

**State of Texas
Federal Portion of the
Statewide Single Audit Report
for the Fiscal Year Ended
August 31, 2015**

Report No. 16-317



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Independent Auditors' Reports
Federal Portion of
Statewide Single Audit Report
For the Year Ended August 31, 2015



INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Honorable Greg Abbott, Governor
The Honorable Glenn Hegar, Comptroller of Public Accounts
The Honorable Dan Patrick, Lieutenant Governor
The Honorable Joe Straus III, Speaker of the House of Representatives
and
Members of the Legislature, State of Texas

We have audited the consolidated financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the State of Texas, as of and for the year ended August 31, 2015, and have issued our report thereon dated February 22, 2016, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

As described in Note 1 to the schedule of expenditures of federal awards, the schedule of expenditures of federal awards does not include expenditures of federal awards for six component units of the State of Texas. Each of those component units has its own independent audit in compliance with OMB Circular A-133.

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February 22, 2016

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**Independent Auditors' Report on Compliance
for Each Major Program and Report on Internal Control Over
Compliance Required by OMB Circular A-133, *Audits of States,
Local Governments, and Non-Profit Organizations***

The Honorable Greg Abbott, Governor,
The Honorable Dan Patrick, Lieutenant Governor,
The Honorable Joe Straus III, Speaker of the House of Representatives,
Members of the Texas Legislature, State of Texas

Report on Compliance for Each Major Federal Program

We have audited the State of Texas' (the State) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the State's major federal programs for the year ended August 31, 2015. The State's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The State's financial statements include the operations of a blended component unit, Texas A&M Research Foundation, (TAMRF), which received approximately \$89 million in federal awards which are not included in the schedule of expenditures of federal awards for the year ended August 31, 2015. Our audit, described below, did not include the operations of TAMRF because the entity has engaged other auditors to perform an audit in accordance with OMB Circular A-133.

Management's Responsibility

Management of the State Agencies and Universities are responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the State's major federal programs based on our audit of the types of compliance requirements referred to above. We did not audit the State's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Student Financial Assistance Cluster and Research and Development Cluster major federal programs (the other auditor major federal programs) which represent approximately 11% of total federal assistance received by the State for the year ended August 31, 2015. The other auditor's major federal programs are identified in the accompanying schedule of findings and questioned costs as major federal programs and were audited by another auditor whose reports have been furnished to us, and our opinion, insofar as it relates to the other auditor's major federal programs is based solely on the reports of the other auditor. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified and modified audit opinions on compliance. However, our audit does not provide a legal determination of the State's compliance.



Basis for Qualified Opinions

As identified below and described in the accompanying schedule of findings and questioned costs, the State did not comply with requirements regarding the following:

<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
General Land Office	CFDA 14.228 – Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii	Subrecipient Monitoring Special Tests and Provisions – Wage Rate Requirements	2015-009
Health and Human Services Commission	Medicaid Cluster	Eligibility	2015-012
		Special Tests and Provisions – Provider Eligibility	2015-022
Health and Human Services Commission Department of Family and Protective Services	TANF Cluster	Procurement and Suspension and Debarment	2015-024
Department of State Health Services	CFDA 93.917 – HIV Care Formula Grants	Eligibility	2015-036

Compliance with such requirements is necessary, in our opinion and the opinion of the other auditor, for the State to comply with the requirements applicable to that program.

Qualified Opinions

In our opinion, based on our audit and the reports of the other auditor, except for the noncompliance described in the Basis for Qualified Opinions paragraph, the State complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of the major programs identified in the Basis for Qualified Opinions paragraph for the year ended August 31, 2015.

Unmodified Opinions on Each of the Other Major Federal Programs

In our opinion, based on our audit and the reports of the other auditor, the State complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs for the year ended August 31, 2015.

Other Matters

The results of our auditing procedures and the reports of the other auditor disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items:

<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Department of Aging and Disability Services	Aging Cluster	Matching, Level of Effort, Earmarking Reporting	2015-001



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Department of Agriculture	CFDA 10.560 – State Administrative Expenses for Child Nutrition	Allowable Costs/Cost Principles Cash Management Period of Availability of Federal Funds Procurement and Suspension and Debarment Subrecipient Monitoring	2015-003
		Allowable Costs/Cost Principles	2015-004
		Food Distribution Cluster Subrecipient Monitoring	2015-005
Department of Assistive and Rehabilitative Services	CFDA 84.126 – Rehabilitation Services – Vocational Rehabilitation Grants to States	Eligibility Special Tests and Provisions – Completion of IPEs	2015-006
		Reporting	2015-007
General Land Office	CFDA 14.228 – Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii	Procurement and Suspension and Debarment	2015-010
		Reporting	2015-011
Health and Human Services Commission	Medicaid Cluster	Program Income	2015-015
	SNAP Cluster	Reporting	2015-016
	CFDA 93.767 – Children’s Health Insurance Program Medicaid Cluster	Reporting	2015-017
	SNAP Cluster	Special Tests and Provisions – EBT Card Security	2015-018
	Medicaid Cluster	Special Tests and Provisions – Utilization Control and Program Integrity	2015-020
		Special Tests and Provisions – ADP Risk Analysis and System Security Review	2015-021



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Health and Human Services Commission Department of Aging and Disability Services Department of Assistive and Rehabilitative Services Department of Family and Protective Services Department of State Health Services	CFDA 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children CFDA 84.126 – Rehabilitation Services – Vocational Rehabilitation Grants to States CFDA 84.181 – Special Education – Grants for Infants and Families CFDA 93.268 – Immunization Cooperative Agreements CFDA 93.658 – Foster Care – Title IV-E CFDA 93.667 – Social Services Block Grant CFDA 93.917 – HIV Care Formula Grants CFDA 93.959 – Block Grants for Prevention and Treatment of Substance Abuse CFDA 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters) Special Education Cluster (IDEA) Aging Cluster TANF Cluster Medicaid Cluster	Subrecipient Monitoring	2015-025
Health and Human Services Commission Department of State Health Services	Medicaid Cluster	Special Tests and Provisions – Provider Health and Safety Standards	2015-026
Department of Public Safety	CFDA 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Subrecipient Monitoring	2015-031
		Reporting	2015-032
Department of State Health Services	CFDA 93.917 – HIV Care Formula Grants	Matching, Level of Effort, Earmarking Reporting	2015-037
	CFDA 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children	Special Tests and Provisions – Food Instrument and Cash-Value Voucher Disposition	2015-038



Agency/University	Major Program	Compliance Requirement	Finding Number
Texas Education Agency	CFDA 84.010 – Title I Grants to Local Educational Agencies	Special Tests and Provisions – Assessment System Security	2015-042
Texas Higher Education Coordinating Board	CFDA 84.032L – Federal Family Education Loans	Special Tests and Provisions – Timely Claim Filings by Lenders or Servicers	2015-043
Department of Transportation	Highway Planning and Construction Cluster	Subrecipient Monitoring	2015-047
		Special Tests and Provisions – Value Engineering	2015-048
		Special Tests and Provisions – Wage Rate Requirements	2015-049
		Special Tests and Provisions – Quality Assurance Program	2015-050
Sul Ross State University	Highway Safety Cluster	Subrecipient Monitoring	2015-051
		Student Financial Assistance Cluster	Eligibility
Texas A&M AgriLife Research	Research and Development Cluster	Special Tests and Provisions – Verification	2015-102
		Cash Management	2015-103
Texas A&M University	Research and Development Cluster	Period of Availability of Federal Funds	2015-104
		Student Financial Assistance Cluster	Special Tests and Provisions – Verification
Texas A&M University – Central Texas	Student Financial Assistance Cluster	Special Tests and Provisions – Enrollment Reporting	2015-106
		Equipment and Real Property Management	2015-107
		Period of Availability of Federal Funds	2015-108
		Eligibility	2015-109



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Texas A&M University – Central Texas	Student Financial Assistance Cluster	Special Tests and Provisions – Verification	2015-110
Texas A&M University – Corpus Christi	Student Financial Assistance Cluster	Eligibility	2015-111
		Special Tests and Provisions – Verification	2015-112
Texas State University	Student Financial Assistance Cluster	Special Tests and Provisions – Disbursements To or On Behalf of Students	2015-113
		Special Tests and Provisions – Return of Title IV Funds	2015-114
		Special Tests and Provisions – Enrollment Reporting	2015-115
Texas Tech University	Student Financial Assistance Cluster	Eligibility	2015-116
		Special Tests and Provisions – Verification	2015-117
		Special Tests and Provisions – Return of Title IV Funds	2015-118
		Special Tests and Provisions – Enrollment Reporting	2015-119
University of Houston	Student Financial Assistance Cluster	Eligibility	2015-120
		Special Tests and Provisions – Institutional Eligibility	
		Special Tests and Provisions – Verification	2015-121
		Special Tests and Provisions – Disbursements To or On Behalf of Students	2015-122
		Special Tests and Provisions – Return of Title IV Funds	2015-123
		Special Tests and Provisions – Enrollment Reporting	2015-124
University of North Texas	Student Financial Assistance Cluster	Eligibility	2015-125
		Special Tests and Provisions – Institutional Eligibility	
		Special Tests and Provisions – Enrollment Reporting	2015-126



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
University of North Texas	Research and Development Cluster	Activities Allowed or Unallowed Allowable Costs/Cost Principles	2015-127
University of Texas at Arlington	Student Financial Assistance Cluster	Eligibility Special Tests and Provisions – Institutional Eligibility	2015-128
		Special Tests and Provisions – Verification	2015-129
		Special Tests and Provisions – Disbursements To or On Behalf of Students	2015-130
		Special Tests and Provisions – Enrollment Reporting	2015-131
University of Texas at Austin	Student Financial Assistance Cluster	Special Tests and Provisions – Enrollment Reporting	2015-132
		Special Tests and Provisions – Student Loan Repayments	2015-133
	Research and Development Cluster	Equipment and Real Property Management	2015-134
University of Texas at Dallas	Research and Development Cluster	Period of Availability of Federal Funds Period of Performance Reporting	2015-135
		Activities Allowed or Unallowed Allowable Costs/Cost Principles	2015-137
		Cash Management	2015-138
University of Texas at Dallas	Research and Development Cluster	Period of Availability of Federal Funds Reporting	2015-139
		Reporting	2015-140
University of Texas at El Paso	Student Financial Assistance Cluster	Eligibility Special Tests and Provisions – Verification	2015-141



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
University of Texas Health Science Center at Houston	Research and Development Cluster	Cash Management Activities Allowed or Unallowed Allowable Costs/Cost Principles Equipment and Real Property Management	2015-142
	Research and Development Cluster Research and Development Cluster – ARRA	Period of Availability of Federal Funds	2015-143
	Research and Development Cluster	Reporting	2015-144
	Research and Development Cluster Research and Development Cluster – ARRA	Subrecipient Monitoring Special Tests and Provisions – R3 – Subrecipient Monitoring	2015-145
	Research and Development Cluster	Special Tests and Provisions – Key Personnel	2015-146
University of Texas Medical Branch at Galveston	Student Financial Assistance Cluster	Eligibility	2015-147
		Special Tests and Provisions – Verification	2015-148
University of Texas at San Antonio	Student Financial Assistance Cluster	Special Tests and Provisions – Return of Title IV Funds	2015-149
		Special Tests and Provisions – Enrollment Reporting	2015-150
University of Texas Southwestern Medical Center	Research and Development Cluster	Activities Allowed or Unallowed Allowable Costs/Cost Principles	2015-151
		Cash Management	2015-152
		Equipment and Real Property Management	2015-153
		Period of Availability of Federal Funds	2015-154
		Reporting	2015-155

Our opinion on each major federal program, based on our audit and the reports of the other auditor, is not modified with respect to these matters.



The State’s responses to the noncompliance findings identified in our audit and the reports of the other auditor are described in the accompanying schedule of findings and questioned costs. The State’s responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the State Agencies and Universities is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the State’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State’s internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We and the other auditor consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs and listed below to be material weaknesses.

<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
General Land Office	CFDA 14.228 – Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii	Subrecipient Monitoring Special Tests and Provisions – Wage Rate Requirements	2015-009
Health and Human Services Commission	Medicaid Cluster	Eligibility	2015-012
		Special Tests and Provisions – Provider Eligibility	2015-022
Health and Human Services Commission Department of State Health Services	CFDA 93.767 – Children’s Health Insurance Program CFDA 93.959 – Block Grants for Prevention and Treatment of Substance Abuse Medicaid Cluster	Allowable Costs/Cost Principles	2015-023
Health and Human Services Commission Department of Family and Protective Services	TANF Cluster	Procurement and Suspension and Debarment	2015-024



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Health and Human Services Commission Department of Aging and Disability Services Department of Assistive and Rehabilitative Services Department of Family and Protective Services Department of State Health Services	CFDA 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children CFDA 84.126 – Rehabilitation Services – Vocational Rehabilitation Grants to States CFDA 84.181 – Special Education – Grants for Infants and Families CFDA 93.268 – Immunization Cooperative Agreements CFDA 93.658 – Foster Care – Title IV-E CFDA 93.667 – Social Services Block Grant CFDA 93.917 – HIV Care Formula Grants CFDA 93.959 – Block Grants for Prevention and Treatment of Substance Abuse CFDA 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters) Special Education Cluster (IDEA) Aging Cluster TANF Cluster Medicaid Cluster	Subrecipient Monitoring	2015-025
Department of Public Safety	CFDA 97.067 – Homeland Security Grant Program	Allowable Costs/Cost Principles Subrecipient Monitoring Special Tests and Provisions – Subgrant Awards	2015-029
Department of State Health Services	CFDA 93.917 – HIV Care Formula Grants	Eligibility	2015-036

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We and the other auditor consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs and listed below to be significant deficiencies.

<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Department of Aging and Disability Services	Aging Cluster	Matching, Level of Effort, Earmarking Reporting	2015-001



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Department of Aging and Disability Services	Medicaid Cluster	Special Tests and Provisions – Provider Eligibility	2015-002
Department of Agriculture	CFDA 10.560 – State Administrative Expenses for Child Nutrition	Allowable Costs/Cost Principles Cash Management Period of Availability of Federal Funds Procurement and Suspension and Debarment Subrecipient Monitoring	2015-003
		Allowable Costs/Cost Principles	2015-004
	Food Distribution Cluster	Subrecipient Monitoring	2015-005
Department of Assistive and Rehabilitative Services	CFDA 84.126 – Rehabilitation Services – Vocational Rehabilitation Grants to States	Eligibility Special Tests and Provisions – Completion of IPEs	2015-006
		Reporting	2015-007
Department of Family and Protective Services	TANF Cluster	Eligibility	2015-008
General Land Office	CFDA 14.228 – Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii	Procurement and Suspension and Debarment	2015-010
		Reporting	2015-011
Health and Human Services Commission	SNAP Cluster TANF Cluster	Eligibility Special Tests and Provisions – ADP System for SNAP	2015-013
	CFDA 93.767 – Children’s Health Insurance Program Medicaid Cluster	Allowable Costs/Cost Principles	2015-014
	Medicaid Cluster	Program Income	2015-015
	SNAP Cluster	Reporting	2015-016
	CFDA 93.767 – Children’s Health Insurance Program Medicaid Cluster	Reporting	2015-017



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>	
Health and Human Services Commission	SNAP Cluster	Special Tests and Provisions – EBT Card Security	2015-018	
	Medicaid Cluster	Special Tests and Provisions – Inpatient Hospital and Long-Term Care Facility Audits	2015-019	
		Special Tests and Provisions – Utilization Control and Program Integrity	2015-020	
		Special Tests and Provisions – ADP Risk Analysis and System Security Review	2015-021	
Health and Human Services Commission Department of State Health Services	Medicaid Cluster	Special Tests and Provisions – Provider Health and Safety Standards	2015-026	
Texas Department of Housing and Community Affairs	CFDA 14.239 – HOME Investment Partnerships Program	Allowable Costs/Cost Principles	2015-027	
		Reporting	2015-028	
Department of Public Safety	CFDA 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters) CFDA 97.042 – Emergency Management Performance Grants CFDA 97.067 – Homeland Security Grant Program Highway Safety Cluster	Allowable Costs/Cost Principles	2015-030	
		CFDA 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Subrecipient Monitoring	2015-031
			Reporting	2015-032
	CFDA 97.042 – Emergency Management Performance Grants	Matching, Level of Effort, Earmarking	2015-033	



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Department of Public Safety	Highway Safety Cluster	Allowable Costs/Costs Principles Cash Management Matching, Level of Effort, Earmarking Period of Availability of Federal Funds	2015-034
Department of State Health Services	CFDA 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children CFDA 93.268 – Immunization Cooperative Agreements CFDA 93.917 – HIV Care Formula Grants CFDA 93.959 – Block Grants for Prevention and Treatment of Substance Abuse	Allowable Costs/Costs Principles	2015-035
	CFDA 93.917 – HIV Care Formula Grants	Matching, Level of Effort, Earmarking Reporting	2015-037
	CFDA 93.959 – Block Grants for Prevention and Treatment of Substance Abuse	Special Tests and Provisions – Independent Peer Reviews	2015-039
Texas Education Agency	CFDA 84.010 – Title I Grants to Local Educational Agencies CFDA 84.048 – Career and Technical Education – Basic Grants to States CFDA 84.287 – Twenty-First Century Community Learning Centers CFDA 84.365 – English Language Acquisition State Grants CFDA 84.367 – Improving Teacher Quality State Grants Special Education Cluster (IDEA)	Cash Management Eligibility Matching, Level of Effort, and Earmarking Reporting Special Tests and Provisions – Access to Federal Funds for New or Significantly Expanded Charter Schools Special Tests and Provisions – Annual Report Card, High School Graduation Rate Special Tests and Provisions – Developing and Implementing Improvement Plans	2015-040



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Texas Education Agency	CFDA 84.010 – Title I Grants to Local Educational Agencies CFDA 84.048 – Career and Technical Education – Basic Grants to States CFDA 84.287 – Twenty-First Century Community Learning Centers CFDA 84.365 – English Language Acquisition State Grants CFDA 84.367 – Improving Teacher Quality State Grants Special Education Cluster (IDEA)	Cash Management Matching, Level of Effort, and Earmarking Period of Availability of Federal Funds Reporting Subrecipient Monitoring Special Tests and Provisions – Developing and Implementing Improvement Plans	2015-041
	CFDA 84.010 – Title I Grants to Local Educational Agencies	Special Tests and Provisions – Assessment System Security	2015-042
Texas Higher Education Coordinating Board	CFDA 84.032L – Federal Family Education Loans	Special Tests and Provisions – Timely Claim Filings by Lenders or Servicers	2015-043
Texas Workforce Commission	CFDA 17.225 – Unemployment Insurance WIA Cluster TANF Cluster	Matching, Level of Effort, Earmarking Reporting Special Tests and Provisions – Penalty for Failure to Comply with Work Verification Plan	2015-044
Department of Transportation	Highway Planning and Construction Cluster Highway Safety Cluster	Allowable Costs/Cost Principles Cash Management Matching, Level of Effort, and Earmarking Period of Performance Period of Availability of Federal Funds Reporting Subrecipient Monitoring Special Tests and Provisions – Project Approvals Special Tests and Provisions – Utilities	2015-045
	Highway Planning and Construction Cluster	Allowable Costs/Cost Principles Period of Performance Period of Availability of Federal Funds	2015-046



