Johnson, Johnnie

From: Villarreal, Art
Sent: Wednesday, June 15, 2011 10:13 AM
To: Carol Hutson
Cc: Sarah Van Cleef; Lindsay Sneed; Ashley Hass; ARRAoffice; Johnson, Johnnie; Justus, Jennifer
Subject: RE: THECB ARRA Grants Program :: On-site monitoring report Tyler Junior College
Attachments: THECB CoverLetter TJC 5.27.11.pdf; Tyler Junior College Final Report 5-27-11.pdf; TJC ARRA Grant Award 3629 Audit Response.pdf

Carol,
We have reviewed TJC's response to our on-site monitoring report, found your response(s) to be acceptable and complete.
The THECB ARRA Grants Program appreciates the efforts of your staff to work with the monitoring team in accomplishing this important task.
Thank you.

Art

Arturo Villarreal, Jr.
Manager, ARRA Grants Program
Texas Higher Education Coordinating Board
1200 E. Anderson Lane, Austin, TX 78752
TEL: 512.427.6144
FAX: 512.427.6127
EML: art.villarreal@thecb.state.tx.us
URL: http://www.thecb.state.tx.us/ARRA

From: Carol Hutson [mailto:chut@tjc.edu]
Sent: Tuesday, June 14, 2011 3:41 PM
To: Villarreal, Art
Cc: Sarah Van Cleef; Lindsay Sneed; Ashley Hass
Subject: FW: THECB ARRA Grants Program :: On-site monitoring report Tyler Junior College

Art,

Attached is the response to the on-site monitoring visit report for Tyler Junior College. Please let me know if you have any questions or need additional information. Thank you for your assistance and we look forward to working with you again!

From: Villarreal, Art [mailto:Art.Villarreal@THECB.state.tx.us]
Sent: Wednesday, June 08, 2011 9:49 AM
To: Sarah Van Cleef; Carol Hutson

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May 27, 2011

Tyler Junior College
P.O. Box 9020
Tyler, TX 75711

ATTN: Sarah Van Cleef, Interim Vice President - Business Affairs/CFO

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. 3629
(b) USDE Prime Award No. S397A090044

Dear Ms. Van Cleef,

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 Tyler Junior College 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: TJC did not have written procedures to ensure compliance with the period of availability of federal funds requirements.

Step 3.e.i: TJC has written procedures for reconciling grant financial information, but did not have the reconciling items.

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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,

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

ATTCH

TYLER JUNIOR COLLEGE
A QUALITY EDUCATION · A VIBRANT STUDENT LIFE · COMMUNITY SERVICE

June 14, 2011

Mr. Arturo Villarreal, Jr.
Manager, ARRA Grants Program
Texas Higher Education Coordinating Board
P.O. Box 12788
Austin, TX 78711

Re: THECB ARRA Grant Award No. 3629

Dear Mr. Villarreal,

Please accept this letter as confirmation of receipt of the THECB's monitoring report regarding Tyler Junior College. This letter also acts as management's response relevant to the on-site monitoring observations noted in the report. The observations along with our response are noted 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).

A grant procedures manual does exist and is updated annually to include procedures specific to each grant the College has been awarded. We believed this information was shared with the auditor, but may not have been due to the fact the on-site visit was shortened because of inclement weather. The manual does not specifically address the requirements of the federal Cash Management Improvement Act (CMIA) since it is our understanding this act relates to the transfer of funds between State and Federal governments. In addition, this was a cost reimbursement grant so no funds were reimbursed prior to being expended. We will discuss these requirements with our external auditors and update our procedures to reflect the requirements of the federal CMIA if necessary.

Step 3.d: TJC did not have written procedures to ensure compliance with the period of availability of federal funds requirements.

It is the policy of Tyler Junior College to charge grants only the allowable costs incurred during the funding period in compliance with the period of availability of federal funds requirements. Procedures exist to ensure expenditures incurred outside of the funding period are not submitted for reimbursement. The policy and procedure manual will be updated to include procedures specific to compliance with the period of availability of federal funds requirements.

Step 3.e.i: TJC has written procedures for reconciling grant financial information, but did not have the reconciling items.

Tyler Junior College requested a single reimbursement for expenditures totaling the entire amount of the award. These expenditures were reconciled to supporting documentation at the time of submission. Since remaining reports were submitted with zero balance requests, no reconciling items existed. Procedures are in place to identify and account for reconciling items when necessary.

We appreciate the opportunity to work with the THECB in this endeavor. Should you have any questions regarding the responses, please feel free to contact me.

Sarah Van Cleef
Vice President, Business Affairs/CFO
P.O. Box 9020
Tyler, TX 75711-9020
903.510.2033
svan@tjc.edu