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May 11, 2011

Texas State Technical College-West Texas
300 Homer K. Taylor Dr.
Sweetwater, TX 79556

ATTN: Mr. Kevin L. Shipp, Assistant Chief Financial Officer

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. 3726
(b) U.S. Department of Education (USDE) Award No.S397A090044

Dear Mr. Shipp,

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,
Art Villarreal, Manager, ARRA Grants Program
(TEL) 512.427.6144
(EML) Art.Villarreal@thecb.state.tx.us

ATTCH

Texas Higher Education Coordinating Board
ARRA Grants Program
Desk Review Survey

Subrecipient:	**TEXAS STATE TECHNICAL COLLEGE - WEST TEXAS**
NOGA:	**3726**
Amount of Award:	**$419,578**
Period of Performance:	**October 01, 2009 through August 31, 2011**
EIN:	**17416469892**
DUNS:	**20317749**

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/11-318. 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?**
N/A	3. **Are equipment purchases properly accounted for on the subrecipient's inventory listing?** Check that equipment items purchased with ARRA funds are documented in the subrecipient's inventory and designated as ARRA purchases by requesting grant inception-to-date listing. Test (a) capital and (b) controlled property [limited to laptop and desktop computers] equipment items, up to ten (10) items or ten per cent (10%) of the population, whichever is smaller.
N	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. If more than five reports have been submitted, sample the most recent 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 Grants Program
Desk Review Evaluation

Desk Review Evaluation

NOGA# **3726**

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	N/A	0
		N	50		
4	Jobs	Y	0	N	50
		N	50		
5	Budget	Y	0	Y	0
		N	50		
6	Source	Y	0	Y	0
		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 Comments and Approvals

Initial Review Date	Initial THECB Reviewer
3/31/2011	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 08/31/2010 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 08/31/2010, are on file.
3	The entire amount of the ARRA award was budgeted toward Personnel/Salaries. Therefore, no capital equipment reimbursement requests were received from the subrecipient.
4	The ARRA Monthly Financial Tracking worksheet indicated a total of seven Reimbursement Requests had been submitted by the institution during the year of 2010. Reimbursement Requests for expenses paid in the months of February, March and April were submitted and paid in the month of May 2010. Reimbursement Requests for the months of May, June and July were processed and paid in the month of August 2010. Reimbursement Requests submitted for the months of February, March, April and June of 2010 were chosen for Desk Review hours' testing. In an effort to determine the hours reported by the subrecipient for the related sample, documentation in the subrecipient's NOGA 3726 SharePoint Web-site folder was researched. The subrecipient's monthly Progress Report for June 2010 was located but It was difficult to determine which Progress Reports to include for the months of February, March and April of the chosen sample. The NOGA SharePoint folder indicated several Progress Reports with the same dates and some reports indicated different hours for the same reporting period. The THECB jobs' data file was researched as an alternate method of obtaining hours' data reported by the subrecipient for the months of February, March and April of 2010. THECB's Jobs Data files indicated that THECB's reporting ARRA Grant Specialist's had requested information regarding the actual ARRA hours worked for the months of February, March and April of 2010. The jobs' data information for these months was reported to THECB by e-mail correspondence received from the subrecipient on 05/13/10. The hours reported in this e-mail were included in the hours' Desk Review test. The initial review of the reimbursement documentation, previously submitted by the subrecipient, indicated that the hours reported to THECB for the months of March and April of 2010 did not match the hours recorded on the reimbursement documentation submitted by the subrecipient. Copies of the Desk Review hours' calculation worksheet and related documentation were sent to the subrecipient with a request to validate the accuracy of the worksheet or submit additional documentation to validate the hours reported for the months in question. The subrecipient submitted additional information by e-mail for the months of March and April of 2010. Based on the new information provided by the subrecipient, an updated hours' calculation worksheet was prepared and sent to the subrecipient for confirmation. E-mail correspondence received from the subrecipient on 04/18/11, confirmed that the institution under reported the March 2010 hours worked by 491 hours which was a difference of 18%. The subrecipient also confirmed that the April 2010 hours worked were under reported by 144 hours which was a difference of 5%. The THECB system was updated with the revised March and April 2010 data submitted by the subrecipient. Copies of all documentation used for Desk Review testing 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. No budget modification was required.
6	Reviewed four Reimbursement Requests which represented at least 50% of the year-to-date requests submitted and paid. No significant issues were found regarding the Reimbursement Request data submitted by the subrecipient.
Date Review Completed	**THECB Reviewer Signature**
4/19/2010	
Date Closed	**THECB Approval Signature**
	APPROVED ***By Art Villarreal at 1:20 pm, May 11, 2011***