Agency/University	Major Program	Compliance Requirement	Finding Number
Department of Transportation	Highway Planning and Construction Cluster	Subrecipient Monitoring	2015-047
		Special Tests and Provisions – Value Engineering	2015-048
		Special Tests and Provisions – Wage Rate Requirements	2015-049
		Special Tests and Provisions – Quality Assurance Program	2015-050
Sul Ross State University	Highway Safety Cluster	Subrecipient Monitoring	2015-051
	Student Financial Assistance Cluster	Eligibility	2015-101
Texas A&M AgriLife Research	Research and Development Cluster	Special Tests and Provisions – Verification	2015-102
		Cash Management	2015-103
Texas A&M University	Student Financial Assistance Cluster	Period of Availability of Federal Funds	2015-104
		Special Tests and Provisions – Verification	2015-105
		Special Tests and Provisions – Enrollment Reporting	2015-106
Texas A&M University	Research and Development Cluster	Equipment and Real Property Management	2015-107
		Period of Availability of Federal Funds	2015-108
Texas A&M University – Central Texas	Student Financial Assistance Cluster	Eligibility	2015-109
		Special Tests and Provisions – Verification	2015-110
Texas A&M University – Corpus Christi	Student Financial Assistance Cluster	Eligibility	2015-111
		Special Tests and Provisions – Verification	2015-112
Texas State University	Student Financial Assistance Cluster	Special Tests and Provisions – Disbursements To or On Behalf of Students	2015-113



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Texas State University	Student Financial Assistance Cluster	Special Tests and Provisions – Return of Title IV Funds	2015-114
		Special Tests and Provisions – Enrollment Reporting	2015-115
Texas Tech University	Student Financial Assistance Cluster	Eligibility	2015-116
		Special Tests and Provisions – Verification	2015-117
		Special Tests and Provisions – Return of Title IV Funds	2015-118
		Special Tests and Provisions – Enrollment Reporting	2015-119
University of Houston	Student Financial Assistance Cluster	Eligibility Special Tests and Provisions – Institutional Eligibility	2015-120
		Special Tests and Provisions – Verification	2015-121
		Special Tests and Provisions – Disbursements To or On Behalf of Students	2015-122
		Special Tests and Provisions – Return of Title IV Funds	2015-123
		Special Tests and Provisions – Enrollment Reporting	2015-124
University of North Texas	Student Financial Assistance Cluster	Eligibility Special Tests and Provisions – Institutional Eligibility	2015-125
		Special Tests and Provisions – Enrollment Reporting	2015-126
	Research and Development Cluster	Activities Allowed or Unallowed Allowable Costs/Cost Principles	2015-127
University of Texas at Arlington	Student Financial Assistance Cluster	Eligibility Special Tests and Provisions – Institutional Eligibility	2015-128
		Special Tests and Provisions – Verification	2015-129
		Special Tests and Provisions – Disbursements To or On Behalf of Students	2015-130



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
University of Texas at Arlington	Student Financial Assistance Cluster	Special Tests and Provisions – Enrollment Reporting	2015-131
University of Texas at Austin	Student Financial Assistance Cluster	Special Tests and Provisions – Enrollment Reporting	2015-132
		Special Tests and Provisions – Student Loan Repayments	2015-133
	Research and Development Cluster	Equipment and Real Property Management	2015-134
		Period of Availability of Federal Funds Period of Performance Reporting	2015-135 2015-136
University of Texas at Dallas	Research and Development Cluster	Activities Allowed or Unallowed Allowable Costs/Cost Principles	2015-137
		Cash Management	2015-138
		Period of Availability of Federal Funds Reporting	2015-139 2015-140
		Eligibility Special Tests and Provisions – Verification	2015-141
University of Texas Health Science Center at Houston	Research and Development Cluster	Cash Management Activities Allowed or Unallowed Allowable Costs/Cost Principles Equipment and Real Property Management	2015-142
	Research and Development Cluster Research and Development Cluster – ARRA	Period of Availability of Federal Funds	2015-143
	Research and Development Cluster	Reporting	2015-144



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
University of Texas Health Science Center at Houston	Research and Development Cluster	Subrecipient Monitoring	2015-145
	Research and Development Cluster – ARRA	Special Tests and Provisions – R3 – Subrecipient Monitoring	
University of Texas Medical Branch at Galveston	Research and Development Cluster	Special Tests and Provisions – Key Personnel	2015-146
	Student Financial Assistance Cluster	Eligibility	2015-147
University of Texas at San Antonio	Student Financial Assistance Cluster	Special Tests and Provisions – Verification	2015-148
		Special Tests and Provisions – Return of Title IV Funds	2015-149
University of Texas Southwestern Medical Center	Research and Development Cluster	Special Tests and Provisions – Enrollment Reporting	2015-150
		Activities Allowed or Unallowed Allowable Costs/Cost Principles	2015-151
		Cash Management	2015-152
		Equipment and Real Property Management	2015-153
Reporting	Period of Availability of Federal Funds	2015-154	
		2015-155	

The State's responses to the internal control over compliance findings identified in our audit, based on our audit and the reports of the other auditor, are described in the accompanying schedule of findings and questioned costs. The State's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

KPMG LLP

Austin, Texas
February 22, 2016

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2015

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
U.S. Department of Agriculture					
U.S. Department of Agriculture	10.XXX	58-0510-4-061 N	\$	31,020	31,020
		AG-05G2-C-12-0002		78	78
		AG-3151-P-15-0144		952	952
		RBS-13-17		128,855	128,855
		RBS-14-33		63,472	63,472
		U4129		86,793	86,793
Total - CFDA 10.XXX			0	311,170	311,170
Agricultural Research Basic and Applied Research	10.001			44,479	44,479
Plant and Animal Disease, Pest Control, and Animal Care <i>Pass-Through from Americot, Inc.</i>	10.025	1401401		4,900,699	4,900,699
				22,321	22,321
Total - CFDA 10.025			0	4,923,020	4,923,020
Wildlife Services <i>Pass-Through from Tuskegee University</i>	10.028	39-32650-071-76190		25,000	25,000
				130	130
Total - CFDA 10.028			0	25,130	25,130
Voluntary Public Access and Habitat Incentive Program	10.093			15,486	15,486
Market News	10.153			10,718	10,718
Federal-State Marketing Improvement Program <i>Pass-Through from New Mexico State University</i>	10.156	Q01631		(1)	(1)
Market Protection and Promotion	10.163		69,814	1,235,852	1,305,666
Transportation Services	10.167			13,327	13,327
Specialty Crop Block Grant Program - Farm Bill <i>Pass-Through from Texas Hill Country Wineries</i>	10.170	9102013	1,239,419	394,754	1,634,173
<i>Pass-Through from Texas Hill Country Wineries</i>		SC-1415-03		37,874	37,874
<i>Pass-Through from Texas Pecan Growers Association</i>		SC-1415-07		114,210	114,210
<i>Pass-Through from Texas Pecan Growers Association</i>		SCFB-1314-10		5,900	5,900
				19,554	19,554
Total - CFDA 10.170			1,239,419	572,292	1,811,711
Grants for Agricultural Research, Special Research Grants <i>Pass-Through from University of Florida</i>	10.200	1500343171		61,777	61,777
<i>Pass-Through from University of Florida</i>		1500343550		2,935	2,935
<i>Pass-Through from University of Florida - Gainesville</i>		1500343409		15,060	15,060
				6,858	6,858
Total - CFDA 10.200			0	86,630	86,630
Sustainable Agriculture Research and Education <i>Pass-Through from University of Georgia</i>	10.215	RD309-117/4893536		586	586
<i>Pass-Through from University of Georgia</i>		RD309-129/5054666		9,936	9,936
<i>Pass-Through from University of Georgia</i>		RD309-129/8644537		22,187	22,187
<i>Pass-Through from University of Georgia</i>		RE675-116/4892386		3,178	3,178
Total - CFDA 10.215			0	35,887	35,887
1890 Institution Capacity Building Grants	10.216			332,548	332,548
Hispanic Serving Institutions Education Grants <i>Pass-Through from University of Puerto Rico - Mayaguez</i>	10.223	2013-2014-008	238,801	690,466	929,267
				22,452	22,452
Total - CFDA 10.223			238,801	712,918	951,719
Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants	10.226			37,706	37,706

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Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
U.S. Department of Agriculture (continued)					
Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations	10.250			209,019	209,019
Agricultural Market and Economic Research	10.290			751,140	751,140
Integrated Programs	10.303			109,469	109,469
<i>Pass-Through from North Carolina State University</i>		2012-2604-17		17,823	17,823
<i>Pass-Through from North Carolina State University</i>		2012-2604-21		7,653	7,653
<i>Pass-Through from University of Florida</i>		UFDSP00010050		441	441
Total - CFDA 10.303			0	135,386	135,386
Homeland Security Agricultural	10.304				
<i>Pass-Through from Kansas State University</i>		S13011.01		21,926	21,926
<i>Pass-Through from University of Florida</i>		UFDSP00010250		19,291	19,291
Total - CFDA 10.304			0	41,217	41,217
Specialty Crop Research Initiative	10.309			96,699	96,699
<i>Pass-Through from University of California - Riverside</i>		S-000719		1,824	1,824
Total - CFDA 10.309			0	98,523	98,523
Agriculture and Food Research Initiative (AFRI)	10.310		157,692	1,074,859	1,232,551
<i>Pass-Through from North Carolina State University</i>		2015-0097-03		26,473	26,473
Total - CFDA 10.310			157,692	1,101,332	1,259,024
Beginning Farmer and Rancher Development Program	10.311		93,256	169,437	262,693
Sun Grant Program	10.320			28,502	28,502
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	10.326		44,591	243,197	287,788
Crop Protection and Pest Management Competitive Grants Program	10.329		20,100	32,828	52,928
<i>Pass-Through from North Carolina State University</i>		2015-0085-03		2,264	2,264
Total - CFDA 10.329			20,100	35,092	55,192
Rural Housing Preservation Grants	10.433			5,939	5,939
Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers	10.443		53,462	267,690	321,152
Partnership Agreements to Develop Non-Insurance Risk Management Tools for Producers (Farmers)	10.456				
<i>Pass-Through from National Crop Insurance Services</i>		8202012		25,484	25,484
Risk Management Education Partnerships	10.460			47,371	47,371
<i>Pass-Through from Oklahoma State University</i>		AC-5-82280.TAMU		1,441	1,441
Total - CFDA 10.460			0	48,812	48,812
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475			4,550,654	4,550,654
Cooperative Extension Service	10.500		14,970	24,759,188	24,774,158
<i>Pass-Through from Kansas State University</i>		S14020		132,110	132,110
<i>Pass-Through from Kansas State University</i>		S14086		(7,855)	(7,855)
<i>Pass-Through from Kansas State University</i>		S14086.01		1,545	1,545

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Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
U.S. Department of Agriculture (continued)					
<i>Pass-Through from Kansas State University</i>		S14191		(21)	(21)
<i>Pass-Through from Kansas State University</i>		S15036		13,564	13,564
<i>Pass-Through from Kansas State University</i>		S15056		39,207	39,207
<i>Pass-Through from Kansas State University</i>		S15153		5,620	5,620
<i>Pass-Through from Kansas State University</i>		S15165		32,266	32,266
<i>Pass-Through from Kansas State University</i>		S15210		22,014	22,014
<i>Pass-Through from Michigan State University</i>		RC103176AF		36,109	36,109
<i>Pass-Through from Michigan State University</i>		RC103176V		44,692	44,692
<i>Pass-Through from North Carolina State University</i>		2010-1374-02		25,191	25,191
<i>Pass-Through from Pennsylvania State University</i>		5210-TAMAES- USDA-2628		2,927	2,927
<i>Pass-Through from the University of Georgia</i>		RE582-364/494276		(1,121)	(1,121)
<i>Pass-Through from the University of Georgia</i>		RE675/171-4944726		13,999	13,999
<i>Pass-Through from the University of Georgia</i>		RE675-167/4941486		2,479	2,479
<i>Pass-Through from the University of Georgia</i>		RE675-171/4942786		32,334	32,334
<i>Pass-Through from University of Arkansas</i>		21663-04		21,395	21,395
<i>Pass-Through from University of Arkansas</i>		21663-05		5,796	5,796
<i>Pass-Through from University of Arkansas</i>		21665-05		1,231	1,231
<i>Pass-Through from University of Arkansas Cooperative Exten</i>		21664-19		11,859	11,859
<i>Pass-Through from University of Arkansas Cooperative Exten</i>		UACES 21664-03		41,229	41,229
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		2015-00768-05	34,538	43,018	77,556
<i>Pass-Through from University of Kentucky</i>		3046887200-10-440		95,951	95,951
<i>Pass-Through from University of Nebraska</i>		25-6365-0040-801		10,232	10,232
<i>Pass-Through from University of Nebraska</i>		26-6365-0001-402		42,979	42,979
<i>Pass-Through from University of Nebraska - Lincoln</i>		25-6329-0059-810		(31)	(31)
<i>Pass-Through from University of Nebraska - Lincoln</i>		25-6365-0050-050	15,531	36,006	51,537
<i>Pass-Through from University of Nebraska - Lincoln</i>		26-6365-0001-379		21,364	21,364
Total - CFDA 10.500			65,039	25,485,277	25,550,316
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		153,357,094	371,489,371	524,846,465
Child and Adult Care Food Program	10.558		355,210,330	3,499,504	358,709,834
State Administrative Expenses for Child Nutrition	10.560		8,785,532	18,802,189	27,587,721
WIC Farmers' Market Nutrition Program (FMNP)	10.572		771,562	32,306	803,868
Senior Farmers Market Nutrition Program	10.576		102,908	12,806	115,714
Child Nutrition Discretionary Grants Limited Availability	10.579		3,514,184		3,514,184
Supplemental Nutrition Assistance Program, Process and Technology Improvement Grants	10.580			(3,871)	(3,871)
Fresh Fruit and Vegetable Program	10.582		8,487,060		8,487,060
Market Access Program	10.601			4,842	4,842
Forestry Research	10.652			26,157	26,157
Cooperative Forestry Assistance	10.664			4,181,341	4,181,341
Urban and Community Forestry Program	10.675			8,000	8,000
Forest Legacy Program	10.676			14,539	14,539
Forest Health Protection	10.680			518,348	518,348
National Fish and Wildlife Foundation	10.683			44,901	44,901
Rural Cooperative Development Grants	10.771			204,291	204,291
<i>Pass-Through from Purdue University</i>		8000060031		16,547	16,547

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Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
U.S. Department of Agriculture (continued)					
Total - CFDA 10.771			0	220,838	220,838
Socially-Disadvantaged Groups Grant	10.871			173,867	173,867
Soil and Water Conservation	10.902			13,857	13,857
Environmental Quality Incentives Program	10.912			45,892	45,892
<i>Pass-Through from North Carolina Foundation for Soil and Water</i>		69-3A75-13-229		3,237	3,237
<i>Pass-Through from North Carolina State University</i>		2012-1632-01		10,336	10,336
<i>Pass-Through from Oklahoma State University</i>		AC-5-82240.TAMU		12,683	12,683
Total - CFDA 10.912			0	72,148	72,148
Watershed Rehabilitation Program	10.916			994,412	994,412
Total - U.S. Department of Agriculture			532,210,844	441,659,418	973,870,262
U.S. Department of Commerce					
U.S. Department of Commerce	11.XXX	EE-133E-14-SE-3755		18,144	18,144
<i>Pass-Through from Aurora Flight Sciences</i>		AFS15-0386		1,854	1,854
<i>Pass-Through from Earth Networks, Inc.</i>		SA12-ENI02		121,783	121,783
<i>Pass-Through from Eda University Center</i>		08-66-04876		87,552	87,552
Total - CFDA 11.XXX			0	229,333	229,333
NOAA Mission-Related Education Awards	11.008			9,688	9,688
Economic Development Support for Planning Organizations	11.302			32,758	32,758
Economic Development Technical Assistance	11.303			201,589	201,589
Trade Adjustment Assistance for Firms	11.313		217,928	850,704	1,068,632
Interjurisdictional Fisheries Act of 1986	11.407			134,477	134,477
Sea Grant Support	11.417			34,415	34,415
Coastal Zone Management Administration Awards	11.419		887,687	443,978	1,331,665
<i>Pass-Through from Gulf of Mexico Alliance</i>		Award 121412-00		37,100	37,100
<i>Pass-Through from Houston Advanced Research Center</i>		GLOMIT12-TALR1112		1,338	1,338
Total - CFDA 11.419			887,687	482,416	1,370,103
Coastal Zone Management Estuarine Research Reserves	11.420			839	839
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432			214,012	214,012
Cooperative Fishery Statistics	11.434			330,799	330,799
Southeast Area Monitoring and Assessment Program	11.435			126,424	126,424
Regional Fishery Management Councils	11.441			46,083	46,083
Habitat Conservation	11.463			169,516	169,516
<i>Pass-Through from Gulf of Mexico Foundation</i>		GCRP 12-01		12,481	12,481
<i>Pass-Through from Rookery Bay National Estuarine Research Reserve</i>		NA10NMF4630087		9,332	9,332
<i>Pass-Through from Rookery Bay National Estuarine Research Reserve</i>		2014 B-WET -- MANERR		9,332	9,332
Total - CFDA 11.463			0	191,329	191,329
Office for Coastal Management	11.473			(16,580)	(16,580)

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Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
U.S. Department of Commerce (continued)					
Fisheries Disaster Relief <i>Pass-Through from Gulf States Marine Fisheries Commission</i>	11.477	MM-925-050-2011- TXSG	90,576	(24,464)	66,112
State and Local Implementation Grant Program	11.549			1,553,146	1,553,146
Special Projects <i>Pass-Through from Public Broadcasting Service</i>	11.553	51-51-W10606 74		164,664	164,664
Measurement and Engineering Research and Standards	11.609			900	900
Manufacturing Extension Partnership	11.611			450,120	450,120
MBDA Business Center	11.805			456,288	456,288
Total - U.S. Department of Commerce			1,196,191	5,468,940	6,665,131
U.S. Department of Defense					
U.S. Department of Defense	12.XXX	FA3002-09-20002 HE1254-15-C-0002 M00264-14-P-0201 UTA12-000870 LTR DTD 08/06/2012 UTA13-000802 LTR DTD 07/18/2013 UTA14-000911 LTR DTD 07/21/2014 W81K04-13-D-0008 W81XWH-11-P-0131 4S56698 1178-11-C-0003-009 NAFS-SUBK-13-102 35-DK40-01-P13-0002 35DK5901-P14-0003 W911NF - 12 - C0005 N00189-14-D-Z017		926,388 819,022 22,206 1,219 36,660 41,021 1,066,192 26,396 40,820 96,820 4,916 1,183 30,736 (245) 281,444	926,388 819,022 22,206 1,219 36,660 41,021 1,066,192 26,396 40,820 96,820 4,916 1,183 30,736 (245) 281,444
Total - CFDA 12.XXX			0	3,394,778	3,394,778
Procurement Technical Assistance For Business Firms	12.002			1,663,069	1,663,069
Flood Control Projects	12.106			288,632	288,632
Payments to States in Lieu of Real Estate Taxes	12.112			6,180,239	6,180,239
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113			419,000	419,000
Estuary Habitat Restoration Program	12.130			189,331	189,331
Basic and Applied Scientific Research <i>Pass-Through from North Carolina State University</i>	12.300	2013-0592-01	510,609	2,085,145 106,529	2,595,754 106,529
Total - CFDA 12.300			510,609	2,191,674	2,702,283
Basic Scientific Research - Combating Weapons of Mass Destruction	12.351			3,944	3,944
ROTC Language and Culture Training Grants <i>Pass-Through from Institute of International Education</i>	12.357	2013-GO-TAMU (PRIME: H98210-13- 2-0001)		411	411
<i>Pass-Through from Institute of International Education</i>		2013-GO-UTA		254	254

