



**Rural, Insular, Native Achievement Programs (RINAP)
Progress Update**

Grantee Name CNMI Public School System

Grant

<input type="checkbox"/> ESF I – SEA	<input type="checkbox"/> IA – Consolidated Grant
<input checked="" type="checkbox"/> ESF II – SEA	<input type="checkbox"/> Republic of Palau
<input type="checkbox"/> ARP-OA SEA	<input type="checkbox"/> ESF I – Gov
	<input type="checkbox"/> ESF II – Gov

Topic¹

Internal Controls: In your responses, please describe any significant actions taken to ensure a system of effective internal controls over Federal awards that provides reasonable assurance that Federal grants are being managed in compliance with Federal statutes, regulations, and that the terms and conditions of Federal awards are operational. Examples could include documented policies for the segregation of duties, updated written standards of conduct for employees, sample internal evaluations of internal controls system, and actions taken to prevent waste, fraud, and abuse of federal funds. Provide documentation that highlights your work in this area (2 CFR §200.303 *Internal controls*).

Directions: *In preparation for the Progress Update, grantees will receive an electronic form four weeks in advance of the grantee interview to submit their responses and associated documentation. Grantees must submit their completed form (and upload any related supporting documentation) two weeks in advance of the grantee interview. Where applicable, grantees should upload documentation that supports the narrative response (e.g., public notice to stakeholders, guidance documents, sample monitoring report, media interviews, speeches, meeting agenda, etc.). Narrative responses should be brief and in bullet form, aligned with grantee goals and priorities.*

As it relates to the progress update topic:

1. What were the grantee’s key accomplishments this past quarter?
 - Successful transition from JD Edwards Financial System (JDE) to the Tyler Enterprise ERP System (Tyler Munis), a cloud-based software that will streamline the entire financial system. The new software will alleviate many of the district’s pain points, from manual data entry and reporting to system security. The ability to assign roles and responsibilities with more granularity will greatly improve internal controls (e.g. separation of duties). **Go Live Date: January 4, 2024**

¹ The topic will change for each progress update and will be selected by the U.S. Department of Education. Grantees will be notified of the topic at least one quarter in advance of progress updates and the topic will be the same for all grantees completing a progress update. The topic will be closely related to a specific, or set of related, statutory or regulatory requirements. The specific, or set of related, statutory or regulatory requirements outlining Departmental oversight authority will be cited in the electronic questionnaire distributed in advance of progress updates (e.g., Internal Controls: 2 C.F.R. 200.61).

- Completed Walkthrough with State Board of Education Internal Auditor on the following Standard Operating Procedures (SOP) and workflow processes:
 - Grant application
 - Procuring items in bulk
 - Travel authorization
 - Student travel requirements and guidelines
 - Funding approval, certification, and obligation of purchases & Funding approval checklist
 - Drawdown of Federal funds
 - Certification of funds
- Established an SOP Working Group comprising the State Board of Education Internal Auditor, Finance Office, Procurement Office, Federal Programs Office and the Human Resource Office. Draft SOPs from each office were submitted for review on January 31, 2024.
- Staff continue to review/analyze, on an ongoing basis, the effectiveness and efficiency of our operational process for continuous improvement.
- CNMI PSS staff attended an onsite training on “Financial & Administrative Management of Federal Grants” on February 8, 2024 with Judith Clark of the Hawaii Youth Services Network (see attached). Objectives of the Training Session included:
 - Identify 5 key processes or policies that help grantees meet federal grant management requirements.
 - How to determine if costs are allowable and reasonable.
 - Elements of Fiscal Control System
- The Federal Progress Office continues to provide technical assistance to schools and departments on project alignment, allowable and unallowed cost, etc. The Director of Internal Control & Evaluation reviews all requisitions, ensuring that charges comply with the grant application, budget, and that expenditures are for allowable activities.
- “Student outcomes don’t change until adult behaviors change.” As a district, we are improving. Last year, we reported challenges with routing back requisition documents and Travel Authorizations which 1) lacked sufficient justification, 2) lacked any connection with project objectives and activities, 3) were not reasonable, allocable, and/or necessary, 4) were unallowed, and 5) were not in response to an identified need (backed by data).
- CNMI PSS completed the FY2022 Audit and will be moving on to FY2023 Audit, which we anticipate completing before Summer 2024.

2. What were the grantee’s key challenges this past quarter?

- **Tyler Enterprise ERP System data conversion issues.** We encountered a few setbacks since we went *live*. Staff continue to migrate accounts and fix data conversion issues. Changeovers in systems of this magnitude have some settling-in periods.
- **Grant closeout process and the liquidation**

- Liquidating open encumbrances for the Consolidated Grant and ESF II in a timely manner
- Delays in the delivery of materials and supplies
- **Planning for the impending Fiscal Cliff.**

3. What methods, tools, and processes are you utilizing to address these challenges?

- **Tyler Enterprise ERP System data conversion issues.** Training is ongoing on all three islands. Since the implementation of the ERP System, staff from the Finance Office, Federal Programs Office, Human Resource Office, and IT were designated as trainers for the entire office, schools, and departments. We are identifying gaps in workflow and reporting processes and addressing them as we go along.
- **Grant closeout process and the liquidation**
 - Ensuring timely obligation and closeout process. We have set an internal 3- and 6- month deadline to obligate expenses before the end of the award period.
 - As a result of challenges with the ERP system transition coinciding with the closeout of ESF II and the FY22 Consolidated Grant, we are working with the Finance and Procurement Office to hold a district wide training on “Purchase Order and Encumbrance”. The training will focus on:
 - Monitoring and liquidating open POs and Encumbrances
 - Because these documents are normally liquidated by processing against invoices, there is a high potential for system glitches and/or discrepancies
 - Presenting staff with detailed processes and procedures to effectively monitor, analyze and liquidate PO’s and Encumbrances
 - How to cancel or de-obligate items, process receiving reports, etc. Without receiving reports, encumbrances are still outstanding. This will impact the timely and proper drawing down of funds.
 - Supplying staff with resources and tools they can use as a reference to guide them on the review and liquidation process.
- **Planning for the impending Fiscal Cliff.** A committee has been established. FPO also subscribes to the Strategic Planning for Continued Recovery (SPCR) webinar series. The National Comprehensive and USDOE tools and resources have been extremely helpful. The CNMI PSS Key Management will be signing up for an individualized consultation with the Federal Education Group.

4. How can the U.S. Department of Education help the grantee address these challenges?

- Ongoing technical assistance support, including hosting a webinar series around key grant management concepts to support grant implementation activities.
- Evaluation and feedback on our grant implementation activities. Please share feedback, highlighting both strengths and weaknesses in our grant implementation activities, as well as areas of improvement and any potential for growth.

- How to effectively optimize resource allocation and leverage/braid funds to provide the best education possible for our students.

5. What are the grantee's technical assistance needs related to these challenges?

Same as the above.

Public Burden Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1810- 0757. The expiration date is December 2, 2021. Public reporting burden for this collection of information is estimated to average 1 hour per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The obligation to respond to this collection is required to obtain or retain benefit 2 CFR 200.327 and 2 CFR 200.328. If you have any comments concerning the accuracy of the time estimate, suggestions for improving this individual collection, or if you have comments or concerns regarding the status of your individual form, application or survey, please contact Joanne Osborne, Rural, Insular, and Native Achievement Programs, Office of Elementary and Secondary Education, U.S. Department of Education, 400 Maryland Ave. SW, Rm. 3E306, Washington, DC 20202 or email joanne.osborne@ed.gov directly.