

Appendix F

**Institution Management Response**

Indicate whether the answer is yes or no to the proposed questions and provide a detailed response to your answer.

**1. OVERARCHING/PERFORMANCE**

a. Are the programs under Recovery Act for my organization following the existing procedures or new procedures?

Athens State University (the University) has received guidelines from the Chancellor and the Department of Postsecondary Education (DPE) which address the new procedures to follow to ensure an extended level of accountability and transparency in the use of Federal Funds. The guidelines identify the procedures to be followed in carrying out the programs, activities and reporting under the American Recovery and Reinvestment Act of 2009 (Recovery Act).

b. Are specific Recovery Act fund objectives and requirements incorporated into agency policies?

Yes, as mentioned in item 1.a., the Chancellor has issued guidance on how stabilization funds are to be spent, accounted for and reported. These guidelines help insure that the funds are used as intended in assisting public institutions with expenditures for education and general purposes so as to mitigate the need to raise tuition.

c. Does my organization have staff adequately trained to effectively implement Recovery Act requirements?

Yes, University personnel attended training provided by DPE in coordination with the Department of Finance and the Governor's office. This training focused on the accountability and transparency in the use of Federal funds and emphasized the accounting and reporting required by the Recovery Act.

d. Has my organization provided new requirements, conditions, and guidance to the recipients regarding Recovery Act?

Yes, the aforementioned guidelines issued by the Chancellor have been communicated to University personnel, and mandatory training has been provided for the University's compliance officers, website coordinator and chief financial officer.

e. Does my organization have reporting mechanisms in place to collect the required data from recipients to meet Recovery Act transparency requirements?

University personnel have received training on the Federal and State reporting requirements under the Recovery Act. Additionally, DPE has implemented additional reporting for the sub-recipients of Stabilization Funds.

f. Is there an agency-wide methodology for measuring performance? What are the key performance metrics?

Stabilization funds will primarily be spent for salaries. Job descriptions are developed for each position that address duties and expectations. Annual evaluations are done by supervisors that evaluate the overall performance of the individual. Expenses for other items will be measured by determining the expectations and comparing these expectations to the outcomes, either as finished product or performance. All expenses paid with stabilization funds will be identified by a specific code in order to facilitate the reporting process.

g. Are there any process metrics, or are the metrics primarily outcome-oriented?

All metrics will be outcome-oriented as explained in item 1.f. above.

h. Does my organization have a corrective action plan process in place to promptly resolve the audit findings identified that may impact the ability to successfully implement Recovery Act?

The University annual audit produced no findings. The University has developed adequate internal controls to segregate duties as determined necessary and provide for a system of checks and balances so as to minimize the opportunity for processing errors and other improprieties.

i. Has my organization established a governance body to oversee / manage the overall implementation of Recovery Act?

Yes, DPE has the oversight responsibility for sub-recipients in the ACCS and, in coordination with the Department of Finance and the Governor's office, has provided mandatory training for ACCS employees.

***Management Response and Action Plan:***

## 2. REPORTING

a. Is the necessary reporting under Recovery Act in place?

Yes, the University is required to report monthly to DPE no later than 12 pm of the 3<sup>rd</sup> day for activities during the previous month. DPE verifies reports and submits to the Office of Finance on the 10<sup>th</sup> day of the month for activities during the prior month. Websites must be updated by the 10<sup>th</sup> of each month with monthly reports. Cumulative reports are due quarterly and reported via [www.Federal.Reporting.gov](http://www.Federal.Reporting.gov).

b. Has your organization implemented communication vehicles to ensure Recovery Act data is promptly reported on the agency's website?

Yes, as mentioned in item 2.A., the University must report to DPE who verifies information and reports to the Office of Finance. The University's website developer received training on the date requirements for web reporting and links have been established by the University to satisfy these requirements.

c. Are reports published under Recovery Act reviewed and approved?

Yes, the University's reports are required to be sent to DPE who verifies the information. DPE then submits the data/reports to the Office of Finance for approval.

d. Are reports issued accurate and have the data fields required under Recovery Act?

The University prepares reports from data compiled through a self-balancing set of accounts. These reports are reviewed by the compliance officers and the chief financial officer of the University who have been through training provided by DPE. Upon submission to DPE, the numbers are once again scanned for accuracy and completeness.

e. Do reports tell agency management what is happening on a timely basis?

Yes, deadlines have been established that help insure that data is reported in a timely manner. Reporting requirements help facilitate timely data approval and timely data reporting.

f. Are issues identified through established reports addressed on a timely basis?

Yes, the individuals responsible for reporting and compliance and also responsible for establishing internal policies that affect how paperwork is processed and reported and how issues are resolved. As issues are identified, the compliance officer and alternate contact will immediately address the issue(s) with the related personnel or third party. All modifications and corrections will be made as they are identified.

g. Are reports issued on the effectiveness of risk management strategies and tactics timely?

Yes, DPE internal auditors will review the processes that have been established and assess whether or not the strategies and tactics are effective. The auditors will also establish whether or not the necessary framework exists to insure that the established guidelines are followed.

h. Are risk management strategies and tactics properly monitored?

Yes, as discussed in item 2.g., DPE internal auditors will monitor the University's risk management strategies and tactics. Additionally, the University's compliance officer and alternate contact will also periodically review the processes and procedures that have been established to insure accuracy, completeness and compliance in handling Stabilization Funds and satisfying reporting requirements.