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U.S. Department of Defense (continued)					
<i>Pass-Through from Institute of International Education</i>		2603-TAMU-18-GO-015-PO1		373,378	373,378
<i>Pass-Through from Institute of International Education</i>		2603-UTA-22-GO-015-PO1		225,234	225,234
Total - CFDA 12.357			0	599,277	599,277
National Guard Military Construction Projects	12.400			222,347	222,347
National Guard Military Operations and Maintenance (O&M) Projects	12.401			44,002,343	44,002,343
National Guard ChalleNGe Program	12.404			4,384,934	4,384,934
Military Medical Research and Development	12.420			324,564	324,564
<i>Pass-Through from Baylor College of Medicine</i>		101710455-W81XWH-12-1-0010		3,303	3,303
<i>Pass-Through from Methodist Hospital Research Institute</i>		W81XWH-09-1-021203		277	277
<i>Pass-Through from Texas Biomedical Research Institute</i>		13-04423.003 / W81XW		7,845	7,845
Total - CFDA 12.420			0	335,989	335,989
Basic Scientific Research	12.431			91,809	91,809
The Language Flagship Grants to Institutions of Higher Education	12.550				
<i>Pass-Through from Institute of International Education</i>		NSEP-U631073-UT-ARA		538,927	538,927
National Security Education Program David L. Boren Scholarships	12.551			45,669	45,669
Community Investment	12.600			7,567,469	7,567,469
Basic, Applied, and Advanced Research in Science and Engineering	12.630			511,553	511,553
Language Grant Program	12.900			125,472	125,472
Mathematical Sciences Grants Program	12.901			16,507	16,507
Information Security Grants	12.902			77,014	77,014
Research and Technology Development	12.910			86,887	86,887
Total - U.S. Department of Defense			510,609	72,936,864	73,447,473
U.S. Department of Housing and Urban Development					
U.S. Department of Housing and Urban Development	14.XXX	000010		56,886	56,886
Community Development Block Grants/Entitlement Grants	14.218		2,330,314	492,952	2,823,266
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228		493,025,807	121,291,906	614,317,713
Emergency Solutions Grant Program	14.231		8,937,855	288,286	9,226,141
Supportive Housing Program	14.235				
<i>Pass-Through from Harris County Community Development Dept</i>		TX01B009028		(4,294)	(4,294)
<i>Pass-Through from Harris County Community Development Dept</i>		TX01B109029		(32,923)	(32,923)
Total - CFDA 14.235			0	(37,217)	(37,217)

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U.S. Department of Housing and Urban Development (continued)					
Home Investment Partnerships Program	14.239		30,783,005	1,750,587	32,533,592
Housing Opportunities for Persons with AIDS	14.241		2,837,374	48,668	2,886,042
ARRA - Tax Credit Assistance Program (Recovery Act Funded)	14.258		(3,151,729)	5,386,353	2,234,624
Community Compass Technical Assistance and Capacity Building	14.259				
<i>Pass-Through from National Association for Latino Comm Asset Bldrs</i>		O-11-034-04		44,499	44,499
Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR)	14.269		4,554,900	82,274	4,637,174
Project Rental Assistance Demonstration (PRA Demo) Program of Section 811 Supportive Housing for Persons with Disabilities	14.326			5,550	5,550
Fair Housing Assistance Program State and Local	14.401		2,000	1,391,261	1,393,261
Education and Outreach Initiatives	14.416				
<i>Pass-Through from Dallas County Hospital District</i>		FY2014-968		750	750
Sustainable Communities Regional Planning Grant Program	14.703				
<i>Pass-Through from Austin City of</i>		UTAUS CN 13813		78,222	78,222
Lead Hazard Reduction Demonstration Grant Program	14.905				
<i>Pass-Through from City of San Antonio</i>		2011060443/TXLHDO 226		1,275	1,275
Total - U.S. Department of Housing and Urban Development			539,319,526	130,882,252	670,201,778
U.S. Department of the Interior					
U.S. Department of the Interior	15.XXX	G13PX01349		16,800	16,800
		G14PX01349		24,810	24,810
		P13AC01244		(668)	(668)
		P13AC01279		25,195	25,195
<i>Pass-Through from Olgoonik</i>		001		193,068	193,068
<i>Pass-Through from Olgoonik</i>		UTA14-000696 (LOA Whiteaker)		22,246	22,246
Total - CFDA 15.XXX			0	281,451	281,451
Cultural Resource Management	15.224			1,865	1,865
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	15.250			1,706,970	1,706,970
Abandoned Mine Land Reclamation (AMLR) Program	15.252			2,755,882	2,755,882
Science and Technology Projects Related to Coal Mining and Reclamation	15.255			10,933	10,933
Coastal Impact Assistance Program (CIAP)	15.426				
<i>Pass-Through from Utb - Tsc Port Isabel Palapa</i>		2011C09307		12,281	12,281
Federal Oil and Gas Royalty Management State and Tribal Coordination	15.427			172,335	172,335
GoMESA	15.435		322,598	(89,226)	233,372
Fish and Wildlife Management Assistance	15.608			52,089	52,089

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Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
U.S. Department of the Interior (continued)					
Coastal Wetlands Planning, Protection and Restoration	15.614			999,752	999,752
Cooperative Endangered Species Conservation Fund	15.615		86,478	79,811	166,289
Clean Vessel Act Program	15.616			92,513	92,513
Enhanced Hunter Education and Safety Program	15.626			240,435	240,435
Multistate Conservation Grant Program	15.628			183,225	183,225
Coastal Program	15.630			67,346	67,346
Partners for Fish and Wildlife	15.631		145,296	84,996	230,292
State Wildlife Grants	15.634		259,273	1,189,623	1,448,896
Migratory Bird Joint Ventures	15.637			11,792	11,792
Research Grants (Generic)	15.650			18,953	18,953
Endangered Species Conservation 6 Recovery Implementation Funds	15.657		23,887	7,691	31,578
National Wildlife Refuge Fund	15.659			2,339,606	2,339,606
Coastal Impact Assistance Program	15.668		4,771,555	(1,196,642)	3,574,913
<i>Pass-Through from Jefferson County</i>		11-239-000-4825		62,186	62,186
<i>Pass-Through from Jefferson County</i>		13-242-000-7440		311,080	311,080
Total - CFDA 15.668			4,771,555	(823,376)	3,948,179
U.S. Geological Survey Research and Data Collection	15.808			43,911	43,911
National Geological and Geophysical Data Preservation	15.814			4,300	4,300
Historic Preservation Fund Grants-In-Aid	15.904		68,198	1,640,507	1,708,705
Outdoor Recreation Acquisition, Development and Planning	15.916			1,536,034	1,536,034
Rivers, Trails and Conservation Assistance	15.921			2,500	2,500
Native American Graves Protection and Repatriation Act	15.922			19,787	19,787
Save America's Treasures	15.929			21,789	21,789
Cooperative Research and Training Programs 6 Resources of the National Park System	15.945			15,749	15,749
Total - U.S. Department of the Interior			5,677,285	12,681,524	18,358,809
U.S. Department of Justice					
U.S. Department of Justice	16.XXX	M1403201-425432		808	808
<i>Pass-Through from Austin City of</i>		UTA13-000887		129,417	129,417
Total - CFDA 16.XXX			0	130,225	130,225
Sexual Assault Services Formula Program	16.017		634,342		634,342
Law Enforcement Assistance FBI Advanced Police Training	16.300			392,567	392,567
Services for Trafficking Victims	16.320				
<i>Pass-Through from Refugee Services of Texas</i>		UTA14-001372		2,782	2,782
Juvenile Accountability Block Grants	16.523		1,179,954	62,944	1,242,898
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525			142,008	142,008
<i>Pass-Through from North Central Texas College</i>		2011-WA-AX-0022		6,997	6,997

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Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
U.S Department of Justice (continued)					
Total - CFDA 16.525			0	149,005	149,005
OVW Technical Assistance Initiative	16.526			79,298	79,298
Juvenile Justice and Delinquency Prevention Allocation to States	16.540		2,246,311	312,432	2,558,743
Part E - Developing, Testing and Demonstrating Promising New Programs	16.541			65,708	65,708
Missing Children's Assistance	16.543		148,835	484,857	633,692
Title V Delinquency Prevention Program	16.548		47,610		47,610
Crime Victim Assistance	16.575		33,751,998	1,525,150	35,277,148
Crime Victim Compensation	16.576			16,147,730	16,147,730
Edward Byrne Memorial Formula Grant Program	16.579			192,955	192,955
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580			225,806	225,806
Violence Against Women Formula Grants	16.588		7,704,387	738,520	8,442,907
Residential Substance Abuse Treatment for State Prisoners	16.593		711,355		711,355
Corrections Training and Staff Development	16.601			56,591	56,591
Corrections Technical Assistance/Clearinghouse	16.603			59,763	59,763
State Criminal Alien Assistance Program	16.606			7,949,178	7,949,178
Project Safe Neighborhoods	16.609			29,941	29,941
Public Safety Partnership and Community Policing Grants	16.710			56,539	56,539
Juvenile Mentoring Program	16.726			536	536
<i>Pass-Through from Baylor College of Medicine</i>		270470		7,460	7,460
<i>Pass-Through from National 4-H Council</i>		13014		56,571	56,571
<i>Pass-Through from National 4-H Council</i>		3052013		3	3
<i>Pass-Through from National 4-H Council</i>		SRS REF #M1501462		140,080	140,080
Total - CFDA 16.726			0	204,650	204,650
Edward Byrne Memorial Justice Assistance Grant Program	16.738		8,588,274	8,539,189	17,127,463
<i>Pass-Through from Institute for Intergov't Research</i>		8000002073	29,801	81,780	111,581
Total - CFDA 16.738			8,618,075	8,620,969	17,239,044
DNA Backlog Reduction Program	16.741			2,201,822	2,201,822
Paul Coverdell Forensic Sciences Improvement Grant	16.742		454,189	147,036	601,225
Capital Case Litigation Initiative	16.746			71,093	71,093
Support for Adam Walsh Act Implementation Grant Program	16.750			31,370	31,370
ARRA - Recovery Act - Internet Crimes against Children Task Force Program (ICAC)	16.800			(415)	(415)
Second Chance Act Reentry Initiative	16.812			51,827	51,827
NICS Act Record Improvement Program	16.813			92,531	92,531
John R. Justice Prosecutors and Defenders Incentive Act	16.816		47,056		47,056

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U.S. Department of Justice (continued)					
Smart Prosecution Initiative	16.825				
<i>Pass-Through from Harris County</i>		270460		22,438	22,438
Vision 21	16.826		10,000	34,269	44,269
Equitable Sharing Program	16.922			7,865,410	7,865,410
Total - U.S. Department of Justice			55,554,112	48,004,991	103,559,103
U.S. Department of Labor					
Labor Force Statistics	17.002			3,898,641	3,898,641
Compensation and Working Conditions	17.005			291,147	291,147
Unemployment Insurance	17.225		18,274	2,727,361,915	2,727,380,189
Senior Community Service Employment Program	17.235		4,906,982	22,506	4,929,488
Trade Adjustment Assistance	17.245		12,741,453	3,745,846	16,487,299
Incentive Grants - WIA Section 503	17.267		128,081	254,701	382,782
H-1B Job Training Grants	17.268		1,152,300	1,437,384	2,589,684
Reintegration of Ex-Offenders	17.270				
<i>Pass-Through from Change Happens</i>		109868		16,316	16,316
Work Opportunity Tax Credit Program (WOTC)	17.271			1,093,598	1,093,598
Temporary Labor Certification for Foreign Workers	17.273		6,407	705,690	712,097
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277		5,897,683	47,548	5,945,231
WIA/WIOA Dislocated Worker National Reserve Demonstration Grants	17.280		12,563	128,916	141,479
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282			317,890	317,890
<i>Pass-Through from Corp for A Skilled Workforce</i>		2015-21		23,515	23,515
Total - CFDA 17.282			0	341,405	341,405
Occupational Safety and Health Susan Harwood Training Grants	17.502			552,759	552,759
Consultation Agreements	17.504			2,754,918	2,754,918
Mine Health and Safety Grants	17.600			267,282	267,282
Total - U.S. Department of Labor			24,863,743	2,742,920,572	2,767,784,315
U.S. Department of State					
U.S. Department of State	19.XXX				
<i>Pass-Through from Meridian International Center</i>		021-0012-0345		75,749	75,749
<i>Pass-Through from Meridian International Center</i>		SIZ-100-13-GR039		62,416	62,416
<i>Pass-Through from Organization of American States</i>		231716		67,510	67,510
<i>Pass-Through from University of Prishtina</i>		WALKER		3,197	3,197
Total - CFDA 19.XXX			0	208,872	208,872
Academic Exchange Programs - Undergraduate Programs	19.009				
<i>Pass-Through from International Res and Exchanges Board</i>		FY14-YALI-UTA-01		70,341	70,341
<i>Pass-Through from International Res and Exchanges Board</i>		FY15-YALI-UTA-02		97,402	97,402

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U.S. Department of State (continued)					
<i>Pass-Through from World Learning</i>		S01-S-ECAGD-13- CA-129		4,641	4,641
Total - CFDA 19.009			0	172,384	172,384
One-Time International Exchange Grant Program	19.014			119,609	119,609
Environmental and Scientific Partnerships and Programs	19.017			303,608	303,608
Public Diplomacy Programs	19.040			194,502	194,502
Public Diplomacy Programs for Afghanistan and Pakistan	19.501		117,137	869,615	986,752
AEECA/ESF PD Programs <i>Pass-Through from Free University of Tbilisi</i>	19.900	GN0007365		14,981	14,981
Total - U.S. Department of State			117,137	1,883,571	2,000,708
U.S. Department of Transportation					
U.S. Department of Transportation	20.XXX	C2013455		(18)	(18)
<i>Pass-Through from Center for Transportation and the Environmt</i>		DTFH64130012200128		30,000	30,000
<i>Pass-Through from National Academy of Sciences</i>		UTA13-001001		27,057	27,057
		2000005321		1,500	1,500
Total - CFDA 20.XXX			0	58,539	58,539
Airport Improvement Program	20.106		300,000	68,710,278	69,010,278
Highway Research and Development Program	20.200			105,784	105,784
Highway Training and Education	20.215			56,756	56,756
National Motor Carrier Safety	20.218			9,363,747	9,363,747
Performance and Registration Information Systems	20.231			123,079	123,079
Border Enforcement Grants	20.233			5,734,091	5,734,091
Safety Data Improvement Program	20.234			51,669	51,669
Commercial Vehicle Information Systems and Networks	20.237			278,161	278,161
Commercial Drivers License Information System (CDLIS) Modernization Grant	20.238			23,786	23,786
ARRA - High-Speed Rail Corridors and Intercity Passenger Rail Service 6 Capital Assistance Grants	20.319			2,021,457	2,021,457
Rail Line Relocation and Improvement	20.320			2,234,179	2,234,179
Metropolitan Transportation Planning and State and Non- Metropolitan Planning and Research	20.505		409,774	769,639	1,179,413
Formula Grants for Rural Areas	20.509		35,673,169	1,539,612	37,212,781
Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant Program	20.528			21,771	21,771
National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants	20.614			21,239	21,239
Pipeline Safety Program State Base Grant	20.700			5,352,646	5,352,646
University Transportation Centers Program	20.701			1,577	1,577

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U.S. Department of Transportation (continued)					
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703			1,086,170	1,086,170
U.S. Merchant Marine Academy	20.807			1,433,643	1,433,643
National Infrastructure Investments	20.933			10,615,018	10,615,018
Total - U.S. Department of Transportation			36,382,943	109,602,841	145,985,784
U.S. Department of the Treasury					
U.S. Department of the Treasury	21.XXX	15-5042-0-2-752		24,760	24,760
		9101036151		883,006	883,006
		CFDA# 21.000		191,974	191,974
		PL 112-55:95X1350	7,412		7,412
		PL 113-6X1350	6,485	8,033	14,518
		TX2273200		30,875	30,875
Total - CFDA 21.XXX			13,897	1,138,648	1,152,545
Low Income Taxpayer Clinics	21.008			88,859	88,859
Total - U.S. Department of the Treasury			13,897	1,227,507	1,241,404
Office of Personnel Management					
Intergovernmental Personnel Act (IPA) Mobility Program	27.011			201,533	201,533
Total - CFDA 27.011			0	201,533	201,533
Total - Office of Personnel Management			0	201,533	201,533
General Services Administration					
Donation of Federal Surplus Personal Property	39.003		9,217,038	500,741	9,717,779
Election Reform Payments	39.011			1,383,935	1,383,935
Total - General Services Administration			9,217,038	1,884,676	11,101,714
National Aeronautics and Space Administration					
National Aeronautics and Space Administration	43.XXX	NNX12AO09H		30,401	30,401
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1516184		55,154	55,154
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1526448		28,033	28,033
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1531262 SWA		36,460	36,460
<i>Pass-Through from Engineering - Team Sicoft</i>		1000000656		1,800	1,800
<i>Pass-Through from Florida Agriculture and Mechanical University</i>		0004963		263	263
<i>Pass-Through from L - 3 Communications</i>		2008-SC-4-0136		102,137	102,137
<i>Pass-Through from Space Telescope Science Institute</i>		HST-EO-12820.03-A		13,105	13,105
<i>Pass-Through from Team Absolute Zero</i>		1000000587		1,600	1,600
<i>Pass-Through from Team Flamen Materialis</i>		1000000586		4,000	4,000
<i>Pass-Through from Team High Voltage</i>		1000000564		3,200	3,200
<i>Pass-Through from Team Neta</i>		1000000569		1,600	1,600
<i>Pass-Through from Team Spacenet</i>		1000000657		1,600	1,600

