipient's reported jobs data free of errors?** Reconcile jobs data (retained and/or created as required) submitted to date with subrecipient time sheets or effort reports that verify accuracy of "actual hours worked" information. Test 50% of all subrecipient reports, up to five reports.
Y	5. **Is the subrecipient following their approved budget plan?** Compare actual expenditures to the approved budget; determine if 10% of the total project expenditures are over/under budget and if a budget modification is required.
N	6. **Has the subrecipient been consistent with submitting quality supporting data with their reimbursement requests?** This refers to quality of data, need for repeated requests for clarification, and time needed for subrecipient to respond to requests for additional data.

Texas Higher Education Coordinating Board
ARRA Grants Program
Desk Review Scoring

NOGA# **3657**

Question	Subject	Answer	Weight	Data Input	Risk
1	A-133	Y	0	N	50
		N	50		
2	CAP	Y	0	Y	0
		N	50		
3	Equipment	Y	0	Y	0
		N	50		
4	Jobs	Y	0	N/A	0
		N	50		
5	Budget	Y	0	Y	0
		N	50		
6	Source	Y	0	N	50
		N	50		
				TOTAL	**100**

Higher points = greater risk
Maximum points = 300
Requires further monitoring (high risk @ 60%) = 200-300 range

Texas Higher Education Coordinating Board
ARRA Grants Program
Desk Review Details and Approvals

Date of Review	Initial THECB Reviewer
10/21/2010	Johnnie Johnson
Item #	**Comments/Observations**
1	A review of the A-133 filing certification indicated significant deficiencies. A Copy of the State of Texas filing certification for fiscal period ending 08/31/2009 is on file.
2	Copies of findings noted, Management Responses and Corrective Action Plans from the Federal Portion of the State wide audit for fiscal period ending 08/31/2009, are on file.
3	The entire amount of the ARRA award was budgeted toward equipment. Reviewed supporting documentation submitted with the three Reimbursement Requests submitted year-to-date. The documents presented clear and complete purchasing details and invoice amounts matched amounts on the Reimbursement Requests. Details included purchase orders, invoices, delivery receipts and State of Texas Purchase Vouchers. Chose a sample of ten capital equipment items for testing. A Desk Review Request form was sent to the subrecipient requesting an inventory report of the ARRA funded capital equipment purchases. The subrecipient submitted final inventory documentation by e-mail on 01/27/2011 and ARRA designated purchases were verified. The institution's State of Texas Purchase Vouchers clearly identified payments utilizing ARRA Formula Funding. Purchase order and invoice numbers from the vouchers matched the purchase order and invoice numbers on the vendor invoices. The capital equipment items included in the test were traced to the purchase orders which were included on the subrecipient's inventory report. Copies of the purchase documentation sample and the inventory report are on file.
4	There was no request for salaries and no jobs data was reported to THECB.
5	Based on the budget information in the ARRA Financial Tracker, the approved budget plan was followed and the project expenditures were not over or under the 10% requirement. There was no indication of a budget modification required.
6	In an effort to verify the integrity of reimbursement data submitted by the subrecipient, reviewed supporting documentation and related information on file. The subrecipient's NOGA 3657 SharePoint folder revealed that numerous files in various formats had been uploaded to the Reimbursement Documentation folder by the subrecipient. Files were also uploaded without the required naming convention. Data submitted in this manner may potentially have an effect on the timeliness of reimbursements. The structure and naming of the source documentation uploaded to the SharePoint folder, by the institution, did not meet submission requirements as stated in the THECB ARRA Grant Program-Subrecipient Reporting Guidelines. Instructions for submitting supporting documentation for reimbursements are in Section 5.4- Uploading Supporting Documentation for Monthly Reimbursement Requests. See statement below. 1. All supporting documentation should be scanned into a single PDF formatted file with the following naming convention that ties to your reimbursement request Found in 5.3: Ex: 3333_ Formula _Documentation_ 010510_1030AM.xls Section 5.4 provides contact at **ARRAoffice@thecb.state.tx.us** for any problems with uploading documentation files.
Date Review Completed	**THECB Reviewer Signature**
01/27/11	
Date Closed	**THECB Approval Signature**

APPROVED
By Dan Griffiths at 5:03 pm, Feb 14, 2011