



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING



JENNIFER M. GRANHOLM
GOVERNOR

MICHAEL P. FLANAGAN
SUPERINTENDENT OF
PUBLIC INSTRUCTION

July 16, 2007

Dear Michigan Department of Education Grant Recipient:

We anticipate that the June 30, 2007 Grants Section Auditors Report (R7120) and the new Cash Management System (CMS) Grant Auditor Report will be available on our website by July 11, 2007. These reports are used by independent auditors to confirm the amount of funds paid to agencies by the Michigan Department of Education on a project basis. The reports cover a one-year (365-day) period and will be posted quarterly (June 30, September 30, December 31 and March 31).

As you prepare for the upcoming financial statement reporting and single audit reporting, I would like to give you additional information on federal grant confirmations. In the past, the Grants Section Auditors Report (R7120) has been available to agencies and their auditors to confirm the amount of federal grant funds that had been drawn down. That report was generated from MDE's Grants Cash Management Reporting System (GCMRS). As many of you know, MDE is transitioning to a new Cash Management System (CMS). Because the Department is transitioning between two systems, confirming the federal grant draws will be a bit more complicated this year.

For the June 30, 2007 year end, agencies and their auditors will need to use two reports to cover all of the federal grant programs that MDE administers (GCMRS Grants Section Auditors Report R7120 and the CMS Grant Auditor Report).

The list of federal grants that have been transferred from the GCMRS to the new CMS is posted on-line as well. When grant projects were transferred over, a copy of the historical cash draw data was transferred to the new CMS. Because of this, transferred grants will appear on both reports. Please use the amounts from the new Grant Auditor Report for transferred grants because it will include historical data from the GCMRS as well as payment data from the CMS.

The report files can be accessed by going to www.michigan.gov/mdeaudit, then selecting Grants Auditors Reports (all recipients). There will be two large PDF files with all recipients included, so in order to navigate, you must have the Adobe Reader. You

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first open each PDF file and click on your search icon (usually binoculars) and enter your agency's recipient code or name. Please keep in mind that entities may have more than one recipient number. Make sure that you choose to print the current page or print a page range; if you just click to print the whole file, you will get thousands of pages!

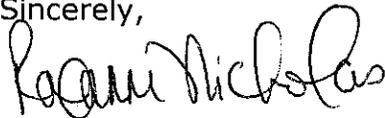
Please note that grant projects with a CFDA number beginning with 99 are state funded grant programs. All other CFDA numbers indicate federal grant programs.

Also, recipients that receive National School Lunch food commodities, Commodity Supplemental Food Program (CSFP) food commodities, and The Emergency Food Assistance Program (TEFAP) food commodities will still need to go through the Office of School Support Services to receive the Planned Assistance Level (PAL) reports. The Grant Auditor Reports only cover CSFP and TEFAP administrative funds.

As with any new system, there may be issues that arise that we could not have foreseen. If you find any issues, please let me know as soon as possible so that they can be resolved. I can be reached by e-mail at nicholasrr@michigan.gov or by phone at 517.373.4591.

Thank you for your cooperation.

Sincerely,



Roxanne Nicholas
Single Audit Coordinator
Office of Audits