

Enclosure C



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE DEPUTY SECRETARY

June 21, 2017

Commissioner Cynthia Deleon Guerrero
Commonwealth of the Northern Mariana Islands Public School System
Capitol Hill Bldg #1211
PO BOX 501370
Saipan, MP 96950

Dear Commissioner Deleon Guerrero:

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) 2017. These special conditions apply to all 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.

Under the FFY 2015 special conditions, CNMI PSS was required to develop, implement, and report on a corrective action plan (CAP) whose measures were to assist it in correcting certain deficiencies that the Department had identified in CNMI PSS' management and administration of Department grant funds. Based on the outcome of the Risk Management Service onsite visit in November 2015, the results of the single audits, and documentation of progress received from CNMI PSS in the CAP reports required by the FFY 2015 special conditions, the FFY 2016 special conditions were modified. Under the FFY 2016 special conditions, CNMI PSS was not required to maintain and report on a CAP, but it was required to submit a biannual report providing updates on its administration of Department grant funds, with an emphasis on areas of repeat audit findings. Under the FFY 2017 special conditions, the Department is continuing to require CNMI PSS to submit a biannual report providing updates on its administration of Department grant funds, with an emphasis on areas of repeat audit findings. 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: designating CNMI PSS a "high-risk" grantee under the authority of 2 CFR §§ 200.207 and 3474.10 and imposing additional special conditions on CNMI's grant awards.

We are pleased with the progress that CNMI PSS continues to make to improve its programmatic and fiscal accountability for Department grant awards and are hopeful that CNMI PSS will sustain its progress.

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

We look forward to continuing to work with you to improve the delivery of Federal education services to the children in the CNMI.

Sincerely,

/s/

Philip A. Maestri

Director

Risk Management Service

Office of the Deputy Secretary

cc: Governor Ralph Deleon Guerrero Torres
loy S. Inos
Marylou Ada, Chairperson, Board of Education

Enclosure

Commonwealth of the Northern Mariana Islands Public School System (CNMI PSS)
Special Conditions
Federal Fiscal Year (FFY) 2017

1. **Single Audits and Reports:** CNMI PSS shall continue to conduct single audits and submit reports on an annual basis in a timely and complete 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 the Department's contact person of the reason and extent of the delay as soon as possible.
2. **Updates on CNMI Web Site:** CNMI PSS shall continue to post information regarding its budget, applications, and reports on its website for access by the general public.
3. **Reporting Requirements:** CNMI PSS shall submit to the Department, on a biannual basis, a report that describes how it is continuing to improve its management and administration of Department grants. In particular, these reports shall demonstrate how CNMI PSS is addressing repeat audit findings associated with compliance with both procurement and travel policies. The reports shall be signed by the authorized official of CNMI PSS and submitted to the Department no later than January 15, 2017, for the period covering July 1, 2017–December 31, 2017; and July 15, 2018 for the period covering January 1, 2018–June 30, 2018.

The biannual reports should be submitted by CNMI PSS to:

Christine Jackson
Senior Risk Consultant
Risk Management Service
Office of the Deputy Secretary
550 12th Street, SW
PCP, Room 11064
Washington, DC 20202

Dated: June 21, 2017