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Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
National Aeronautics and Space Administration (continued)					
<i>Pass-Through from Team Vort - X</i>		1000000683		1,600	1,600
Total - CFDA 43.XXX			0	280,953	280,953
Science	43.001		7,884	619,077	626,961
<i>Pass-Through from Teledyne Brown Engineering</i>		PO00110481		3,077	3,077
<i>Pass-Through from Universities Space Research Association</i>		09960-19		5,000	5,000
Total - CFDA 43.001			7,884	627,154	635,038
Education	43.008		4,037	492,445	496,482
Cross Agency Support	43.009			210,309	210,309
<i>Pass-Through from Tietronix Software, Inc.</i>		NNX15CP68P		10,539	10,539
Total - CFDA 43.009			0	220,848	220,848
Space Technology	43.012			6,272	6,272
Total - National Aeronautics and Space Administration			11,921	1,627,672	1,639,593
National Endowment for the Humanities					
National Endowment for the Humanities	45.XXX	2015-4805		978	978
		PC-12-8-096 3		19,521	19,521
		PC-15-8-029		962	962
Total - CFDA 45.XXX			0	21,461	21,461
Promotion of the Arts Grants to Organizations and Individuals	45.024			45,340	45,340
<i>Pass-Through from Arts Midwest</i>		FY15-240789		14,847	14,847
Total - CFDA 45.024			0	60,187	60,187
Promotion of the Arts Partnership Agreements	45.025			921,900	921,900
Promotion of the Humanities Federal/State Partnership	45.129				
<i>Pass-Through from Humanities Texas</i>		2014-1418		1,500	1,500
<i>Pass-Through from Humanities Texas</i>		2014-4626		2,074	2,074
<i>Pass-Through from Humanities Texas</i>		2014-4668		1,000	1,000
<i>Pass-Through from Humanities Texas</i>		2014-4677		750	750
<i>Pass-Through from Humanities Texas</i>		2014-4679		500	500
<i>Pass-Through from Humanities Texas</i>		2015-4790		1,000	1,000
<i>Pass-Through from Humanities Texas</i>		2015-4799		1,000	1,000
<i>Pass-Through from Humanities Texas</i>		2015-4804		945	945
<i>Pass-Through from Humanities Texas</i>		TOBIA / HUMANITIES		1,496	1,496
<i>Pass-Through from Vaquero: Genesis of the Texas</i>		2015-4797		1,500	1,500
Total - CFDA 45.129			0	11,765	11,765
Promotion of the Humanities Challenge Grants	45.130				
<i>Pass-Through from Digital Public Library of America</i>		HC-50017-12		75,314	75,314
Promotion of the Humanities Division of Preservation and Access	45.149		1,454	428,080	429,534
<i>Pass-Through from Oklahoma Historical Society</i>		11-101		118,739	118,739
Total - CFDA 45.149			1,454	546,819	548,273
Promotion of the Humanities Fellowships and Stipends	45.160			16,572	16,572

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National Endowment for the Humanities (continued)					
Promotion of the Humanities Teaching and Learning Resources and Curriculum Development	45.162			13,026	13,026
Promotion of the Humanities Public Programs <i>Pass-Through from American Library Association</i>	45.164	LA105406		13,261 32	13,261 32
Total - CFDA 45.164			0	13,293	13,293
Promotion of the Humanities We the People <i>Pass-Through from Humanities Texas</i>	45.168	G101652		(680)	(680)
Promotion of the Humanities Office of Digital Humanities <i>Pass-Through from Dnu University of New Mexico (ffl)</i>	45.169	107016-87NO	65,315	6,274 55,284	71,589 55,284
Total - CFDA 45.169			65,315	61,558	126,873
21st Century Museum Professionals	45.307			75,795	75,795
Grants to States	45.310			10,083,620	10,083,620
National Leadership Grants	45.312		49,141	64,426	113,567
Laura Bush 21st Century Librarian Program	45.313			356,052	356,052
Total - National Endowment For the Humanities			115,910	12,321,108	12,437,018
National Science Foundation					
National Science Foundation	47.XXX	7/16/12 -BCS-1243556 CMMI-1443515 EAR-1450354 (IPA) ECCS-1530530 (IPA) IOS-1425646 LPA-1357583 (IPA) MCB - 1420109 NSF IPA 1321365		131,831 182,909 181,527 129,856 136,847 84,325 55,533 114,643	131,831 182,909 181,527 129,856 136,847 84,325 55,533 114,643
<i>Pass-Through from Edlab Group Foundation</i>		EQ2014-88		2,607	2,607
<i>Pass-Through from Lockheed Martin</i>		NSFDACS1219442		3,454,126	3,454,126
Total - CFDA 47.XXX			0	4,474,204	4,474,204
Engineering Grants <i>Pass-Through from Tietronix Software, Inc.</i> <i>Pass-Through from Tietronix Software, Inc.</i>	47.041	TA20131028 W911NF-14-0055		698,238 4,203 100,327	698,238 4,203 100,327
Total - CFDA 47.041			0	802,768	802,768
Mathematical and Physical Sciences <i>Pass-Through from Penn State University - the Arthur W. Page Center Research Center</i> <i>Pass-Through from University of Illinois - Champaign - Urbana</i> <i>Pass-Through from University of Notre Dame</i>	47.049	109768 2011-02478-05 PHY-1219444		939,585 500 13,499 17,938	939,585 500 13,499 17,938
Total - CFDA 47.049			0	971,522	971,522
Geosciences <i>Pass-Through from University of Southern California</i>	47.050	62585492 (EAR-1033462)		74,579 17,254	74,579 17,254
Total - CFDA 47.050			0	91,833	91,833
Computer and Information Science and Engineering	47.070		10,000	621,183	631,183
Biological Sciences	47.074			97,070	97,070

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National Science Foundation (continued)					
<i>Pass-Through from J. Craig Venter Institute</i>		JCVI-13-006		77	77
<i>Pass-Through from J. Craig Venter Institute</i>		JCVI-13-006 001		523,907	523,907
Total - CFDA 47.074			0	621,054	621,054
Social, Behavioral, and Economic Sciences	47.075			331,693	331,693
Education and Human Resources	47.076		215,980	12,418,327	12,634,307
<i>Pass-Through from Collin College</i>		GN0005517		32,153	32,153
<i>Pass-Through from Harrisburg University of Science and Technology</i>		1224488		20,445	20,445
<i>Pass-Through from Howard University</i>		0007964- 1000046721/47257		106,727	106,727
<i>Pass-Through from Missouri State University</i>		11052-017		41,965	41,965
Total - CFDA 47.076			215,980	12,619,617	12,835,597
Office of International Science and Engineering	47.079			64,908	64,908
Trans-NSF Recovery Act Research Support	47.082			37	37
Total - National Science Foundation			225,980	20,598,819	20,824,799
Small Business Administration					
Small Business Development Centers	59.037		1,411,524	4,471,471	5,882,995
Veterans Outreach Program	59.044			203,970	203,970
State Trade and Export Promotion Pilot Grant Program	59.061			28,224	28,224
Total - Small Business Administration			1,411,524	4,703,665	6,115,189
U.S. Department of Veterans Affairs					
U.S. Department of Veterans Affairs	64.XXX	671-C45218		24,006	24,006
		DVA-AFF-AGRMNT		107,110	107,110
		VA000006900		18,276	18,276
Total - CFDA 64.XXX			0	149,392	149,392
Grants to States for Construction of State Home Facilities	64.005			4,491,746	4,491,746
Veterans State Nursing Home Care	64.015			53,747,827	53,747,827
VA Assistance to United States Paralympic Integrated Adaptive Sports Program	64.034			35,732	35,732
Burial Expenses Allowance for Veterans	64.101			1,046,885	1,046,885
Veterans Information and Assistance	64.115			11,735	11,735
All-Volunteer Force Educational Assistance	64.124			1,178,781	1,178,781
State Cemetery Grants	64.203			3,473,594	3,473,594
Total - U.S. Department of Veterans Affairs			0	64,135,692	64,135,692
Environmental Protection Agency					
Environmental Protection Agency	66.XXX	FY2014-2170		6,970	6,970
<i>Pass-Through from Pegasus Technical Services</i>		UTX-14-001 SWO LIFTED 7.8.14		4,788	4,788
Total - CFDA 66.XXX			0	11,758	11,758

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Environmental Protection Agency (continued)					
Air Pollution Control Program Support	66.001			313,952	313,952
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034		13,568	1,836,297	1,849,865
<i>Pass-Through from National Environmental Educ. and Training</i>		XA-83461801-0		1,398	1,398
Total - CFDA 66.034			13,568	1,837,695	1,851,263
Internships, Training and Workshops for the Office of Air and Radiation	66.037			248,046	248,046
Congressionally Mandated Projects	66.202			184,340	184,340
Water Pollution Control State, Interstate, and Tribal Program Support	66.419		307,706	1,680,274	1,987,980
Surveys, Studies, Investigations, Demonstrations, and Training Grants - Section 1442 of the Safe Drinking Water Act	66.424			314,311	314,311
State Underground Water Source Protection	66.433			656,080	656,080
Water Quality Management Planning	66.454		378,886	202,913	581,799
<i>Pass-Through from Coastal Bend Bays and Estuaries Program</i>		1511		36,877	36,877
Total - CFDA 66.454			378,886	239,790	618,676
National Estuary Program	66.456		74,411	177,391	251,802
Nonpoint Source Implementation Grants	66.460		1,132,633	4,483,712	5,616,345
<i>Pass-Through from City of League City</i>		(MAIN 582-11-13147)		46,671	46,671
<i>Pass-Through from City of League City</i>		582-11-13147(TCEQ)		(140)	(140)
Total - CFDA 66.460			1,132,633	4,530,243	5,662,876
Beach Monitoring and Notification Program Implementation Grants	66.472		196,056	32,947	229,003
Gulf of Mexico Program	66.475				
<i>Pass-Through from Jacobs Technology, Inc.</i>		277901	4,878	16,865	21,743
Science To Achieve Results (STAR) Fellowship Program	66.514			105,088	105,088
Performance Partnership Grants	66.605		859,998	28,435,859	29,295,857
Environmental Information Exchange Network Grant Program and Related Assistance	66.608		26,094	161,407	187,501
Consolidated Pesticide Enforcement Cooperative Agreements	66.700			1,052,968	1,052,968
Pollution Prevention Grants Program	66.708			247,222	247,222
Multi-Media Capacity Building Grants for States and Tribes	66.709			184,053	184,053
Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies	66.716		53,288	38,379	91,667
<i>Pass-Through from City of New Orleans</i>		2062014		3,120	3,120
Total - CFDA 66.716			53,288	41,499	94,787
Source Reduction Assistance	66.717			67,622	67,622
Superfund State, Political Subdivision, and Indian Tribe Site- Specific Cooperative Agreements	66.802			524,310	524,310
Underground Storage Tank Prevention, Detection and Compliance Program	66.804			2,051,431	2,051,431

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Environmental Protection Agency (continued)					
Leaking Underground Storage Tank Trust Fund Corrective Action Program	66.805			2,600,157	2,600,157
Superfund State and Indian Tribe Core Program Cooperative Agreements	66.809			329,563	329,563
State and Tribal Response Program Grants	66.817			650,068	650,068
Total - Environmental Protection Agency			3,047,518	46,694,939	49,742,457
Nuclear Regulatory Commission					
U.S. Nuclear Regulatory Commission Minority Serving Institutions Program (MSIP)	77.007			11,786	11,786
Total - CFDA 77.007			0	11,786	11,786
U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	77.008			117,046	117,046
Total - Nuclear Regulatory Commission			0	128,832	128,832
U.S. Department of Energy					
U.S. Department of Energy	81.XXX	DE-EE0006648 0001		81,701	81,701
<i>Pass-Through from Sandia National Laboratories</i>		1164829		52,737	52,737
<i>Pass-Through from Sandia National Laboratories</i>		1165344		989	989
<i>Pass-Through from Sandia National Laboratories</i>		1384045		40,000	40,000
<i>Pass-Through from Sandia National Laboratories</i>		1483885		38,784	38,784
<i>Pass-Through from Sandia National Laboratories</i>		1536119		20,606	20,606
Total - CFDA 81.XXX			0	234,817	234,817
State Energy Program	81.041		7,516	948,081	955,597
Weatherization Assistance for Low-Income Persons	81.042		5,359,605	283,463	5,643,068
Office of Science Financial Assistance Program	81.049			1,306,696	1,306,696
ARRA - Office of Science Financial Assistance Program					
<i>Pass-Through from National Renewable Energy Lab</i>		AGG-4-42124-01		35,266	35,266
Total - CFDA 81.049			0	1,341,962	1,341,962
Fossil Energy Research and Development	81.089			419,564	419,564
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	81.106			410,050	410,050
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117			13,813	13,813
Nuclear Energy Research, Development and Demonstration	81.121			99,458	99,458
National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.123				
<i>Pass-Through from Alabama A and M University</i>		SUB-DE-NA001890-Supplement PVAMU		(800)	(800)
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128		257,631	75,715	333,346
Minority Economic Impact	81.137			45,682	45,682

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U.S. Department of Energy (continued)					
Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis	81.214		378,151	919,257	1,297,408
Total - U.S. Department of Energy			6,002,903	4,791,062	10,793,965
U.S. Department of Education					
U.S. Department of Education	84.XXX				
<i>Pass-Through from Austin Independent School District</i>		DC-AM576		140,162	140,162
ARRA - U.S. Department of Education					
<i>Pass-Through from Rhode Island Dept of Education</i>		3243764		102,532	102,532
Total - CFDA 84.XXX			0	242,694	242,694
Adult Education - Basic Grants to States	84.002		43,991,176	2,914,351	46,905,527
<i>Pass-Through from Brownsville Independent School District</i>		2414AEL000		65,856	65,856
<i>Pass-Through from Harris County Department of Education</i>		V002A120044		(238)	(238)
Total - CFDA 84.002			43,991,176	2,979,969	46,971,145
Title I Grants to Local Educational Agencies	84.010		1,304,174,906	14,290,750	1,318,465,656
Migrant Education State Grant Program	84.011		54,106,603	2,339,041	56,445,644
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013		(133,790)	1,678,244	1,544,454
National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program	84.015			1,655,398	1,655,398
Overseas Programs - Group Projects Abroad	84.021			199,816	199,816
Higher Education Institutional Aid	84.031		637,811	26,469,715	27,107,526
<i>Pass-Through from El Paso Community College</i>		CC004940 21129- F21129		197,559	197,559
<i>Pass-Through from Laredo Community College</i>		260413-260613		393,817	393,817
<i>Pass-Through from San Antonio College</i>		P031C110039		604,474	604,474
<i>Pass-Through from Western Texas College Foundation</i>		P031S100014		9,499	9,499
Total - CFDA 84.031			637,811	27,675,064	28,312,875
Federal Family Education Loans	84.032L			61,348	61,348
Career and Technical Education -- Basic Grants to States	84.048		81,308,348	8,648,009	89,956,357
<i>Pass-Through from Everman Independent School District</i>		GN0006929		20,045	20,045
Total - CFDA 84.048			81,308,348	8,668,054	89,976,402
Fund for the Improvement of Postsecondary Education	84.116		28,065	667,952	696,017
<i>Pass-Through from University of Louisiana, Lafayette</i>		231080		173	173
Total - CFDA 84.116			28,065	668,125	696,190
Minority Science and Engineering Improvement	84.120		142,564	1,293,912	1,436,476
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126		1,522,906	258,240,757	259,763,663
<i>Pass-Through from Texas Rehabilitation Commission</i>		976210		(248,879)	(248,879)
Total - CFDA 84.126			1,522,906	257,991,878	259,514,784

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U.S. Department of Education (continued)					
Rehabilitation Long-Term Training	84.129			936,370	936,370
Centers for Independent Living <i>Pass-Through from TIRR Memorial Hermann</i>	84.132	H132B120001		65,484	65,484
National Institute on Disability and Rehabilitation Research <i>Pass-Through from TIRR Memorial Hermann</i>	84.133	H133A110027/SWAD A-UTHSCH-1579-		50,955 78,490	50,955 78,490
Total - CFDA 84.133			0	129,445	129,445
Migrant Education High School Equivalency Program	84.141			1,717,090	1,717,090
Migrant Education College Assistance Migrant Program	84.149			1,265,938	1,265,938
Independent Living State Grants	84.169		252,124	516,907	769,031
Javits Fellowships	84.170			37,939	37,939
Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	84.177			1,993,396	1,993,396
Special Education-Grants for Infants and Families	84.181		47,124,641	6,482,330	53,606,971
Safe and Drug-Free Schools and Communities National Programs	84.184			939,296	939,296
Supported Employment Services for Individuals with the Most Significant Disabilities	84.187			1,428,724	1,428,724
Bilingual Education Professional Development	84.195			(5,000)	(5,000)
Education for Homeless Children and Youth <i>Pass-Through from Education Service Center - Region X</i> <i>Pass-Through from Education Service Center - Region X</i>	84.196	UTA13-000903 UTA14-001112 PO# 031452	6,177,336	4,153 684,628	6,177,336 4,153 684,628
Total - CFDA 84.196			6,177,336	688,781	6,866,117
Graduate Assistance in Areas of National Need	84.200			1,331,764	1,331,764
Centers for International Business Education	84.220			210,050	210,050
Assistive Technology	84.224		74,929	441,594	516,523
Language Resource Centers	84.229			116,303	116,303
Rehabilitation Training State Vocational Rehabilitation Unit In- Service Training	84.265			262,969	262,969
Eisenhower Professional Development State Grants	84.281		(154)		(154)
Charter Schools	84.282		6,301,967	898,941	7,200,908
Twenty-First Century Community Learning Centers <i>Pass-Through from La Vega Independent School District</i>	84.287	161906	105,050,623	9,244,404 23,419	114,295,027 23,419
Total - CFDA 84.287			105,050,623	9,267,823	114,318,446
Foreign Language Assistance <i>Pass-Through from Clear Creek Independent School District</i>	84.293	WEAVER CCISD		2,652	2,652
State Grants for Innovative Programs	84.298		(359)		(359)
Education Research, Development and Dissemination	84.305			44,177	44,177
Research in Special Education	84.324			114,962	114,962

