



# TEXAS HIGHER EDUCATION COORDINATING BOARD

P.O. Box 12788 Austin, Texas 78711

April 12, 2011

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West Texas A&M University  
Old Main, Room 104  
Canyon, TX 79016

ATTN: Ms. Shelly Davis, Director of Accounting

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. 3679  
(b) U.S. Department of Education (USDE) Award No.S397A090044

Dear Ms. Davis,

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](mailto:dan.griffiths@thecb.state.tx.us)

ATTCH

**Texas Higher Education Coordinating Board  
ARRA Grants Program  
Desk Review Survey**

<b>Subrecipient:</b>	WEST TEXAS A&M UNIVERSITY
<b>NOGA:</b>	3679
<b>Amount of Award:</b>	\$921,051
<b>Period of Performance:</b>	October 01, 2009 to August 31, 2011
<b>EIN:</b>	37577577572
<b>DUNS:</b>	65022758
<b>Y/N</b>	<b>Desk Review Item</b>
N	<p><b>1. Does the subrecipient have an A-133 Audit on file that is <u>free</u> of any <u>significant deficiencies</u>?</b> Search the Federal Audit Clearinghouse to determine availability of latest information for community colleges at <a href="http://harvester.census.gov/sac/">http://harvester.census.gov/sac/</a>, or the SAO Federal Portion of the Statewide Single Audit Report for universities and state agencies at <a href="http://www.sao.state.tx.us/Reports/report.cfm/report/11-318">http://www.sao.state.tx.us/Reports/report.cfm/report/11-318</a>. Review Data Collection Form (OMB No. 0348-0057) Parts II (Financial) and III (Federal Programs) for risk assessment, deficiencies, or material weaknesses.</p>
Y	<p><b>2. If “No” to #1, is there a Management Response and/or a Corrective Action Plan on file?</b></p>
Y	<p><b>3. Are equipment purchases properly accounted for on the subrecipient's inventory listing?</b> 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.</p>
N	<p><b>4. Is the subrecipient’s reported jobs data <u>free</u> of errors?</b> 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.</p>
Y	<p><b>5. Is the subrecipient following their approved budget plan?</b> 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.</p>
Y	<p><b>6. Has the subrecipient been consistent with submitting quality supporting data with their reimbursement requests?</b> This refers to quality of data, need for repeated requests for clarification, and time needed for subrecipient to respond to requests for additional data.</p>

**Texas Higher Education Coordinating Board  
ARRA Grants Program  
Desk Review Evaluation**

**Desk Review Evaluation**

NOGA# 3679

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	50
		N	50		
5	Budget	Y	0	Y	0
		N	50		
6	Source	Y	0	Y	0
		N	50		
<b>TOTAL</b>					<b>100</b>

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 Start Date	Initial THECB Reviewer
1/28/2011	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	Reviewed the ARRA Program's budget tracker and identified four Reimbursement Requests that included equipment expenses. Chose Reimbursement Requests submitted in the months of April, June and October of 2010 for the equipment test. Reimbursement documentation, previously submitted by the institution, enabled completion of equipment tests without a need for additional information. The documentation indicated that two items met the definition of capital equipment or controlled assets. Documentation included proof of payments; delivery receipts; and complete inventory records for each item tested. It was verified that the capital equipment and controlled asset items were designated as ARRA funded purchases. The purchase order and account numbers that specified ARRA funded purchases were included on the inventory reports. Copies of all equipment documentation reviewed and related purchasing details are on file.
4	In an effort to verify the accuracy of the hours data reported by the institution, a sample of five Progress Reports was chosen. The subrecipient's Desk Review representative submitted additional documentation and explanations by e-mail regarding the request for additional information. It was explained that hours reported were calculated based on percentage of effort multiplied by 173.33 which were the regular monthly hours worked, by a full time employee. The subrecipient also stated that student hours were the actual hours worked and all information needed to validate the hours reported was on the reimbursement documentation, previously submitted by the subrecipient. Based on the information in the reimbursement documentation, it appeared that the hours reported on the subrecipient's September 2010 Progress Report were overstated by 10,116 hours which was a 44% difference. In addition, the documentation submitted for October 2010 indicated that actual hours worked were 32.6 hours less than the amount reported. Copies of the Desk Review hours' calculation worksheet and the reimbursement documentation for hours reported in September and October of 2010 were sent to the subrecipient. The subrecipient was asked to review the documentation and submit any additional information that would validate the hours reported for the months in question. The subrecipient submitted additional documentation revealing that the actual hours for September 2010 should have been 14,117.88 instead of the reported amount of 23,380.93. Final correspondence received from the subrecipient on 03/10/2010, confirmed that the hours reported on the subrecipient's Progress Report were incorrectly reported to THECB for the month of September 2010. The hours reported for September were overstated by 9,263 hours and the percentage difference was 40%. The THECB system was updated with the revised September 2010 data submitted by the subrecipient. The subrecipient did not provide any additional information for the October 2010 reporting difference of 32.6 hours. All documentation regarding the hours' testing is on file.
5	Based on the budget information in the ARRA Financial Tracker, it was noted that some of the year-to-date expenses requested and paid were above the original amounts budgeted for the expense categories. However, the net amount of the expenses that varied from the institution's original budget was under the 10% requirement. No budget modification was required.
6	Reviewed five 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
3/25/2011	
Date Closed	THECB Approval Signature

**APPROVED**  
By Dan Griffiths at 4:31 pm, Apr 11, 2011