**Management Response and Action Plan:**

**1. HUMAN CAPITAL**

a. Has my organization identified qualified personnel to oversee the Recovery Act funds?

Yes, Doug Clark, CPA and VP of Financial Affairs, has been designated as the University's compliance officer, and Mike McCoy, CPA and Business Manager has been designated as the alternate contact person. Both individuals have years of experience in accounting and financial reporting and attended the mandatory training provided by DPE.

b. Does my organization have sufficient level of personnel to manage the Recovery Act programs (for instance, Grant, Contracting, Financial Management, or IT personnel, etc.)?

The University has a strong business office staff that has experience in processing grant-related transactions and has experience with financial reporting and compliance. The staff has been involved with annual audits performed by the Examiners of Public Accounts and the development of internal controls to insure the completeness and accuracy of financial data. The University's IT staff has had extensive training on the most recent technology relating to data reporting and management, and all reporting requirements and guidelines have been communicated to the IT staff.

c. Are they empowered to make decisions and administer the Recovery Act programs?

Yes, Doug Clark and Mike McCoy are responsible for compiling the required data and for insuring that reports are filed timely and accurately. Any decisions would be proposed to these individuals for final approval.

d. Are program officials trained in the performance management requirements?

Yes, the officials responsible for reporting and compliance have undergone the mandatory training provided by DPE and have read all of the documentation and guidelines applicable to receiving, reporting and monitoring the Stabilization Funds. Other officials and employees who perform related duties have also been instructed on the compliance requirements and guidelines issued by both DPE and OMB.

e. Has my organization considered using alternative hiring methods allowed under the Recovery Act?

Not applicable

**Management Response and Action Plan:**

## 1. ACQUISITION

a. Do new Requests for Proposals issued under Recovery Act initiatives contain the necessary language to satisfy the requirements of the Recovery Act? **N/A – Athens State will only use Stabilization Funds for personnel expenses.**

b. Are Contracts awarded in a prompt, fair, and reasonable manner? **Yes, all contracts for salaries are awarded in a timely and systematic manner.**

c. Do new contracts awarded using Recovery Act funds have the specific terms and clauses required? **Yes, all contracts for salaries that are paid by Recovery Act Funds will contain a sentence stating that this contract is being paid from the Recovery Act funds and the individual will be required to maintain time sheets.**

d. Are contracts awarded using Recovery Act funds transparent to the public? Are the public benefits of the funds used under these contracts reported clearly, accurately, and in a timely manner?

**Yes, in compliance with established guidelines, the University has established an American Recovery and Reinvestment webpage to display the required reports. The webpage also provides links to the State of Alabama Stimulus site and the ACCS American Recovery and Reinvestment site. Additionally, the University communicates all items reported to DPE who reviews the data and posts on the ACCS website.**

e. Are funds used for authorized purposes and the potential for fraud, waste, error, and abuse minimized and/or mitigated?

**Yes, the University has established policies and procedures for processing and reporting Stimulus fund activity and adequate internal control are in place as verified by the University's annual audit performed by the Examiners of Public Accounts. In addition, the University has established a link on its American Recovery and Reinvestment webpage to report Stimulus fraud.**

f. Do projects funded under Recovery Act avoid unnecessary delays and cost overruns?

**Yes. Basically, there will be no projects funded. The University will fund salaries with the funds. The salaries are governed by contracts and there will be no cost overruns.**

g. Are there any performance issues identified with regards to (potential) contractor? Are there follow up actions to address the performance issues?

**N/A – The University will only use Stabilization Funds to pay for personnel expenses.**

**Management Response and Action Plan:**

**1. FINANCIAL**

a. Has my organization established separate Treasury Account Fund Symbols to ensure Recovery Act funds are clearly distinguishable?

Yes, the University has established a separate fund to capture and track State Fiscal Stabilization Funds. The self-balancing account is maintained as a Restricted Fund to separately account for all expenditures associated with the grant.

b. Are there controls in place to ensure that Recovery Act funds are not commingled with other agency funds?

Yes, as mentioned in item 1.a., the University captures all transactions associated with the Recovery Act in a self-balancing fund. The fund account number is provided to all employees that will be processing transactions, and data will be reconciled monthly with reports filed with DPE.

c. Are existing internal controls sufficient to mitigate the risks of fraud, waste, and abuse?

The University has annual audits by the Examiners of Public Accounts. As part of this audit, the University's internal controls are considered. The University's audits have no identified deficiencies in the internal control over financial reporting. Additionally, the University has established segregation of duties and a system of checks and balances to help mitigate the risk of fraud, waste and abuse.

**Management Response and Action Plan:**

**1. SYSTEM**

a. Are financial and operational systems configured to manage and control recovery funds?

Yes, the University utilizes Banner software and maintains the necessary hardware infrastructure to power and support the software. The system allows the University to build the necessary rules to separately capture Stimulus Fund transactions and manage how and who processes transactions relating to recovery funds.

b. Can financial and operational systems support the increase in volume of contracts, grants and loans etc.?

Yes, increases in the volume of activity can be easily absorbed by the University's financial and operational system.

c. Are the appropriate data elements identified that must be captured, classified and aggregated for analysis and reporting to meet Recovery Act requirements?

Yes, the University identifies the data that will need to be captured in order to satisfy State and Federal reporting requirements. This data is accumulated in the specific fund established to capture and report the data. As additional items are designated or identified, the necessary set-up will be done to properly capture the data in the appropriate manner.

**Management Response and Corrective Action Plan:**