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U.S. Department of Education (continued)					
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325			2,863,226	2,863,226
<i>Pass-Through from Vanderbilt University</i>		3122-018447		35	35
Total - CFDA 84.325			0	2,863,261	2,863,261
Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326			1,083,652	1,083,652
<i>Pass-Through from Wested</i>		s00027412.0		289,810	289,810
Total - CFDA 84.326			0	1,373,462	1,373,462
Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	84.330			666,982	666,982
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334		1,804,179	14,093,729	15,897,908
<i>Pass-Through from San Antonio Indep School Dist</i>		RFP11-037(RC)		124,027	124,027
Total - CFDA 84.334			1,804,179	14,217,756	16,021,935
Child Care Access Means Parents in School	84.335			593,494	593,494
Teacher Quality Partnership Grants	84.336			310,540	310,540
Class Size Reduction	84.340		(940)		(940)
Transition to Teaching	84.350			645,848	645,848
Credit Enhancement for Charter School Facilities	84.354			11,637,914	11,637,914
Rural Education	84.358		6,477,229	285,892	6,763,121
School Leadership	84.363			96,110	96,110
English Language Acquisition State Grants	84.365		82,720,934	5,885,589	88,606,523
Mathematics and Science Partnerships	84.366		7,788,671	5,574,655	13,363,326
<i>Pass-Through from Bristol Warren Regional Sch District</i>		UTA14-000197 YR 2 Funds		317,335	317,335
<i>Pass-Through from Bristol Warren Regional Sch District</i>		UTA14-000197 YR 3 Funds		21,635	21,635
<i>Pass-Through from Education Service Center Region 13</i>		503002		2	2
Total - CFDA 84.366			7,788,671	5,913,627	13,702,298
Improving Teacher Quality State Grants	84.367		174,931,780	8,724,748	183,656,528
<i>Pass-Through from National Writing Project</i>		03-TX12-SEED2012		21,672	21,672
<i>Pass-Through from National Writing Project</i>		04-TX13-SEED2012		9,255	9,255
<i>Pass-Through from National Writing Project</i>		09-TX19-SEED2012		24,408	24,408
<i>Pass-Through from National Writing Project Corp</i>		02-TX11-SEED2012 2A		9,557	9,557
<i>Pass-Through from National Writing Project Corp</i>		02-TX11-SEED2012 3		20,000	20,000
<i>Pass-Through from National Writing Project Corp</i>		06-TX17-SEED2012		7,280	7,280
<i>Pass-Through from National Writing Project Corp</i>		8000002138		12,238	12,238
<i>Pass-Through from Texas Christian University</i>		24289-13-01		(2,870)	(2,870)
<i>Pass-Through from Texas Christian University</i>		24292-14-00		40,588	40,588
<i>Pass-Through from University of California - Berkeley</i>		06-TX15-SEED2012		2,999	2,999
Total - CFDA 84.367			174,931,780	8,869,875	183,801,655
Grants for Enhanced Assessment Instruments	84.368			864,757	864,757
Grants for State Assessments and Related Activities	84.369		3,797,787	17,842,071	21,639,858
Striving Readers	84.371		55,031,079	1,748,978	56,780,057

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U.S. Department of Education (continued)					
Statewide Longitudinal Data Systems	84.372			20,735	20,735
Academic Competitiveness Grants	84.375			(375)	(375)
College Access Challenge Grant Program	84.378		(160)	43,556	43,396
ARRA - Statewide Data Systems, Recovery Act	84.384			12,740	12,740
ARRA - Education Technology State Grants, Recovery Act	84.386		(125)		(125)
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389		(203,992)		(203,992)
ARRA - Special Education Grants to States, Recovery Act	84.391		(439,066)		(439,066)
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394		(11,190)		(11,190)
ARRA - Centers for Independent Living, Recovery Act. <i>Pass-Through from Turr Memorial Hermann</i>	84.400	H400B100003		44,086	44,086
ARRA - Education Jobs Fund	84.410		(35,894)		(35,894)
Investing in Innovation (i3) Fund	84.411			6,034	6,034
Troops to Teachers	84.815		251,957		251,957
National Writing Project <i>Pass-Through from University of California - Berkeley</i>	84.928	425337		10,000	10,000
Total - U.S. Department of Education			<u>1,982,871,945</u>	<u>422,585,160</u>	<u>2,405,457,105</u>
Scholarship Foundations					
Fellowship Program	85.802			84,416	84,416
Total - CFDA 85.802			<u>0</u>	<u>84,416</u>	<u>84,416</u>
Total - Scholarship Foundations			<u>0</u>	<u>84,416</u>	<u>84,416</u>
National Archives and Records Administration					
National Historical Publications and Records Grants	89.003			1,821,939	1,821,939
Total - CFDA 89.003			<u>0</u>	<u>1,821,939</u>	<u>1,821,939</u>
Total - National Archives and Records Administration			<u>0</u>	<u>1,821,939</u>	<u>1,821,939</u>
U.S. Department of Health and Human Services					
U.S. Department of Health and Human Services	93.XXX	14IPA1404764		18,587	18,587
		200-2014-M-60693		12,159	12,159
		529-14-0029-00001		169,894	169,894
		HHSN271201400101P		3,203	3,203
<i>Pass-Through from American Psychiatric Association</i>		APA/SAMHSA 2014- 2015		12,960	12,960
<i>Pass-Through from Association of University Ctrs on Disabilities</i>		LTSAE		2,087	2,087
<i>Pass-Through from Baylor College of Medicine</i>		107403	14,936		14,936
<i>Pass-Through from Billings Clinic</i>		HHSA290201000019I		34,303	34,303
<i>Pass-Through from Harris County Hospital District</i>		PO #0000858424		2,967	2,967
<i>Pass-Through from Harris Health System</i>		PO #0000893220		2,806	2,806
<i>Pass-Through from Houston Academy of Medicine</i>		HHSN-276-2011- 00007-C		4,394	4,394

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U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Houston Academy of Medicine - Texas Medical Center Library</i>		HHSN276201100007C		4,656	4,656
<i>Pass-Through from Houston Academy of Medicine - Texas Medical Center Library</i>		HHSN-276-2011- 00007C		20,424	20,424
<i>Pass-Through from Macro International, Inc.</i>		33179-7S-873		(368)	(368)
<i>Pass-Through from Memorial Hermann - Texas Medical Center</i>		CMSTGCGNE15		670,171	670,171
<i>Pass-Through from Memorial Hermann Hospital System</i>		CMSUTHSC13		26,401	26,401
<i>Pass-Through from Memorial Hermann Hospital System</i>		CMSUTHSC15		1,176,023	1,176,023
<i>Pass-Through from Mental Health Resource of Texas</i>		UTA14-001210		6,108	6,108
<i>Pass-Through from National Network Libraries of Medicine</i>		NN/LM SCR-3D PRINTER		4,515	4,515
<i>Pass-Through from National Network Libraries of Medicine</i>		SC:N013263505		(6,735)	(6,735)
<i>Pass-Through from Resource Group</i>		14UTV00SS		16,150	16,150
<i>Pass-Through from University of South Carolina</i>		1 R01 HD072153- 01A1	22,886		22,886
Total - CFDA 93.XXX			37,822	2,180,705	2,218,527
Civil Rights and Privacy Rule Compliance Activities	93.001			1,048,651	1,048,651
Cooperative Agreements to Improve the Health Status of Minority Populations	93.004				
<i>Pass-Through from Hiv/aids Prevention Education Program</i>		HHPMP101013-02-00		904	904
Medical Reserve Corps Small Grant Program	93.008				
<i>Pass-Through from Naccho</i>		MRC 13 - 2444		1,658	1,658
<i>Pass-Through from Naccho</i>		MRC 13--2444-C		6,313	6,313
<i>Pass-Through from Naccho</i>		MRC 14 -2444		292	292
Total - CFDA 93.008			0	8,263	8,263
Strengthening Public Health Services at the Outreach Offices of the U.S.-Mexico Border Health Commission	93.018			381,245	381,245
Special Programs for the Aging Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041		239,026		239,026
Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	93.042		995,679		995,679
<i>Pass-Through from City of Houston Health and Human Services</i>		4600009795		359,609	359,609
Total - CFDA 93.042			995,679	359,609	1,355,288
Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services	93.043		860,159		860,159
Special Programs for the Aging Title IV and Title II Discretionary Projects	93.048			(70,244)	(70,244)
National Family Caregiver Support, Title III, Part E	93.052		8,010,296	286,645	8,296,941
Training in General, Pediatric, and Public Health Dentistry	93.059			468,220	468,220
Laboratory Leadership, Workforce Training and Management Development, Improving Public Health Laboratory	93.065				
<i>Pass-Through from Association of Public Health Laboratories</i>		Agmt. 56400-200- 620-15-01		46,165	46,165
Global AIDS	93.067				
<i>Pass-Through from Muhimbili University of Health and Allied</i>		5U2GGH00837-03		88,817	88,817
Public Health Emergency Preparedness	93.069		21,595,775	15,428,893	37,024,668

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U.S. Department of Health and Human Services (continued)					
Environmental Public Health and Emergency Response <i>Pass-Through from National Environmental Educ. and Training</i>	93.070	XA-83461801-0	3,916	166,125 <u>2,580</u>	170,041 <u>2,580</u>
Total - CFDA 93.070			3,916	168,705	172,621
Medicare Enrollment Assistance Program	93.071		(208,065)	200,729	(7,336)
Lifespan Respite Care Program	93.072			(138,815)	(138,815)
Birth Defects and Developmental Disabilities - Prevention and Surveillance	93.073		3,281	164,272	167,553
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		167,698	35,486	203,184
Family Smoking Prevention and Tobacco Control Act Regulatory Research	93.077			700,892	700,892
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079			41,240	41,240
Guardianship Assistance	93.090			4,740,520	4,740,520
Affordable Care Act (ACA) Personal Responsibility Education Program <i>Pass-Through from Cardea Services</i> <i>Pass-Through from Cardea Services</i>	93.092	UTA12-001046 1 UTA12-001046 3		5,009 <u>52,251</u>	5,009 <u>52,251</u>
Total - CFDA 93.092			0	57,260	57,260
Food and Drug Administration Research	93.103			1,214,182	1,214,182
Area Health Education Centers Point of Service Maintenance and Enhancement Awards <i>Pass-Through from National Ahec Organization, Inc.</i>	93.107	HSH250200900063C	1,022,583	710,008 <u>3,155</u>	1,732,591 <u>3,155</u>
Total - CFDA 93.107			1,022,583	713,163	1,735,746
Maternal and Child Health Federal Consolidated Programs <i>Pass-Through from Organization of Teratology Information</i>	93.110	UG4MC27861	239,302	318,796 <u>48,274</u>	558,098 <u>48,274</u>
Total - CFDA 93.110			239,302	367,070	606,372
Environmental Health	93.113			100,943	100,943
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		3,804,162	3,093,899	6,898,061
Oral Diseases and Disorders Research	93.121			823,489	823,489
Nurse Anesthetist Traineeships	93.124			27,856	27,856
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	93.130			295,098	295,098
Centers for Research and Demonstration for Health Promotion and Disease Prevention <i>Pass-Through from Assoc. for Prevention Teaching and Research</i>	93.135	APTR-08		12	12
Injury Prevention and Control Research and State and Community Based Programs	93.136		1,727,303	93,245	1,820,548

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Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
U.S. Department of Health and Human Services (continued)					
Community Programs to Improve Minority Health Grant Program	93.137				
<i>Pass-Through from Beat Aids Coalition Trust</i>		2014UTSA-001		85,358	85,358
AIDS Education and Training Centers	93.145				
<i>Pass-Through from Dallas County Hospital District</i>		OTHER-5940 0		408	408
<i>Pass-Through from Parkland Health and Hospital Systems</i>		756004221		3,579	3,579
Total - CFDA 93.145			0	3,987	3,987
Projects for Assistance in Transition from Homelessness	93.150		4,432,705	100,908	4,533,613
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153		1,114,659	1,038,819	2,153,478
Geriatric Training for Physicians, Dentists and Behavioral/Mental Health Professionals	93.156			586,426	586,426
Centers of Excellence	93.157			1,411,870	1,411,870
Health Program for Toxic Substances and Disease Registry	93.161				
<i>Pass-Through from Acmt</i>		87-0460513	9,900	32,187	42,087
<i>Pass-Through from American College of Medical Toxicology</i>		U61TS000238		43,436	43,436
<i>Pass-Through from Sw Center for Pediatric Environmental Health</i>		521553060	2,758	31,061	33,819
Total - CFDA 93.161			12,658	106,684	119,342
Research Related to Deafness and Communication Disorders	93.173			29,801	29,801
Nursing Workforce Diversity	93.178			334,820	334,820
Disabilities Prevention	93.184		174,679	27,588	202,267
<i>Pass-Through from American Thrombosis and Hemostasis Netw</i>		ATHN2011001-VI-4		143,715	143,715
<i>Pass-Through from Christopher and Dana Reeve Foundation</i>		1U59DD000838		823	823
Total - CFDA 93.184			174,679	172,126	346,805
Graduate Psychology Education Program and Patient Navigator and Chronic Disease Prevention Program	93.191			139,660	139,660
Telehealth Programs	93.211		42,866	296,561	339,427
Family Planning Services	93.217		(5,933)		(5,933)
Research on Healthcare Costs, Quality and Outcomes	93.226			178	178
Traumatic Brain Injury State Demonstration Grant Program	93.234			107,025	107,025
Affordable Care Act (ACA) Abstinence Education Program	93.235		2,325,607	3,172,962	5,498,569
State Capacity Building	93.240			391,561	391,561
State Rural Hospital Flexibility Program	93.241			932,434	932,434
Mental Health Research Grants	93.242			213,642	213,642
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		1,899,864	4,431,107	6,330,971
<i>Pass-Through from Bexar County Juvenile Probation Dept.</i>		UTHSC297		149,477	149,477
<i>Pass-Through from Center for Health Care Services</i>		1/1H79TI025631-01		55,883	55,883
<i>Pass-Through from Center for Health Care Services</i>		1/1UD1TI023519-001		6,212	6,212
<i>Pass-Through from Communities for Recovery</i>		UTA14-000972		26,138	26,138
<i>Pass-Through from Communities for Recovery</i>		UTA14-000972 1		1,632	1,632
<i>Pass-Through from Family Service Association</i>		1H79TI0872301/FSA		(2,253)	(2,253)
<i>Pass-Through from Our Lady of the Lake University</i>		15-02/1H79SP020647		93,963	93,963
<i>Pass-Through from San Antonio Council Alcohol and Drug Abuse</i>		1 / 1H79TI023996-02		66,435	66,435

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U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from San Antonio Council Alcohol and Drug Abuse</i>		1H79T1024770-01		46,631	46,631
<i>Pass-Through from Starcare Specialty Health System</i>		H79SM059678		23,727	23,727
Total - CFDA 93.243			1,899,864	4,898,952	6,798,816
Advanced Nursing Education Grant Program	93.247		17,754	1,024,983	1,042,737
Geriatric Academic Career Awards	93.250			97,510	97,510
Universal Newborn Hearing Screening	93.251		29,049	185,683	214,732
Poison Center Support and Enhancement Grant Program	93.253			710,173	710,173
Infant Adoption Awareness Training <i>Pass-Through from Adoption Exchange Association</i>	93.254	UTA14-001306		339,574	339,574
Occupational Safety and Health Program	93.262		38,720	1,347,457	1,386,177
Immunization Cooperative Agreements	93.268		5,100,012	420,122,390	425,222,402
Adult Viral Hepatitis Prevention and Control	93.270		5,360	90,894	96,254
Alcohol Research Programs	93.273			489,428	489,428
Drug Abuse and Addiction Research Programs	93.279			740,729	740,729
Centers for Disease Control and Prevention Investigations and Technical Assistance <i>Pass-Through from Texas Institute for Health Policy Resrch</i> <i>Pass-Through from the National African American Tobacco</i>	93.283	RFP 50100-4-210034 U58DP004975 01	147,672	4,911,561	5,059,233
Total - CFDA 93.283			147,672	4,952,079	5,099,751
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286			257,570	257,570
State Partnership Grant Program to Improve Minority Health	93.296			121,452	121,452
Teenage Pregnancy Prevention Program	93.297		81,700	1,891,565	1,973,265
National Center for Health Workforce Analysis	93.300			167,483	167,483
Small Rural Hospital Improvement Grant Program	93.301		741,358	27,220	768,578
Mobilization For Health: National Prevention Partnership Awards	93.311		69,545	156,485	226,030
Outreach Programs to Reduce the Prevalence of Obesity in High Risk Rural Areas	93.319			555,670	555,670
State Health Insurance Assistance Program	93.324		2,228,164	151,901	2,380,065
National Implementation and Dissemination for Chronic Disease Prevention <i>Pass-Through from American Heart Association</i>	93.328	FX-Anchor-TAMU-01		71,964	71,964
Behavioral Risk Factor Surveillance System	93.336			46,501	46,501
National Center for Advancing Translational Sciences	93.350			528,459	528,459
Research Infrastructure Programs <i>Pass-Through from Baylor College of Medicine</i>	93.351	101989827/R25OD011 13		95,957	95,957
Advanced Education Nursing Traineeships	93.358			1,024,260	1,024,260
Nurse Education, Practice Quality and Retention Grants	93.359			1,122,094	1,122,094

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U.S. Department of Health and Human Services (continued)					
Biomedical Advanced Research and Development Authority (BARDA), Biodefense Medical Countermeasure Development	93.360			476,935	476,935
Nursing Research	93.361			36,107	36,107
ACL Independent Living State Grants	93.369		90,112	146,479	236,591
National Center for Research Resources	93.389			139,340	139,340
Cancer Cause and Prevention Research	93.393			209,955	209,955
Cancer Treatment Research	93.395			17,773	17,773
<i>Pass-Through from Cornerstone Systems Northwest, Inc.</i>		5 U24 CA 055727-19		1	1
<i>Pass-Through from Gynecologic Oncology Group</i>		5 U10 CA027469 33		7	7
Total - CFDA 93.395			0	17,781	17,781
Cancer Biology Research	93.396			402,529	402,529
Cancer Research Manpower	93.398		60,479	2,413,779	2,474,258
<i>Pass-Through from Oregon Health Sciences University</i>		1002074/R25CA15857 1		93,195	93,195
Total - CFDA 93.398			60,479	2,506,974	2,567,453
ARRA Grants for Training in Primary Care Medicine and Dentistry Training and Enhancement	93.403			1,044,289	1,044,289
ARRA - Nurse Faculty Loan Program	93.408			40,421	40,421
Food Safety and Security Monitoring Project	93.448			203,712	203,712
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505		8,110,003	5,639,514	13,749,517
PPHF National Public Health Improvement Initiative	93.507			270,238	270,238
Affordable Care Act (ACA) Primary Care Residency Expansion Program	93.510		37,259	1,077,151	1,114,410
Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review	93.511			1,565,833	1,565,833
Affordable Care Act (ACA) Advanced Nursing Education Expansion Initiative	93.513			366,950	366,950
Affordable Care Act (ACA) Expansion of Physician Assistant Training Program	93.514			377,638	377,638
Affordable Care Act (ACA) Nurse-Managed Health Clinics	93.515			5,963	5,963
Affordable Care Act (ACA) Public Health Training Centers Program	93.516			98,080	98,080
The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF	93.521			716,030	716,030
The Affordable Care Act: Human Immunodeficiency Virus (HIV) Prevention and Public Health Fund Activities	93.523		45,259	34,857	80,116
Affordable Care Act (ACA) Grants for Capital Development in Health Centers	93.526			838,672	838,672

