Johnson, Johnnie

From: Villarreal, Art
Sent: Thursday, July 14, 2011 10:57 AM
To: jneighbors@nctc.edu; rlusk@nctc.edu
Cc: ARRAoffice; Johnson, Johnnie
Subject: THECB ARRA Grants Program :: On-site monitoring request North Central Texas College
Attachments: NCTC Response to Monitoring Visit.tif

Ms. Neighbors,

We have reviewed the 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: Villarreal, Art
Sent: Friday, May 27, 2011 11:20 AM
To: jneighbors@nctc.edu
Cc: ARRAoffice; Johnson, Johnnie; Justus, Jennifer; rlusk@nctc.edu
Subject: THECB ARRA Grants Program :: On-site monitoring report North Central Texas College

Ms. Neighbors,

The Coordinating Board has concluded an on-site monitoring visit to review the ARRA Government Services Funds awarded to your institution.

Please find attached my cover letter and related report for your review and comment, and ask that you respond in kind with an email for the requested information.

We sincerely appreciate your staff availability and assistance during this activity, let me know if you have any questions.

Regards,

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

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May 27, 2011

North Central Texas College
1525 West California Street
Gainesville, TX 76240-4669

ATTN: Janie Neighbors, Vice President Financial 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. 3617
(b) USDE Prime Award No. S397A090044

Dear Ms. Neighbors,

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 North Central Texas 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: NCTC did not have written procedures to ensure compliance with the period of availability of federal funds requirements.

Step 5.a.iv: NCTC 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,

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

ATTCH

NORTH CENTRAL TEXAS COLLEGE

Gainesville Campus 1525 West California Street Gainesville, Texas 76240-4699
940/668-7731 Fax: 940/668-6049 www.nctc.edu

Manager, ARRA Grants Program
Texas Higher Education Coordinating Board
1200 E Anderson Lane
Austin, TX 78752

Dear Sir:

Following is the response from North Central Texas College addressing the THECB's report of observations from the on-site monitoring that was conducted by the firm of Clifton Gunderson LLP relative to THECB ARRA Notice of Grant Award No. 3617 and USDE Prime Award No. S397A090044:

***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).**

RESPONSE: North Central Texas College developed its *Federal Cash Management Policies* in January, 2011, to address the requirements of the CMIA.

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

Specifically, the finding was:

> North Central Texas College does not have complete policies and procedures that address the period of availability requirements. The current policy addresses not using funds after the termination date of the grant; however, no written policy is in place to ensure that funds are not expended before the start of the grant.

RESPONSE: North Central Texas College revised its *Federal Cash Management Policies* and *Institutional Advancement Procedures Manual* by adding a statement to specify that grants funds are not expended before the start of the grant.

***Step 5.a.iv:* NCTC does not have written procedures to ensure that purchases comply with procurement standards for suspension and debarment.**

RESPONSE: North Central Texas College incorporated the verification of vendors' status for suspension and disbarment into the *Federal Cash Management Policies* and *Institutional Advancement Procedures Manual.*

Please feel free to contact me should you have any questions or need additional information.

Thank you,

Janie Neighbors

Janie Neighbors, Ed.D.
Vice President of Financial Services