UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF THE DEPUTY SECRETARY

June 15, 2012

Honorable Benigno R. Fitial
Governor of the Northern Mariana Islands
Caller Box 10007
Saipan, MP 96950

Dear Governor Fitial:

Attached are the special conditions for grant awards made by the U.S. Department of Education (Department) to the Commonwealth of the Northern Mariana Islands Public School System (CNMI PSS) for Federal fiscal year (FFY) 2012. These special conditions apply to grants awarded by the Department to CNMI PSS on or after the date of these special conditions. These special conditions also apply to grant funds previously awarded by the Department to CNMI PSS that are still available for obligation or liquidation as of the date of these special conditions. The Department acknowledges the continued progress that CNMI PSS is making to improve programmatic and fiscal accountability for Department grant funds. We would also like to recognize the efforts of the CNMI PSS staff under the leadership of Commissioner Rita Sablan to ensure fiscal accountability of Department grant funds, while continuing to implement corrective actions to address audit findings. The Department will continue to monitor the progress of CNMI PSS and remains available to offer technical assistance, as necessary.

CNMI PSS must continue to submit reports to the Department on its efforts to strengthen academic and Department program performance while maintaining fiscal accountability for Federal funds. However, should appropriate corrective actions cease or fiscal or program accountability problems recur in the future, the Department reserves the right to take appropriate actions, which include: reinstating CNMI PSS's "high-risk" status and imposing additional special conditions upon grants awarded to CNMI PSS.

If you have any questions or require further assistance, have your staff contact Christine Jackson, the primary contact for the Management Improvement Team within the Office of the Deputy Secretary, at (202) 245-8276 or via e-mail at christine.jackson@ed.gov.

We hope that CNMI PSS will sustain its progress toward improving the use of, and accountability for, Department funds to support services under the Department's programs to benefit its children. We look forward to continuing to work with you to improve the delivery of Federal education services.

Sincerely,

Philip A. Maestri
Director
Risk Management Service
Office of the Deputy Secretary

cc: Rita Sablan
Commissioner of Education
CNMI Public Schools System

Mr. Roman C. Benavente
Chairman, Board of Education

Enclosure

Commonwealth of the Northern Mariana Islands Public School System - Special Conditions
Federal Fiscal Year (FFY) 2012

1. **Single Audits and Reports:** The Commonwealth of the Northern Mariana Islands Public School System (CNMI PSS) shall continue to conduct single audits and submit complete reports to the Department on an annual basis in a timely manner. All single audits shall be completed and the reports published within nine months after the end of each fiscal year, as required by the Single Audit Act of 1984, as amended. If, for any reason, CNMI PSS expects an audit or report to be delayed and late, it shall notify as soon as possible the Department's contact person of the reason and extent of the delay.

2. **Updates on CNMI Web Site:** CNMI PSS shall continue to post within a timely manner copies of, and information regarding its budget, applications, and reports submitted to the Department on its website for access by the general public.

3. **Reporting Requirements:** CNMI PSS shall continue to provide to the Department a detailed report on an annual basis that describes its administration of program funds, including both direct and indirect expenditures, and progress of each significant aspect of the programs at the district and State levels. CNMI PSS shall also provide a detailed report that demonstrates how it is addressing the repeat audit findings associated with monitoring and evaluating Department programs, and tracking of property and equipment purchased with Department funds. These reports shall be signed by the authorized official of CNMI PSS and submitted to the Department no later than thirty days after the end of the FFY 2012 budget period. If a report is not timely or is not considered acceptable by the Department, i.e., does not contain enough information to demonstrate progress, after consultation with CNMI PSS, the Department may take appropriate action, including restricting the amount of grant funds that can be drawn down, until sufficient documentation is provided.

   All required reports submitted by CNMI PSS to the Department under these special conditions should be submitted to:

   Christine Jackson
   Senior Consultant
   Risk Management Service
   Office of the Deputy Secretary
   550 12th Street, S.W.
   PCP Building, Room 11064
   Washington, D.C. 20202

Dated: June 15, 2012