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U.S. Department of Health and Human Services (continued)					
PPHF - Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - financed solely by Prevention and Public Health	93.531		814,269	1,015,317	1,829,586
Affordable Care Act (ACA) Childhood Obesity Research Demonstration	93.535		13,943	9,472	23,415
The Affordable Care Act Medicaid Incentives for Prevention of Chronic Disease Demonstration Project	93.536			1,467,066	1,467,066
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539			23,216	23,216
The Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) authorizes Coordinated Chronic Disease Prevention and Health Promotion Program	93.544			49,108	49,108
Abandoned Infants	93.551				
<i>Pass-Through from New York Council on Adoptable Children</i>		UTA14-000159		3,886	3,886
<i>Pass-Through from New York Council on Adoptable Children</i>		UTA14-000159 1		22,616	22,616
Total - CFDA 93.551			0	26,502	26,502
Promoting Safe and Stable Families	93.556		9,677,746	23,572,051	33,249,797
Child Support Enforcement	93.563			178,073,288	178,073,288
Child Support Enforcement Research	93.564			285,695	285,695
Refugee and Entrant Assistance State Administered Programs	93.566		43,923,926	13,035,397	56,959,323
Low-Income Home Energy Assistance	93.568		124,338,397	1,372,054	125,710,451
Community Services Block Grant	93.569		28,958,878	1,213,334	30,172,212
Refugee and Entrant Assistance Discretionary Grants	93.576		2,099,782	5,559	2,105,341
Refugee and Entrant Assistance Targeted Assistance Grants	93.584		3,582,817		3,582,817
State Court Improvement Program	93.586			1,466,819	1,466,819
Community-Based Child Abuse Prevention Grants	93.590		1,436,100	1,008,213	2,444,313
Grants to States for Access and Visitation Programs	93.597		552,932	190,790	743,722
Chafee Education and Training Vouchers Program (ETV)	93.599			2,346,928	2,346,928
Head Start	93.600		79,477	1,183,278	1,262,755
Adoption and Legal Guardianship Incentive Payments	93.603			8,421,473	8,421,473
Health Care Innovation Awards (HCIA)	93.610			2,222,869	2,222,869
Strong Start for Mothers and Newborns	93.611			267,643	267,643
Voting Access for Individuals with Disabilities Grants to States	93.617		34,721	13,445	48,166
Developmental Disabilities Basic Support and Advocacy	93.630		2,826,884	2,043,828	4,870,712
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632			542,769	542,769
Children's Justice Grants to States	93.643			48,880	48,880
<i>Pass-Through from Texas Center for the Judiciary</i>		CJA-09-19		(9,507)	(9,507)
Total - CFDA 93.643			0	39,373	39,373

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U.S. Department of Health and Human Services (continued)					
Stephanie Tubbs Jones Child Welfare Services Program	93.645			39,703,522	39,703,522
Adoption Opportunities	93.652		258,201	(12,948)	245,253
<i>Pass-Through from Adoption Exchange Association</i>		UTA13-001163		4,291	4,291
<i>Pass-Through from Adoption Exchange Association</i>		UTA14-001314		46,797	46,797
<i>Pass-Through from Spaulding for Children</i>		UTA14-001192		141,023	141,023
Total - CFDA 93.652			258,201	179,163	437,364
Foster Care Title IV-E	93.658		4,811,325	199,122,424	203,933,749
Adoption Assistance	93.659			120,473,251	120,473,251
Social Services Block Grant	93.667		30,744,582	129,901,028	160,645,610
Child Abuse and Neglect State Grants	93.669			2,096,461	2,096,461
Child Abuse and Neglect Discretionary Activities	93.670				
<i>Pass-Through from Bcfs Health and Human Svc</i>		90CA1811-01-00		12,958	12,958
<i>Pass-Through from Bcfs Health and Human Svc</i>		90CA1811-02-00		84,919	84,919
Total - CFDA 93.670			0	97,877	97,877
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671		5,925,636		5,925,636
Chafee Foster Care Independence Program	93.674			9,432,078	9,432,078
Health Information Technology Regional Extension Centers Program	93.718			17,766	17,766
ARRA - Health Information Technology Regional Extension Centers Program			271,350	2,602,174	2,873,524
Total - CFDA 93.718			271,350	2,619,940	2,891,290
Advance Interoperable Health Information Technology Services to Support Health Information Exchange	93.719			(633)	(633)
Mental and Behavioral Health Education and Training Grants	93.732			203,151	203,151
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance 6 financed in part by the Prevention and Public Health Fund (PPHF)	93.733			72,771	72,771
State Public Health Approaches for Ensuring Quitline Capacity 6 Funded in part by Prevention and Public Health Funds (PPHF)	93.735			835,445	835,445
Prevention Public Health Fund: Viral Hepatitis Prevention	93.736			375	375
PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention and Health	93.738				
<i>Pass-Through from Hidalgo Medical Services</i>		04052013 (CDC-RSC PRIME# 1U58DP004710)		168	168
<i>Pass-Through from Hidalgo Medical Services</i>		U58DP004710		777	777
Total - CFDA 93.738			0	945	945
Elder Abuse Prevention Interventions Program	93.747			290,981	290,981
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds	93.752		3,742,196	1,865,060	5,607,256

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U.S. Department of Health and Human Services (continued)					
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757			1,105,485	1,105,485
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758		2,198,021	377,029	2,575,050
Children's Health Insurance Program	93.767			914,222,237	914,222,237
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779			(1,378,546)	(1,378,546)
<i>Pass-Through from Memorial Hermann Hospital</i>		CMSPVAM15		601,137	601,137
Total - CFDA 93.779			0	(777,409)	(777,409)
Money Follows the Person Rebalancing Demonstration	93.791		804,078	40,333,094	41,137,172
<i>Pass-Through from Center for Health Care Services</i>		MAPLES - CHCS		32,658	32,658
Total - CFDA 93.791			804,078	40,365,752	41,169,830
State Survey Certification of Health Care Providers and Suppliers (Title XIX) Medicaid	93.796			28,317,907	28,317,907
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817		73,934		73,934
Health Careers Opportunity Program	93.822			841,999	841,999
Cardiovascular Diseases Research	93.837		43,844	528,595	572,439
Arthritis, Musculoskeletal and Skin Diseases Research	93.846			219,271	219,271
Diabetes, Digestive, and Kidney Diseases Extramural	93.847			207,517	207,517
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853			221,085	221,085
Allergy and Infectious Diseases Research	93.855		22,555	515,755	538,310
Microbiology and Infectious Diseases Research	93.856			(6,525)	(6,525)
Biomedical Research and Research Training	93.859		88,076	1,757,115	1,845,191
<i>Pass-Through from Baylor College of Medicine</i>		1SC3GM111188-01		52,920	52,920
<i>Pass-Through from Baylor College of Medicine</i>		2T32GM008280-26		57,086	57,086
<i>Pass-Through from Baylor College of Medicine</i>		5T32GM00828025		2,631	2,631
<i>Pass-Through from Michigan State University</i>		61-0822UT		75	75
Total - CFDA 93.859			88,076	1,869,827	1,957,903
Child Health and Human Development Extramural Research	93.865		861,355	762,356	1,623,711
<i>Pass-Through from Emory University</i>		T073484 HD078077 NCE	507		507
<i>Pass-Through from George Washington University</i>		5U01HD068541-04		92,991	92,991
Total - CFDA 93.865			861,862	855,347	1,717,209
Aging Research	93.866		40,000	1,143,983	1,183,983
Vision Research	93.867			233,347	233,347
Medical Library Assistance	93.879			39,917	39,917
<i>Pass-Through from Rice University</i>		5T15LM007093-22		10,261	10,261
<i>Pass-Through from Rice University</i>		5T15LM007093-23		71,853	71,853
Total - CFDA 93.879			0	122,031	122,031

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U.S. Department of Health and Human Services (continued)					
Grants for Primary Care Training and Enhancement	93.884		15,977	1,761,007	1,776,984
Health Care and Other Facilities	93.887			97,539	97,539
<i>Pass-Through from Piney Woods Regional Advisory Council</i>		752603041		735	735
Total - CFDA 93.887			0	98,274	98,274
National Bioterrorism Hospital Preparedness Program	93.889		12,845,610	3,490,807	16,336,417
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912				
<i>Pass-Through from Ahec of the Plains</i>		R01RH26267		52,226	52,226
<i>Pass-Through from Madison County</i>		1200603		30,831	30,831
Total - CFDA 93.912			0	83,057	83,057
Grants to States for Operation of Offices of Rural Health	93.913			290,168	290,168
HIV Emergency Relief Project Grants	93.914			10,948	10,948
<i>Pass-Through from Harris County Public Health and Envir Svc</i>		14GEN0092		98,013	98,013
<i>Pass-Through from Harris County Public Health and Envir Svc</i>		15GEN0079		55,876	55,876
<i>Pass-Through from Harris Health System</i>		6H12HA000390-17 GA-06062		410,568	410,568
<i>Pass-Through from University Health System</i>		140134-LS PART A		76,623	76,623
<i>Pass-Through from University Health System</i>		140135		10,741	10,741
<i>Pass-Through from University Health System</i>		140349 (FFACTS)		48,129	48,129
<i>Pass-Through from University Health System</i>		R WHITE PART A- SUPP		9,904	9,904
<i>Pass-Through from University Health System</i>		RYAN WHITE PART A		14,017	14,017
Total - CFDA 93.914			0	734,819	734,819
HIV Care Formula Grants	93.917		21,873,015	67,420,315	89,293,330
<i>Pass-Through from Resource Group</i>		14aUTV00PTB		(19)	(19)
<i>Pass-Through from Resource Group</i>		14UTV00PTBSUPP		555	555
<i>Pass-Through from Resource Group</i>		15AUTV00PTB		429,551	429,551
<i>Pass-Through from Resource Group</i>		15UTV00PTB		75,868	75,868
<i>Pass-Through from Resource Group</i>		15UTV00SS		118,839	118,839
<i>Pass-Through from Starcare Specialty Health System</i>		2014-001462		44,878	44,878
<i>Pass-Through from Starcare Specialty Health System</i>		2015-001462		113,775	113,775
<i>Pass-Through from University Health System</i>		BULLOCK/UHS/RYA NWHIT		(30,554)	(30,554)
Total - CFDA 93.917			21,873,015	68,173,208	90,046,223
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918				
<i>Pass-Through from Resource Group</i>		13UTV00RWC		(846)	(846)
<i>Pass-Through from Resource Group</i>		15UTV00RWC		66,655	66,655
Total - CFDA 93.918			0	65,809	65,809
Ryan White HIV/AIDS Dental Reimbursement and Community Based Dental Partnership Grants	93.924			166,253	166,253
Special Projects of National Significance	93.928		43,924	5,045	48,969
HIV Prevention Activities Non-Governmental Organization Based	93.939			1,702	1,702
HIV Prevention Activities Health Department Based	93.940		10,632,311	5,229,328	15,861,639

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U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Harris County Hospital District</i>		03-HSP-0334		2	2
<i>Pass-Through from St. Hope Foundation</i>		03GEN0214		(9,907)	(9,907)
Total - CFDA 93.940			10,632,311	5,219,423	15,851,734
HIV Demonstration, Research, Public and Professional Education Projects	93.941		39,960	54,447	94,407
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups	93.943				
<i>Pass-Through from City of Houston Health and Human Services</i>		C15-001-3		33,415	33,415
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944		414,869	2,625,369	3,040,238
Assistance Programs for Chronic Disease Prevention and Control	93.945			1,982	1,982
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946			127,309	127,309
Tuberculosis Demonstration, Research, Public and Professional Education	93.947			1,120,870	1,120,870
Block Grants for Community Mental Health Services	93.958		23,981,009	10,787,348	34,768,357
Block Grants for Prevention and Treatment of Substance Abuse	93.959		104,345,298	23,497,735	127,843,033
PPHF Geriatric Education Centers	93.969		136,078	1,113,635	1,249,713
<i>Pass-Through from Baylor College of Medicine</i>		1UB4HP19052-01		10,163	10,163
<i>Pass-Through from Baylor College of Medicine</i>		5UB4HP19052-05-00		26,828	26,828
<i>Pass-Through from Baylor College of Medicine</i>		741613878		14,343	14,343
<i>Pass-Through from Baylor College of Medicine</i>		PO 5600688478		21,575	21,575
<i>Pass-Through from Health Resources and Services Agency</i>		5600688746		18,541	18,541
Total - CFDA 93.969			136,078	1,205,085	1,341,163
Preventive Health Services Sexually Transmitted Diseases Control Grants	93.977		4,612,531	1,422,810	6,035,341
International Research and Research Training	93.989			8,664	8,664
Preventive Health and Health Services Block Grant	93.991		791,252	874,847	1,666,099
Maternal and Child Health Services Block Grant to the States	93.994		9,982,437	24,494,369	34,476,806
Total - U.S. Department of Health and Human Services			523,238,291	2,382,982,203	2,906,220,494
Corporation for National and Community Service					
Corporation for National and Community Service	94.XXX				
<i>Pass-Through from Milk Day of Service</i>		CCF2012-2013		498	498
Retired and Senior Volunteer Program	94.002			121,325	121,325
AmeriCorps	94.006		69,406	364,352	433,758
<i>Pass-Through from Americorp 2009 Grant</i>		06AFHTX0010058		257,179	257,179
<i>Pass-Through from One Star Foundation</i>		13AC150974 /		(13,421)	(13,421)
<i>Pass-Through from One Star Foundation</i>		06AFHTX0010080			
<i>Pass-Through from One Star Foundation</i>		14AC160961		1,324,098	1,324,098

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Corporation for National and Community Service (continued)					
<i>Pass-Through from One Star Foundation</i>		14ESHTX0010002 PRE-AWARD AUTHORIZAT		6,345	6,345
Total - CFDA 94.006			69,406	1,938,553	2,007,959
Total - Corporation for National and Community Service			69,406	2,060,376	2,129,782
Executive Office of the President					
High Intensity Drug Trafficking Areas Program	95.001			472,924	472,924
Total - CFDA 95.001			0	472,924	472,924
Total - Executive Office of the President			0	472,924	472,924
Social Security Administration					
Social Security Research and Demonstration	96.007			5,294	5,294
Total - CFDA 96.007			0	5,294	5,294
Total - Social Security Administration			0	5,294	5,294
U.S. Department of Homeland Security					
U.S. Department of Homeland Security	97.XXX	HSBP1011P00943		5,060	5,060
State and Local Homeland Security National Training Program	97.005			20,118,335	20,118,335
Non-Profit Security Program	97.008		100,775	2	100,777
Boating Safety Financial Assistance	97.012			3,595,192	3,595,192
Community Assistance Program State Support Services Element (CAP-SSSE)	97.023			42,327	42,327
National Urban Search and Rescue (US&R) Response System	97.025			1,144,804	1,144,804
Flood Mitigation Assistance	97.029		4,832,603	700,769	5,533,372
Disaster Unemployment Assistance	97.034			12,763	12,763
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		16,272,340	74,438,239	90,710,579
Hazard Mitigation Grant	97.039		31,802,632	9,639,292	41,441,924
National Dam Safety Program	97.041			787,461	787,461
Emergency Management Performance Grants	97.042		7,574,126	20,665,186	28,239,312
State Fire Training Systems Grants	97.043			20,000	20,000
Cooperating Technical Partners	97.045			63,245	63,245
Fire Management Assistance Grant	97.046		151,551	3,204,153	3,355,704
Pre-Disaster Mitigation	97.047		1,525,793	42,444	1,568,237
Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	97.050			6,274,125	6,274,125
Port Security Grant Program	97.056			934,676	934,676
<i>Pass-Through from South Texas Area Maritime Security Committee</i>		EMW-2011-PU- K00178-04		3,053	3,053

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U.S. Department of Homeland Security (continued)					
Total - CFDA 97.056			0	937,729	937,729
Centers for Homeland Security <i>Pass-Through from Jackson State University</i>	97.061	634822		162,802	162,802
Scientific Leadership Awards	97.062			97,961	97,961
Homeland Security Grant Program	97.067		103,670,424	7,551,530	111,221,954
Driver's License Security Grant Program <i>Pass-Through from Systems Research and App Corp</i>	97.089	240050		150,590 1,493	150,590 1,493
Total - CFDA 97.089			0	152,083	152,083
Homeland Security Biowatch Program	97.091			2,986,333	2,986,333
Repetitive Flood Claims	97.092		308,647	13,504	322,151
Severe Repetitive Loss Program	97.110		7,591,438	99,559	7,690,997
Regional Catastrophic Preparedness Grant Program (RCPGP)	97.111		2,071,462	71,000	2,142,462
Border Interoperability Demonstration Project	97.120		223,064	8,657	231,721
National Nuclear Forensics Expertise Development Program <i>Pass-Through from University of South Carolina</i>	97.130	15-2716		41,524	41,524
Total - U.S. Department of Homeland Security			176,124,855	152,876,079	329,000,934
U. S. Agency for International Development					
USAID Foreign Assistance for Programs Overseas <i>Pass-Through from Engility Corp.</i>	98.001	101038.5010.001.004- UTA-002		48,789	48,789
<i>Pass-Through from International Executive Svc Corps</i>		11287		2,512	2,512
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		2014-00575-01		453,370	453,370
Total - CFDA 98.001			0	504,671	504,671
USAID Development Partnerships for University Cooperation and Development <i>Pass-Through from American Council on Educ</i>	98.012	HED0659722CAR13-02	85,836	401,983	487,819
Total - U. S. Agency for International Development			85,836	906,654	992,490
Total Non-Clustered Programs			3,898,269,414	6,688,151,523	10,586,420,937

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RESEARCH AND DEVELOPMENT CLUSTER					
U.S. Department of Agriculture					
U.S. Department of Agriculture	10.XXX	11 CR 11221632 005		11,876	11,876
		434850		79,098	79,098
		435190		110,000	110,000
<i>Pass-Through from Dairy Management, Inc.</i>		UTA15-000186		6,025	6,025
Total - CFDA 10.XXX			0	206,999	206,999
Agricultural Research Basic and Applied Research	10.001		63,245	3,755,910	3,819,155
<i>Pass-Through from North Carolina State University</i>		2010-0640-06		1,083	1,083
<i>Pass-Through from the National Mango Board</i>		4122010		1,140	1,140
<i>Pass-Through from University of California - Berkeley</i>		8265		378,720	378,720
<i>Pass-Through from Utah State University</i>		58-3148-2-033		72,345	72,345
Total - CFDA 10.001			63,245	4,209,198	4,272,443
Plant and Animal Disease, Pest Control, and Animal Care	10.025		12,499	1,915,012	1,927,511
<i>Pass-Through from Texas Citrus Mutual</i>		14-8448-1530		65,752	65,752
<i>Pass-Through from Texas Citrus Pest and Disease Management</i>		14-8130-0335A		20,000	20,000
<i>Pass-Through from Texas Citrus Pest and Disease Management</i>		15-8448-1794CA		13,312	13,312
Total - CFDA 10.025			12,499	2,014,076	2,026,575
Wildlife Services	10.028			129,148	129,148
Voluntary Public Access and Habitat Incentive Program	10.093			5,173	5,173
Federal-State Marketing Improvement Program	10.156			73,314	73,314
Transportation Services	10.167			31,936	31,936
Specialty Crop Block Grant Program - Farm Bill	10.170			(156)	(156)
<i>Pass-Through from J&d Produce</i>		M1401838		37,709	37,709
<i>Pass-Through from J&d Produce</i>		SC-1415-10		4,464	4,464
<i>Pass-Through from L&l Farms, LLC</i>		SRS #M1501727		12,766	12,766
<i>Pass-Through from National Center for Appropriate Technology</i>		SRS M#1400814		28,779	28,779
<i>Pass-Through from Texas Olive Oil Council</i>		TOOC-2015TAMUR		7,669	7,669
<i>Pass-Through from Uvalde County Underground Water Conservation</i>		SCFB-1314-26		53,144	53,144
Total - CFDA 10.170			0	144,375	144,375
Grants for Agricultural Research, Special Research Grants	10.200		78,443	245,900	324,343
<i>Pass-Through from Colorado State University</i>		G-21026-2		19,560	19,560
<i>Pass-Through from Mississippi State University</i>		SRS #M1400786		22,058	22,058
<i>Pass-Through from Oklahoma State University</i>		AB-5-68880.TAMU		19,289	19,289
<i>Pass-Through from University of Florida</i>		1400281311		22,421	22,421
<i>Pass-Through from University of Florida</i>		1400281312		(251)	(251)
<i>Pass-Through from University of Florida - Gainesville</i>		1500343416		4,136	4,136
<i>Pass-Through from University of Florida - Gainesville</i>		1500345497		9,990	9,990
<i>Pass-Through from University of Florida - Gainesville</i>		1500367055		6,326	6,326
<i>Pass-Through from University of Maine</i>		UMS984		23,040	23,040
Total - CFDA 10.200			78,443	372,469	450,912
Cooperative Forestry Research	10.202			841,396	841,396
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203			10,523,946	10,523,946
Payments to 1890 Land-Grant Colleges and Tuskegee University	10.205			5,083,376	5,083,376
Grants for Agricultural Research Competitive Research Grants	10.206			(95)	(95)

