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January 27, 2011

The University of Texas at Dallas
800 West Campbell Road, AD 27
Richardson, TX 75080-3021
ATTN: Mr. David Gaarder, Assistant Budget Director

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. 3650
(b) U.S. Department of Education (USDE) Award No.S397A090044

Dear Mr. Gaarder,

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 no areas of testing requiring follow-up from your institution:

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

Subrecipient:	The University of Texas at Dallas Start Date: 09/30/10 Initial Reviewer: jj
NOGA:	**3650**
Amount of Award:	$3,839,588
Period of Performance:	October 01, 2009 to August 31, 2011
EIN:	37387387386
DUNS:	800188161

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.
Y	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.
Y	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 Grant Program
Desk Review Evaluation

NOGA# **3650**

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	Y	0
		N	50		
5	Budget	Y	0	Y	0
		N	50		
6	Source	Y	0	Y	0
		N	50		
				TOTAL	50

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
9/30/2010	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 is on file.
2	Copies of findings noted from the Federal Portion of the State wide audit and Management Responses and Corrective Action Plans are on file.
3	Documentation submitted with the Reimbursement Requests for March, April, July and September of 2010 was reviewed. A sample of three capital equipment reimbursement requests was chosen from this documentation. A request for additional information which included an inventory listing for ARRA funded purchases was sent to the subrecipient. The information as requested was received and examined. The documentation verified inventory designation of the ARRA funded purchases. The total amount of the invoice and payment information submitted by the subrecipient was $17,066.68 less than the September 2010 equipment test amount. The subrecipient provided documentation for a journal entry made in September 2010 and reported on the October 2010 Reimbursement Request. The journal entry information was reviewed and reconciled to the October 2010 Reimbursement Request. All equipment documentation submitted by the subrecipient was deemed acceptable. Electronic copies of all desk review documentation submitted by subrecipient are on file.
4	Requested detail documentation to support hours reported by the subrecipient for the months of March, April, July, and September of 2010. The documentation received validated time and effort and matched the hours reported in the chosen sample. An Excel worksheet verifying actual hours reported and the supporting documentation are on file.
5	Based on the budget information in the ARRA Financial Tracker, the approved budget plan was being followed and the project expenditures were not over or under the 10% requirement.
6	Reviewed four Reimbursement Requests and related information submitted by subrecipient. No issues were found regarding quality of data and need for additional information.
Date Review Completed	**THECB Reviewer Signature**
12/29/2010	
Date Closed	**THECB Approval Signature**

APPROVED
By Dan Griffiths at 1:50 pm, Jan 27, 2011