



April 7, 2014

Speaker Judith Won Pat
Chair, Committee on Education Public Libraries
and Women's Affairs
Guam Legislature
Hagatna, Guam 96932

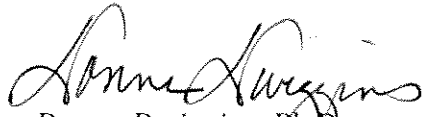
32-14-1488
Office of the Speaker
Judith T. Won Pat, Ed. D.
Date: 4/17/14
Time: 12:40 PM
Received by: [Signature]

Dear Speaker Won Pat,

I am attaching copies of correspondence that the charter school has undertaken over the past month in regards to our monthly drawdown of funding through the Guam Department of Education. This correspondence is being forwarded to you so that your committee can remain informed of how this process is working and to keep you abreast of any issues as they continue to arise.

We would like to work with the committee over the next months to better refine this process in anticipation of the new budget law that will be drafted in the summer. Streamlining and clarifying the process will benefit not only us, but also the charter schools that will follow in the coming years.

Si Yu' us Ma'ase,


Donna Dwiggins, Ph.D.
CEO/Principal

2014 APR -7 PM 2:27
[Signature]

1488



March 18, 2014

Mr. Jon Fernandez
Superintendent
Guam Department of Education
PO Box DE
Hagatna, Guam 96932

Dear Mr. Fernandez,

I am requesting your assistance in clarifying the process that the Charter School is supposed to follow when submitting our monthly invoices, as each time that we think there is a process in place, it changes without warning. For the first two months of the fiscal year (October and November) we submitted our invoices directly to your office and provided a copy to DOA. These invoices were submitted at the first of the month and although the 10-day review period came and went, they were not paid until the 22nd and 26th of the respective months.

Beginning in December, the process changed without prior notice to us. We submitted an invoice again at the beginning of the month. We received a call from your internal auditor, Mr. Al Erguiza, to set an appointment for the following week to audit our records and the invoice request. We met with him as scheduled on December 10th, and provided him with the documents that were initially requested (contracts, utility invoices and enrollment rosters). We were told that he would request we receive the monies in a timely manner. Then six days later, on December 16th, an additional request was sent asking us to provide the beginning and ending statement balances on each of our accounts, including the federal and non-appropriated funds accounts that do not receive any deposits of local funds. This request was then followed by requests for copies of every invoice and purchase order for supplies and materials and to provide both paid and unpaid balances, as well as copies of all contracts. On December 27th, Mr. Erguiza validated student enrollments, all invoices and employee payroll and timesheets. On December 30th, Mr. Erguiza returned to the charter school and notified the school that we had met all of his requirements and his report was recommending approval of the drawdown of funds. Because of the late change in the process, the funds for December were not received until the 31st of the month. These changes in the process, instituted at the last minute with no forewarning, almost forced the school to not meet payroll on the 31st. To avoid this, we had to pick up a paper check from DOA and then drive to the bank and deposit it thirty minutes before the bank was closing for the holiday. This placed an unnecessary burden and stress on both your staff and ours.

GUAHAN ACADEMY CHARTER SCHOOL

Address: P.O. Box CS, Hagåtña, Guam 96932 • E-mail: guahanacs@gmail.com • Phone: (671) 486-0600

Guahan Academy Charter School is operated under the direction of the National Institute for Direct Instruction.

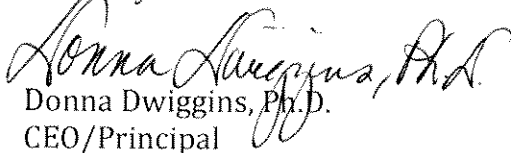
At this point, we were told that the charter school would be on a reimbursement schedule for drawdowns, rather than the drawdown schedule we had developed for ourselves, and would have to provide original copies of all expenditures and employee timesheets chosen for audit. Due to the number of documents requested and the time required to compile all documents, the January Invoice was submitted on January 21st and the monies were received on January 31st. Once again, a paper check had to be picked up from DOA and deposited at the bank by noon in order to avoid a 'payless payday' for our employees.

The process remained the same for the month of February, but since it was becoming more routinized, the invoice was submitted on the 11th of the month. Payment was then received on February 28th, which was again past the 10-day period stipulated in the law.

On March 5, 2014, we once again submitted our monthly invoice and all the supporting documents that had been stipulated by your internal auditor. This invoice, as in each previous month, was delivered to GDOE and DOA on the same day. No further requests were made from your auditor and the 10-days has now elapsed. Yesterday, Mr. Cabral at DOA followed up with Deputy Superintendent Taitano to ensure the timely release of our monthly drawdown. Mr. Cabral verified with me that we had provided the same 'stamped received' copy of our invoice to GDOE on the same day that we delivered it to DOA, as we have done in each previous month. Deputy Superintendent Taitano responded to Mr. Cabral that the transmittal had not come from DOA, so he immediately followed up with a transmittal request and dropped it off to GDOE. I have attached copies of the email strand for your review.

While there has been confusion as to how to implement this whole process, DOA has worked very cooperatively to facilitate the process and ensure that GDOE has had adequate opportunity to review each request. Since GDOE has had our invoice request and all of the supporting documents required for verifying the invoice since the 5th of the month, I would submit to you that adequate time has elapsed for your department to review and immediately release the funding to the school. I am requesting your assistance in addressing the need for a timely transfer of these funds without further delay. Moving forward, we are assured that the DOA will transmit directly to you, regardless of the fact that we are providing all of the documents directly to your department on the same day as we provide them to DOA.