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Agriculture (continued)					
Animal Health and Disease Research	10.207			2,336	2,336
Higher Education 6 Graduate Fellowships Grant Program	10.210			7,500	7,500
Small Business Innovation Research	10.212			15,363	15,363
<i>Pass-Through from Lynntech, Inc.</i>		M1500477		24,889	24,889
Total - CFDA 10.212			0	40,252	40,252
Sustainable Agriculture Research and Education	10.215				
<i>Pass-Through from University of Georgia</i>		2012-38640-19520		3,192	3,192
<i>Pass-Through from University of Georgia</i>		435180		8,087	8,087
<i>Pass-Through from University of Georgia</i>		RD309-122/4940016	989	102,980	103,969
<i>Pass-Through from University of Georgia</i>		RD309-125/3502078		6,183	6,183
<i>Pass-Through from University of Georgia</i>		RD309-125/4944856		1,566	1,566
<i>Pass-Through from University of Georgia</i>		RD309-129/8644687		98,404	98,404
Total - CFDA 10.215			989	220,412	221,401
1890 Institution Capacity Building Grants	10.216		8,488	387,518	396,006
Higher Education - Institution Challenge Grants Program	10.217		15,089	97,369	112,458
<i>Pass-Through from Kansas State University</i>		8000001932		47,164	47,164
<i>Pass-Through from Kansas State University</i>		S13107		15,200	15,200
<i>Pass-Through from Oklahoma State University</i>		AA-5-46243-TTU		17,143	17,143
<i>Pass-Through from West Virginia University</i>		13-536-TAR		8,505	8,505
Total - CFDA 10.217			15,089	185,381	200,470
Hispanic Serving Institutions Education Grants	10.223		351,180	2,104,033	2,455,213
<i>Pass-Through from Houston Community College System</i>		2011-02409		4,845	4,845
<i>Pass-Through from St. Edward's University</i>		B-001 (2009-38422-19878)		7,645	7,645
Total - CFDA 10.223			351,180	2,116,523	2,467,703
Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations	10.250			64	64
Consumer Data and Nutrition Research	10.253		20,408	85,068	105,476
<i>Pass-Through from University of Baltimore</i>		USDA-TX UTA10-000551		29,619	29,619
<i>Pass-Through from University of Kentucky Research Foundation</i>		3048110944-14-164		12,764	12,764
Total - CFDA 10.253			20,408	127,451	147,859
Research Innovation and Development Grants in Economic (RIDGE)	10.255				
<i>Pass-Through from Purdue University</i>		8000056289		12,011	12,011
Agricultural Market and Economic Research	10.290			784,945	784,945
Integrated Programs	10.303		204,819	551,359	756,178
<i>Pass-Through from Arkansas State University</i>		14-686-15		80	80
<i>Pass-Through from Kansas State University</i>		2010-51110-21083		9,786	9,786
<i>Pass-Through from Kansas State University</i>		S11058		282,415	282,415
<i>Pass-Through from North Carolina State University</i>		2012-2604-07		(685)	(685)
<i>Pass-Through from North Carolina State University</i>		2012-2604-22		20,835	20,835
<i>Pass-Through from North Carolina State University</i>		2012-2604-23		17,192	17,192
<i>Pass-Through from University of Nebraska</i>		25-6331-0198-003		(20,504)	(20,504)
Total - CFDA 10.303			204,819	860,478	1,065,297

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Agriculture (continued)					
Homeland Security Agricultural	10.304			223,804	223,804
Specialty Crop Research Initiative	10.309		67,824	190,941	258,765
<i>Pass-Through from Brigham Young University</i>		12-0349 (PRIME: 2010-51181-20190)		53,093	53,093
<i>Pass-Through from Citrus Research and Development Foundation</i>		13-012NU-791		2,028	2,028
<i>Pass-Through from Clemson University</i>		1763-207-2020386		28,738	28,738
<i>Pass-Through from Michigan State University</i>		RC104285D		7,960	7,960
<i>Pass-Through from University of Georgia</i>		RC294-317/4893286		46,561	46,561
Total - CFDA 10.309			67,824	329,321	397,145
Agriculture and Food Research Initiative (AFRI)	10.310		429,806	3,264,497	3,694,303
<i>Pass-Through from Center for Research on the Changing Earth</i>		AGRILIFE-1215514		98,020	98,020
<i>Pass-Through from Cornell University</i>		62524-9804		8,574	8,574
<i>Pass-Through from Cornell University</i>		65850-10196		98,771	98,771
<i>Pass-Through from Iowa State University</i>		416-23-03A		37,634	37,634
<i>Pass-Through from Iowa State University</i>		416-40-16A		96,225	96,225
<i>Pass-Through from Iowa State University</i>		416-40-96E		37,166	37,166
<i>Pass-Through from Kansas State University</i>		490170		93,867	93,867
<i>Pass-Through from Louisiana State University</i>		2011-67009-30132/ YR.2-5		149,904	149,904
<i>Pass-Through from Louisiana State University</i>		82623		3,823	3,823
<i>Pass-Through from Michigan State University</i>		RC064853TTU		88,347	88,347
<i>Pass-Through from Montclair State University</i>		2012-67009-19742 TAR		22,655	22,655
<i>Pass-Through from Ohio State University</i>		60045862		12,808	12,808
<i>Pass-Through from Oklahoma State University</i>		434750		(1,018)	(1,018)
<i>Pass-Through from Purdue University</i>		8000053333-AG		224,211	224,211
<i>Pass-Through from Purdue University</i>		8000053334-AG		88,953	88,953
<i>Pass-Through from Rice University</i>		R18761		5,615	5,615
<i>Pass-Through from Curators of The University of Missouri</i>		C00037134-3		4,314	4,314
<i>Pass-Through from National Mango Board</i>		SRS #M1300397		99,009	99,009
<i>Pass-Through from National Mango Board</i>		SRS #M1300398		155	155
<i>Pass-Through from National Mango Board</i>		SRS REF#1402964		51,522	51,522
<i>Pass-Through from University of Tennessee</i>		8500046705		1,747	1,747
<i>Pass-Through from University of Arkansas</i>		UA AES 91118-01		31,512	31,512
<i>Pass-Through from University of California - Davis</i>		201300264-01		250,661	250,661
<i>Pass-Through from University of Florida</i>		UF 11089		2,547	2,547
<i>Pass-Through from University of Missouri</i>		C00031587-9		26,123	26,123
<i>Pass-Through from University of Nebraska</i>		25-6239-0235-304 PRIME:2012-68003- 30155		144,760	144,760
<i>Pass-Through from University of Nebraska - Lincoln</i>		25-6268-0005-003 2013-68004-20358		140,457	140,457
<i>Pass-Through from University of Nebraska - Lincoln</i>		25-6321-0212-103		106,840	106,840
<i>Pass-Through from University of North Carolina Asheville</i>		14-SA-01		40,613	40,613
<i>Pass-Through from University of Wisconsin</i>		493K872		30,986	30,986
<i>Pass-Through from University of South Florida</i>		UFDSPP00010022		22,710	22,710
Total - CFDA 10.310			429,806	5,284,008	5,713,814
Beginning Farmer and Rancher Development Program	10.311		7,874	13,152	21,026
Biomass Research and Development Initiative Competitive Grants Program (BRDI)	10.312				
<i>Pass-Through from Ceramatec, Inc.</i>		2212013		285,607	285,607
Women and Minorities in Science, Technology, Engineering, and Mathematics Fields	10.318			128,956	128,956

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Agriculture (continued)					
Sun Grant Program	10.320				
<i>Pass-Through from Arkansas State University</i>		2011-51102-31125		84,997	84,997
<i>Pass-Through from Oklahoma State University</i>		AB-5-67630.TAES8		91	91
<i>Pass-Through from Oklahoma State University</i>		AB-5-68020.TAES10 MUNSTER		56,077	56,077
<i>Pass-Through from Oklahoma State University</i>		AB-5-68020.TAES11	21,826	12,213	34,039
<i>Pass-Through from South Dakota State University</i>		3TT114		910	910
<i>Pass-Through from University of Tennessee</i>		8500033504		5,776	5,776
<i>Pass-Through from University of Oklahoma</i>		2013-34 (AB-5- 68110.OU1		(2,023)	(2,023)
Total - CFDA 10.320			21,826	158,041	179,867
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	10.326		41,095	640,517	681,612
Crop Protection and Pest Management Competitive Grants Program	10.329		45,860	43,527	89,387
<i>Pass-Through from Kansas State University</i>		S15119		2,226	2,226
<i>Pass-Through from Louisiana State University</i>		PO 94653		20,940	20,940
Total - CFDA 10.329			45,860	66,693	112,553
Value-Added Producer Grants	10.352				
<i>Pass-Through from Panhandle Agricultural Producers, LLC</i>		TTU2012-01		(11,048)	(11,048)
Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers	10.443			23,382	23,382
Crop Insurance	10.450			5,663,336	5,663,336
Partnership Agreements to Develop Non-Insurance Risk Management Tools for Producers (Farmers)	10.456				
<i>Pass-Through from National Crop Insurance Services</i>		NO.D11PC18805/RDE R D12PD00379		13,492	13,492
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475			282,265	282,265
Food Safety Cooperative Agreements	10.479			134,291	134,291
Cooperative Extension Service	10.500		5,000	8,253	13,253
School Breakfast Program	10.553			7,195	7,195
National School Lunch Program	10.555			27,122	27,122
Scientific Cooperation Exchange Program with China	10.614			4,880	4,880
Forestry Research	10.652			1,249,164	1,249,164
Forest Stewardship Program	10.678			1,076	1,076
Forest Health Protection	10.680			15,627	15,627
Rural Cooperative Development Grants	10.771				
<i>Pass-Through from National Sheep Industry Improvement</i>		SRS #M1300536		14,781	14,781
National Sheep Industry Improvement Center	10.774				
<i>Pass-Through from Montana State University</i>		G158-14-W4821		13,677	13,677
<i>Pass-Through from National Sheep Industry Improvement</i>		2192014		20,167	20,167
Total - CFDA 10.774			0	33,844	33,844

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Commerce (continued)					
<i>Pass-Through from University of California - Santa Cruz</i>		S0184263		21,035	21,035
Total - CFDA 11.012			0	43,965	43,965
Foreign-Trade Zones in the United States	11.111				
<i>Pass-Through from Worleyparsons Group, Inc.</i>		GH201451205	11,900	14,535	26,435
Economic Development Support for Planning Organizations	11.302				
<i>Pass-Through from Sfwq Corporation</i>		08-69-03989		18,806	18,806
Economic Development Technical Assistance	11.303			106,694	106,694
Geodetic Surveys and Services (Geodesy and Applications of the National Geodetic Reference System)	11.400				
<i>Pass-Through from University of Southern Mississippi</i>		UMS-GR04905-02		619,714	619,714
Sea Grant Support	11.417		21,238	2,121,383	2,142,621
<i>Pass-Through from Mississippi - Alabama Sea Grant Consortium</i>		USM-GR04114- R/MG/CSP-24 (NA10OAR4170078)		(78)	(78)
<i>Pass-Through from University of Florida</i>		UFDSP00010455		13,755	13,755
<i>Pass-Through from University of Southern Mississippi</i>		USM-GR04114- R/ESV-02	230,819	75,757	306,576
Total - CFDA 11.417			252,057	2,210,817	2,462,874
Coastal Zone Management Administration Awards	11.419		10,000	752,733	762,733
<i>Pass-Through from University of New Hampshire</i>		12-040		208,036	208,036
<i>Pass-Through from University of South Carolina</i>		14-2533 PO 81709		3,118	3,118
Total - CFDA 11.419			10,000	963,887	973,887
Coastal Zone Management Estuarine Research Reserves	11.420			437,326	437,326
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	11.427			17,578	17,578
Climate and Atmospheric Research	11.431		4,534	356,628	361,162
<i>Pass-Through from Ucar</i>		Z14-15083		30,012	30,012
<i>Pass-Through from University Corporation for Atmospheric Research</i>		Z15-17961		48,711	48,711
Total - CFDA 11.431			4,534	435,351	439,885
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432			91,231	91,231
<i>Pass-Through from Industrial Economics, Inc.</i>		AB133C 11 CQ 0050 5700		712,354	712,354
<i>Pass-Through from Mississippi State University</i>		191001.363411.05		29,406	29,406
<i>Pass-Through from University of Miami</i>		S140004, NOAA- NA10OAR4320143		28,405	28,405
<i>Pass-Through from University of Oklahoma</i>		2015-08		24,149	24,149
Total - CFDA 11.432			0	885,545	885,545
Marine Fisheries Initiative	11.433		64,988	314,213	379,201
Environmental Sciences, Applications, Data, and Education	11.440			91,904	91,904
Unallied Industry Projects	11.452		388	51,407	51,795
Unallied Management Projects	11.454		5,163	126,270	131,433

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Commerce (continued)					
<i>Pass-Through from Gulf of Mexico Alliance</i>		GOMA 121125-00		34,786	34,786
Total - CFDA 11.454			5,163	161,056	166,219
Habitat Conservation	11.463			114,149	114,149
<i>Pass-Through from Fish America Foundation</i>		FAF - 11030		53	53
<i>Pass-Through from University of Southern Mississippi</i>		USM-GR04125- R/HRC-04		137,793	137,793
Total - CFDA 11.463			0	251,995	251,995
Meteorologic and Hydrologic Modernization Development	11.467			174,745	174,745
Applied Meteorological Research	11.468			123,976	123,976
Unallied Science Program	11.472			139,350	139,350
Office for Coastal Management	11.473				
<i>Pass-Through from Gulf of Mexico Alliance</i>		NA13N0S54730105/12 1133-00		1,798	1,798
Center for Sponsored Coastal Ocean Research Coastal Ocean Program	11.478		202,580	481,642	684,222
Educational Partnership Program	11.481				
<i>Pass-Through from Environmental Cooper Science Center</i>		Sub C-3273		190,844	190,844
<i>Pass-Through from Florida Agriculture and Mechanical University</i>		C3953		445,635	445,635
<i>Pass-Through from Howard University</i>		NA11SEC4810001 0007342-10000046407		196,238	196,238
Total - CFDA 11.481			0	832,717	832,717
Measurement and Engineering Research and Standards	11.609		36,067	608,796	644,863
<i>Pass-Through from Missouri University of Sci and Tech</i>		00031030-01		(587)	(587)
<i>Pass-Through from University of Louisville Research Fdn, Inc.</i>		ULRF13-1307-01		115,841	115,841
Total - CFDA 11.609			36,067	724,050	760,117
Manufacturing Extension Partnership	11.611		1,014,856	3,920,811	4,935,667
<i>Pass-Through from Illinois Manufacturing Excellence Center</i>		SPN00351		26,467	26,467
Total - CFDA 11.611			1,014,856	3,947,278	4,962,134
National Institute of Standards and Technology Construction Grant Program	11.618			18,037	18,037
Arrangements for Interdisciplinary Research Infrastructure	11.619			79,980	79,980
<i>Pass-Through from Colorado State University</i>		G00745-5		6,800	6,800
<i>Pass-Through from Colorado State University</i>		G-00745-6		79,142	79,142
Total - CFDA 11.619			0	165,922	165,922
Science, Technology, Business and/or Education Outreach	11.620			8,265	8,265
Total - U.S. Department of Commerce			1,908,533	15,178,532	17,087,065
U.S. Department of Defense					
U.S. Department of Defense	12.XXX	14-C-0075 CLIN 0001 ACRN AA 2009*0656812*000		288,936	288,936
				28	28

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
		CLIN 600 OPT 3-3.14			
		2009*0656812*000		14	14
		CLIN 601 OPT 4-3.15			
		2009*0656812*000		493	493
		CLIN 602 OPT 5-3.16			
		2009*0656812*000		4	4
		CLIN 603 OPT 6-3.17			
		2010-1061915-000		705	705
		CLIN 504 OTC-5000-3			
		2010-1061915-000		46	46
		CLIN 505 OTC-5000-4			
		2012-12082100001		137,914	137,914
		CLIN 0106			
		2012-12082100001		160,565	160,565
		CLIN 0107			
		2012-12082100001		270,011	270,011
		CLIN 9001			
		2012-12082100001		194,193	194,193
		CLIN 9002			
		2012-12082100001		449,088	449,088
		CLIN 9003			
		2014-14072500009 TO 0001		145,116	145,116
		2014-14072500009 TO 0002		468,679	468,679
		2014-14072500009 TO 003		326,612	326,612
		2014-14072500009 TO 004		198,092	198,092
		2014-14072500009 TO 005		36,319	36,319
		8000002154		10,142	10,142
		BAMC IPAA		(4,771)	(4,771)
		D13PC00202		3	3
		FA8650-15-C-6588		186,725	186,725
		FA8650-15-C-6589		143,933	143,933
		FA8651-13-C-0258		14,771	14,771
		FA8903-12-C-0008	5,554	32,197	37,751
		H92236-10-P-3134		794	794
		H98230-12-C- 0336/CLN 0004 ACN AD		224,771	224,771
		HDTRA1-12-C-0007 P00005	214,838	294,965	509,803
		HDTRA1-12-C- 0105UTA13-000129 ELLINGTON		148,843	148,843
		HDTRA1-14-C-0113	349,676	324,500	674,176
		HQ0034-12-P-0148		30,098	30,098
		HQ0034-15-P-0111		1,957	1,957
		HQ0147-13-C-6026	115,705	152,904	268,609
		HQ0147-14-C-6003		166,291	166,291
		HQ0147-15-C-6001		54,450	54,450
		HR0011-07-C-0027		(3,462)	(3,462)
		HR0011-12-C-0066	282,500	164,759	447,259
		HR0011-15-C-0031		333,350	333,350
		HR0011-15-C-0095		63,062	63,062

