



TEXAS HIGHER EDUCATION COORDINATING BOARD

P.O. Box 12788 Austin, Texas 78711

Fred W. Heldenfels IV
CHAIR

Harold W. Hahn
VICE CHAIR

Joe B. Hinton
SECRETARY OF THE BOARD

Eric Rohne
STUDENT REPRESENTATIVE

Durga D. Agrawal
Dennis D. Golden
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>

April 28, 2011

Trinity Valley Community College
100 Cardinal Drive
Athens, TX 78751

ATTN: Jean McSpadden, VP Administrative Services

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. 3558
(b) USDE Prime Award No. S397A090044

Dear Ms. McSpadden,

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 Trinity Valley CC's management response:

- Step 3.a: Written procedures for financial and grant management processes were not available, and therefore do not directly address the requirements of the federal Cash Management Improvement Act (CMIA).
- Step 3.d: Trinity Valley CC did not have written procedures to ensure compliance with the period of availability of federal funds requirements.
- Step 3.e.i: Trinity Valley CC does not have specific written procedures to ensure that reconciliations of financial status reports to supporting documentation take place.

Step 5.a.ii-iii: Trinity Valley CC does not have written procedures to ensure that activities or costs are allowable. (This may be remedied by updating your existing grants, contracts, or procurement manual(s).)

Step 5.a.iv: Trinity Valley CC does not have written procedures to ensure that purchases comply with procurement standards for suspension and debarment. (This has been a consistent audit finding for other higher education institutions recently found in the Statewide Single Audit for 2010.)

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



TRINITY VALLEY
COMMUNITY COLLEGE
— ATHENS
100 Cardinal Drive
Athens, Texas 75751
(903) 677-TVCC

TRINITY VALLEY
COMMUNITY COLLEGE
— TERRELL
1-20 at Wilson Road
P.O. Box 668
Terrell, Texas 75160
(972) 563-9573

TRINITY VALLEY
COMMUNITY COLLEGE
— PALESTINE
Hwy. 19 North at 287
P.O. Box 2530
Palestine, Texas 75802
(903) 729-0256

TVCC
HEALTH SCIENCE CENTER
800 Ed Hall Drive
Kaufman, Texas 75142
(972) 932-4309

May 5, 2011

Mr. Dan Griffiths
Director, ARRA Grants Program
Texas Higher Education Coordinating Board
PO Box 12788
Austin, TX 78711

SUBJECT: Response to 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. 3558
(b) USDE Prime Award No. S397A090044

Dear Mr. Griffiths,

As requested in your letter dated April 28, 2011, please accept this letter as Trinity Valley Community College's management response to the monitoring report for those test results requiring a response as listed below:

- Step 3.a: Written procedures for financial and grant management processes were not available, and therefore do not directly address the requirements of the federal Cash Management Improvement Act (CMIA).
- Step 3.d: Trinity Valley CC did not have written procedures to ensure compliance with the period of availability of federal funds requirements.
- Step 3.e.i: Trinity Valley CC does not have specific written procedures to ensure that reconciliations of financial status reports to supporting documentation take place.
- Step 5.a.ii-iii: Trinity Valley CC does not have written procedures to ensure that activities or costs are allowable. (This may be remedied by updating your existing grants, contracts, or procurement manual(s).)
- Step 5.a.iv: Trinity Valley CC does not have written procedures to ensure that purchases comply with procurement standards for suspension and debarment. (This has been a consistent audit finding for other higher education institutions recently found in the Statewide Single Audit for 2010.)

For all steps noted above, Trinity Valley Community College management agrees that written procedures would enhance our ability to further comply with the requirements set forth. We have begun to document procedures and will continue in that effort.

Specifically with regard to Step 3.e.i, the monitoring report states that "Reconciliations [of financial status reports to supporting documentation] were not completed...". While we agree that a reconciliation form with documented reconciliation procedures is not currently in place and would be beneficial, please note that all appropriate reconciliations were performed.

We appreciate the THECB's efforts in this endeavor. Feel free to contact me at 903-675-6304 or jmcspadden@tvcc.edu if additional information is required.

Sincerely,



Jean B. McSpadden
Vice President of Administrative Services and CFO

cc: Michael Abbott, Vice President of Information Technology Services
Dr. Glendon Forgey, President
Joyce Helberg, Director of Accounting Services and Controller
Colleen Mays, Director of Grants
Judith McGilvray, Manager of Purchasing and Contracts