Sincerely,

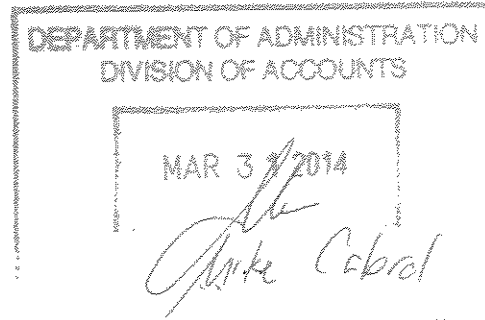

Donna Dwiggins, Ph.D.
CEO/Principal

Cc: Michael Cabral, DOA
Charter School Council Members
Speaker Judith Won Pat, Guam Legislature



March 26, 2014

Ms Benita Maglona, Director
Department of Administration
PO Box 884
Hagatna, Guam 96932



Dear Director Maglona,

I am writing this letter to request the release of our March funds in accordance with Public Law 32-068, Chapter II, Section 3, which states:

"The Guahan Academy Charter School shall submit a monthly invoice to the DOA. Upon receipt of said invoice, the DOA shall remit it to the GDOE. Upon receipt of remitted invoice the GDOE shall verify the invoice for accuracy and report its findings within ten (10) days of receipt of said invoice to the DOA prior to the release of funds. If the GDOE fails to report its findings, the invoiced amount received by the DOA shall be automatically transmitted to the Guahan Academy Charter School."

On March 5, 2014, we submitted our invoice to both DOA and GDOE, including all original documents needed to verify the invoice. On March 18, Mr. Michael Cabral from DOA, made an inquiry to Ms Taling Taitano at GDOE regarding the release of the drawdown. She stated she had never received the official transmittal from DOA, so Mr. Cabral immediately prepared and delivered the transmittal to her office on the same day (March 18th). Mr. Cabral's transmittal to GDOE stated that the 18th was the start of the 10-day approval process.

On March 25th, Ms Taitano responded to our email stating she had not yet gotten a transmittal from DOA. We then verified that GDOE had received the copy from Mr. Cabral on the 18th. On the 26th of March, the GDOE Internal Auditor, Ms. Carmela Vi contacted our bookkeeper to request copies of the invoice and receipts that we had submitted to them on the 5th of March. Ms Vi was informed that the district still had all of our original documents, although she was unable to locate them at that time.

We are now on the 31st of March and past the 10-day period, so are requesting that DOA automatically transmit the invoiced amount of \$255,124. We are requesting a paper check that can be picked up tomorrow, April 1, 2014. Your assistance with this matter is sincerely appreciated.

Sincerely,

Donna Dwiggins, Ph.D.

DIRECTOR'S OFFICE
MAR 31 PM 2:03
DEPT. OF ADMIN.
HAGATNA

GUAHAN ACADEMY CHARTER SCHOOL
Address: P.O. Box CS, Hagatna, Guam 96932 • E-mail: guahanacs@gmail.com • Phone: (671) 486-0600



April 4, 2014

Mr. Jon Fernandez
Superintendent, GDOE
PO Box DE
Hagatna, Guam 96932

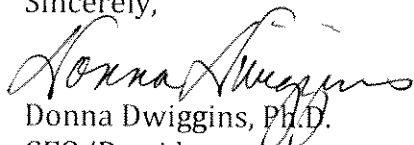
Dear Mr. Fernandez,

This letter is written as a follow up to my letter written to you on March 18 and your response written on March 28 and received at the Charter School on April 2. While your letter dated the 28th of March indicates that our funding was to be released, that notification was not received by DOA until April 2. In fact, when Michael Cabral from DOA sent an inquiry to Taling Taitano on March 31st requesting permission to transmit, he received no answer to his email.

Although your auditors had the invoice request and all supporting documents on March 5th, no review was even begun prior to March 26th. This is documented by Ms Carmela Vi, your internal auditor, contacting the charter school requesting additional copies of these documents, since she could not locate the copies that had previously been delivered to her. Even if we calculate from the March 18th date, since Ms Taitano said that DOA had not officially transmitted the request until then, the funds should have been released by the 10th day, which would have been the 28th (the date on your letter). However, your authorization to release was not received at DOA until April 2.

I am at a loss as to why this took so long, especially since my letter to you on the 18th had requested your assistance with a timely release of our funds in compliance with the 10-day requirement in the law. My letter had also chronicled the delays that have been experienced every month, resulting in zero compliance with the ten day rule stipulated under Public Law 32-068, Chapter II, Section 3: "Upon receipt of remitted invoice the GDOE shall verify the invoice for accuracy and report its findings within ten (10) days of receipt of said invoice to the DOA prior to the release of funds. **If the GDOE fails to report its findings, the invoiced amount received by the DOA shall be automatically transmitted to the Guahan Academy Charter School.**"

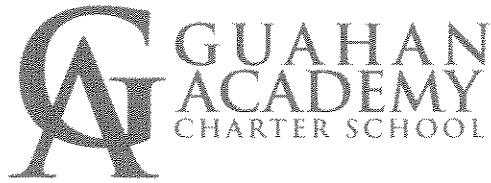
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Donna Dwiggins, Ph.D.
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April 4, 2014

Mr. Jon Fernandez
Superintendent, GDOE
PO Box DE
Hagatna, Guam 96932

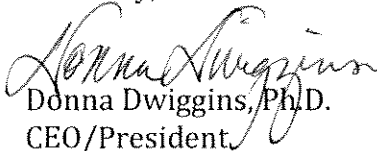
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Donna Dwiggins, Ph.D.
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Cc: Guam Charter School Council Members
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