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
		HU0001091TS15		232,193	232,193
		IPA2015Chotiros		69,031	69,031
		IPAA FOR DR		32,974	32,974
		SCHWACHA			
		IPAA FOR DR.		10,575	10,575
		SCHWACH			
		M1400370-469031		39,931	39,931
		N00014-06-G-0218		471,545	471,545
		0042			
		N00014-06-G-		131,545	131,545
		0218/0043			
		N00014-11-G0041		131,012	131,012
		0008			
		N00014-11-G-0041		187,134	187,134
		0018			
		N00014-11-G-0041		185,981	185,981
		0019			
		N00014-11-G-0041		631,069	631,069
		0021 CLN 0001 ACN			
		AA			
		N0001411G0041 0023		23,828	23,828
		N00014-11-G-0041		38,703	38,703
		DO#0020			
		N00014-11-G-0041		101,718	101,718
		DO-0014 CLN 0001			
		ACN AA			
		N00014-11-G-0041-		46,189	46,189
		0003			
		N00014-11-G-0041-		396,815	396,815
		0006 CLN 0001 ACN			
		AA AB			
		N00014-11-G-0041-		125,216	125,216
		0012			
		N00014-11-G-0041-		215,339	215,339
		0013 CLN 0001 ACN			
		AA AB			
		N00014-11-G-0041-		149,533	149,533
		0015			
		N00024-07-D-6200		58,729	58,729
		0570 CLN 0003 ACN			
		AA			
		N00024-07-D-6200		4,603,424	4,603,424
		DO# 0612 CLN 0003			
		N00024-07-D-6200		96,824	96,824
		IRA UTA13-000171			
		N00024-07-D-		29,593	29,593
		6200/0383 CLN 0001			
		ACN AA			
		N00024-07-D-		337	337
		6200/0387 CLN 0001			
		ACN AA AB			
		N00024-07-D-		255,830	255,830
		6200/0389 CLN 0001			
		ACN AA			
		N00024-07-D-		344,271	344,271
		6200/0395 CLN 0001			
		ACN AA			

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
		N00024-07-D- 6200/0399 CLN 0001 ACN AA		1	1
		N00024-07-D- 6200/0409 CLN 0001 ACN AA AB		465,082	465,082
		N00024-07-D- 6200/0414 CLN 0001 ACN AA AB		7	7
		N00024-07-D- 6200/0420 CLN 0001 ACN AA		89	89
		N00024-07-D- 6200/0424 CLN 0001 ACN AA		130,417	130,417
		N00024-07-D- 6200/0433 CLN 0001 ACN AA		6	6
		N00024-07-D- 6200/0434 CLN 0001 ACN AA AB		23,435	23,435
		N00024-07-D-6200- 0402 CLN 0001 ACN AA		261,690	261,690
		N00024-07-D-6200- 0429 CLN 0001 ACN AA AB		7,258	7,258
		N00024-07-D-6200- 0430 CLN 0001 ACN AA		3	3
		N00024-07-D-6200- 0438 CLN 0001 ACN AA		83	83
		N00024-07-D-6200- 0441 CLN 0001 ACN AA		31,050	31,050
		N00024-07-D-6200- 0442 CLN 0001 ACN AA		7,536	7,536
		N00024-07-D-6200- 0446 CLN 0001 ACN AA AB		272	272
		N00024-07-D-6200- 0454 CLIN 0001 ACN AA		3	3
		N00024-07-D-6200- 0455 CLN 0001 ACN AA		37	37
		N00024-07-D-6200- 0457 CLN 0001 ACN AA AB)		(45)	(45)
		N00024-07-D-6200- 0458 CLN 0001 ACN AA		935	935
		N00024-07-D-6200- 0461 CLN 0001 ACN AA AB		15	15

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
		N00024-07-D-6200-0462 CLN 0001 ACN AA		11,045	11,045
		N00024-07-D-6200-0463 CLN 0001 ACN AA		51	51
		N00024-07-D-6200-0466 CLN 0001 ACN AA AB		48,611	48,611
		N00024-07-D-6200-0468 CLN 0001 ACN AA AB		169,455	169,455
		N00024-07-D-6200-0470 CLN 0001 ACN AA AB		(40)	(40)
		N00024-07-D-6200-0472 CLN 0001 ACN AA		23	23
		N00024-07-D-6200-0474 CLN 0001 ACN AA		148	148
		N00024-07-D-6200-0475 CLN 0001 ACN AA		85	85
		N00024-07-D-6200-0479 P-4279 CLN 0001		119,554	119,554
		N00024-07-D-6200-0485 P-4266 CLN 0001		447,345	447,345
		N00024-07-D-6200-0488 P-4276 CLN 0001		46,210	46,210
		N00024-07-D-6200-0492 CLN 0001 ACN AA		39,745	39,745
		N00024-07-D-6200-0494 CLN 0001 ACN AA AB		42,270	42,270
		N00024-07-D-6200-0495 CLN 0003 ACN AA		162	162
		N00024-07-D-6200-0498 CLN 0001 ACN AA AB		241,805	241,805
		N00024-07-D-6200-0501 CLN 0001 ACN AA		7	7
		N00024-07-D-6200-0504 CLN 0003 ACN AA		5	5
		N00024-07-D-6200-0505 CLN 0001 ACN AA		25	25
		N00024-07-D-6200-0506 CLN 0001 ACN AA		255,544	255,544

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
		N00024-07-D-6200-0508 CLN 0003 ACN AA AB		3,374	3,374
		N00024-07-D-6200-0509 CLN 0003 ACN AA AB		1,688,177	1,688,177
		N00024-07-D-6200-0510 CLN 0003 ACN AA		393,553	393,553
		N00024-07-D-6200-0511 CLN 0003 ACN AA		218,701	218,701
		N00024-07-D-6200-0513 CLN 0003 ACN AA AB		533,749	533,749
		N00024-07-D-6200-0514 CLN 0003 ACN AA AB		68,587	68,587
		N00024-07-D-6200-0522 CLN 0003 ACN AA		152,269	152,269
		N00024-07-D-6200-0530 CLN 0003 ACN AA		131,824	131,824
		N00024-07-D-6200-0531 CLN 0003 ACN AA AB		10,258	10,258
		N00024-07-D-6200-0532 CLN 0003 ACN AA AB		994,521	994,521
		N00024-07-D-6200-0533 CLN 0003 ACN AA		3	3
		N00024-07-D-6200-0534 CLN 0003 ACN AA		414,099	414,099
		N00024-07-D-6200-0535 CLN 0003 ACN AA		2	2
		N00024-07-D-6200-0536 CLN 0003 ACN AA		15,127	15,127
		N00024-07-D-6200-0537 CLN 0003 ACN AA AB		1,262,818	1,262,818
		N00024-07-D-6200-0538 CLN 0003 ACN AA AB		698,727	698,727
		N00024-07-D-6200-0539 CLN 0003 ACN AA AB		1,879,402	1,879,402
		N00024-07-D-6200-0540 CLN 0003 ACN AA		86,583	86,583
		N00024-07-D-6200-0541 CLN 0003 ACN AA		7	7

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
		N00024-07-D-6200-0542 CLN 0003 ACN AA		61,327	61,327
		N00024-07-D-6200-0545 CLN 0003 ACN AA AB		2,302,306	2,302,306
		N00024-07-D-6200-0546 CLN 0003 ACN AA		338,527	338,527
		N00024-07-D-6200-0547 CLN 0003 ACN AA		884,056	884,056
		N00024-07-D-6200-0548 CLN 0003 ACN AA		193,190	193,190
		N00024-07-D-6200-0550 CLN 0003 ACN AA		27,959	27,959
		N00024-07-D-6200-0551 CLN 0003 ACN AA		98,386	98,386
		N00024-07-D-6200-0552 CLN 0003 ACN AA		7	7
		N00024-07-D-6200-0553 CLN 0003 ACN AA		991	991
		N00024-07-D-6200-0556 CLN 0003 ACN AA		1	1
		N00024-07-D-6200-0558 CLN 0003 ACN AA AB		19,785	19,785
		N00024-07-D-6200-0560 CLN 0003 ACN AA		8	8
		N00024-07-D-6200-0561 CLN 0003 ACN AA		550	550
		N00024-07-D-6200-0562 CLN 0003 ACN AA		61,943	61,943
		N00024-07-D-6200-0563 CLN 0003 ACN AA AB		164,162	164,162
		N00024-07-D-6200-0565 CLN 0003 ACN AA		27,614	27,614
		N00024-07-D-6200-0566 CLN 0003 ACN AA		14,770	14,770
		N00024-07-D-6200-0569 CLN 0003 ACN AA		369,898	369,898
		N00024-07-D-6200-0571 CLN 0003 ACN AA AB		6,078,185	6,078,185

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
		N00024-07-D-6200-0574 CLN 0003 ACN AA AB		78,133	78,133
		N00024-07-D-6200-0575 CLN 0003 ACN AA		35,136	35,136
		N00024-07-D-6200-0576 CLN 0003 ACN AA		61,368	61,368
		N00024-07-D-6200-0577 CLN 0003 ACN AA		42,545	42,545
		N00024-07-D-6200-0579 CLN 0003 ACN AA AB		952,814	952,814
		N00024-07-D-6200-0580 CLN 0003 ACN AA		2	2
		N00024-07-D-6200-0581 CLN 0003 ACN AA AB		146,092	146,092
		N00024-07-D-6200-0582 CLN 0003 ACN AA		3,672	3,672
		N00024-07-D-6200-0583 CLN 0003 ACN AA		21,212	21,212
		N00024-07-D-6200-0584 CLN 0003 ACN AA AB		54,478	54,478
		N00024-07-D-6200-0585 CLN 0003 ACN AA AB		(5,689)	(5,689)
		N00024-07-D-6200-0586 CLN 0003 ACN AA		52,033	52,033
		N00024-07-D-6200-0587 CLN 0003 ACN AA		2	2
		N00024-07-D-6200-0588 CLN 0003 ACN AA		801,345	801,345
		N00024-07-D-6200-0589 CLN 0003 ACN AA		3,767	3,767
		N00024-07-D-6200-0591 CLN 0003 ACN AA		2,825	2,825
		N00024-07-D-6200-0592 CLN 0003 ACN AA		2	2
		N00024-07-D-6200-0593 CLN 0003 ACN AA		62,111	62,111
		N00024-07-D-6200-0594 CLN 0003 ACN AA AB		230,798	230,798

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
		N00024-07-D-6200-0595 CLN 0003 ACN AA AB		105,906	105,906
		N00024-07-D-6200-0596 CLN 0003 ACN AA AB	1		1
		N00024-07-D-6200-0597 CLN 0003 ACN AA AB		250,297	250,297
		N00024-07-D-6200-0598 CLN 0003 ACN AA		162,517	162,517
		N00024-07-D-6200-0600 CLN 0003 ACN AA	10		10
		N00024-07-D-6200-0601 CLN 0003 ACN AA AB		75,328	75,328
		N00024-07-D-6200-0602 CLN 0003 ACN AA AB		162,875	162,875
		N00024-07-D-6200-0603 CLN 0003 ACN AA		49,943	49,943
		N00024-07-D-6200-0604 CLN 0003 ACN AA		334,563	334,563
		N00024-07-D-6200-0605 CLN 0003 ACN AA		272,447	272,447
		N00024-07-D-6200-0606 CLN 0003 ACN AA		32,541	32,541
		N00024-07-D-6200-0609 CLN 0003 ACN AA		87,563	87,563
		N00024-07-D-6200-0610 CLN 0003 ACN AA		102,308	102,308
		N00024-07-D-6200-0611 CLN 0003 ACN AA		35,337	35,337
		N00024-07-D-6200-0613 CLN 0003 ACN AA		60,465	60,465
		N00024-07-D-6200-0614 CLN 0003 ACN AA		365,986	365,986
		N00024-07-D-6200-0615 CLN 0003 ACN AA AB		241,636	241,636
		N00024-07-D-6200-0616 CLN 0003 ACN AA		10,911	10,911
		N00024-07-D-6200-0617 CLN 0003 ACN AA AB		399,352	399,352

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Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
		N00024-07-D-6200-0618 CLN 0003 ACN AA		101,202	101,202
		N00024-07-D-6200-0619 CLN 0003 ACN AA AB		408,764	408,764
		N00024-07-D-6200-0622 CLN 0003 ACN AA AB		466,099	466,099
		N00024-07-D-6200-0623 CLN 0003 ACN AA		76,807	76,807
		N00024-07-D-6200-0624 CLN 0003 ACN AA AB		392,332	392,332
		N00024-07-D-6200-0625 CLN 0003 ACN AA		157,955	157,955
		N00024-07-D-6200-0626 CLN 0003 ACN AA AB		62,841	62,841
		N00024-07-D-6200-0627 CLN 0003 ACN AA		843,617	843,617
		N00024-07-D-6200-0628 CLN 0003 ACN AA		542,514	542,514
		N00024-07-D-6200-0629 CLN 0003 ACN AA		57,884	57,884
		N00024-07-D-6200-0630 CLN 0003 ACN AA AB		682,537	682,537
		N00024-07-D-6200-0631 CLN 0003 ACRN AA		265,933	265,933
		N00024-07-D-6200-0632 CLN 0003 ACN AA		51,846	51,846
		N00024-07-D-6200-0633 CLN 0003 ACN AA		95,589	95,589
		N00024-07-D-6200-0634 CLN 0003 ACN AA		357,199	357,199
		N00024-07-D-6200-0635 CLN 0003 ACN AA		174,058	174,058
		N00024-07-D-6200-0636 CLN 0003 ACN AA		13,204	13,204
		N00024-07-D-6200-0637 CLN 0003 ACN AA AB		90,441	90,441
		N00024-07-D-6200-0639 CLN 0003 ACN AA		153,440	153,440

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
		N00024-07-D-6200-0640 CLN 0003 ACN AA AB		963,660	963,660
		N00024-07-D-6200-0641 CLN 0003 ACN AA AB		920,263	920,263
		N00024-07-D-6200-0642 CLN 0003 ACN AA AB		1,902,129	1,902,129
		N00024-07-D-6200-0644 CLN 0003 ACN AA		361,825	361,825
		N00024-07-D-6200-0645 CLN 0003 ACN AA AB		432,006	432,006
		N00024-07-D-6200-0646 CLN 0003 ACN AA AB		195,384	195,384
		N00024-07-D-6200-0647 CLN 0003 ACN AA AB	111,780	100,243	212,023
		N00024-07-D-6200-0648 CLN 0003 ACN AA AB		138,762	138,762
		N00024-07-D-6200-0649 CLN 0003 ACN AA		56,522	56,522
		N00024-07-D-6200-0650 CLN 0003 ACN AA		40,125	40,125
		N00024-07-D-6200-0651 CLN 0003 ACN AA		452,701	452,701
		N00024-07-D-6200-0652 CLN 0003 ACN AA		105,379	105,379
		N00024-07-D-6200-0653 CLN 0003 ACN AA AB		25,700	25,700
		N00024-07-D-6200-0654 CLN 0003 ACN AA AB		4,062,734	4,062,734
		N00024-07-D-6200-0655 CLN 0003 ACN AA		65,861	65,861
		N00024-07-D-6200-0656 CLN 0003 ACN AA		184,946	184,946
		N00024-07-D-6200-0657 CLN 0003 ACN AA AB		357,323	357,323
		N00024-07-D-6200-0658 CLN 0003 ACN AA AB		429,848	429,848
		N00024-07-D-6200-0659 CLN 0003 ACN AA		85,951	85,951

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
		N00024-07-D-6200-0661 CLN 0003 ACN AA		430,817	430,817
		N00024-07-D-6200-0662 CLN 0003 ACN AA		60,526	60,526
		N00024-07-D-6200-0663 CLN 0003 ACN AA		176,251	176,251
		N00024-07-D-6200-0664 CLN 0003 ACN AA AB		216,724	216,724
		N00024-07-D-6200-0665 CLN 0003 ACN AA AB		371,046	371,046
		N00024-07-D-6200-0666 CLN 0003 ACN AA		455,960	455,960
		N00024-07-D-6200-0667 CLN 0003 ACN AA		60,346	60,346
		N00024-07-D-6200-0668 CLN 0003 ACN AA AB		223,609	223,609
		N00024-07-D-6200-0669 CLN 0003 ACN AA		421,741	421,741
		N00024-07-D-6200-0700 CLN 0003 ACN AA		199,431	199,431
		N00024-07-D-6200-0701 CLN 0003 ACN AA		18,248	18,248
		N00024-07-D-6200-0702 CLN 0003 ACN AA		1,156,070	1,156,070
		N00024-07-D-6200-0703 CLN 0003 ACN AA		68,548	68,548
		N00024-07-D-6200-0704 CLN 0003 ACN AA AB	130,263	746,154	876,417
		N00024-07-D-6200-0705 CLN 0003 ACN AA		215,213	215,213
		N00024-07-D-6200-0706 CLN 0003 ACN AA		823,696	823,696
		N00024-07-D-6200-0707 CLN 0003 ACN AA		139,857	139,857
		N00024-07-D-6200-0709 CLN 0003 ACN AA AB		738,178	738,178
		N00024-07-D-6200-0710 CLN 0003 ACN AA AB		282,906	282,906

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
		N00024-07-D-6200-0711 CLN 0003 ACN AA		128,831	128,831
		N00024-07-D-6200-0714 CLN 0003 ACN AA AB		245,271	245,271
		N00024-07-D-6200-0715 CLN 0003 ACN AA		42,050	42,050
		N00024-07-D-6200-0716 CLN 0003 ACN AA		135,104	135,104
		N00024-07-D-6200-0717 CLN 0003 ACN AA AB		1,339,406	1,339,406
		N00024-07-D-6200-0718 CLN 0003 ACN AA		44,631	44,631
		N00024-07-D-6200-0719 CLN 0003 ACN AA		489,280	489,280
		N00024-07-D-6200-0719-01 CLN 0003 ACN AB		130,030	130,030
		N00024-07-D-6200-0720 CLN 0003 ACN AA AB		1,358,149	1,358,149
		N00024-07-D-6200-0722 CLN 0003 ACN AA		126,313	126,313
		N00024-07-D-6200-0723 CLN 0003 ACN AA		93,459	93,459
		N00024-07-D-6200-0724 CLN 0003 ACN AA		16,869	16,869
		N00024-07-D-6200-0725 CLN 0003 ACN AA		981,923	981,923
		N00024-07-D-6200-0726 CLN 0003 ACN AA		20,037	20,037
		N00024-07-D-6200-0727 CLN 0003 ACN AA		209,045	209,045
		N00024-07-D-6200-0728 CLN 0003 ACN AA AB		214,905	214,905
		N00024-07-D-6200-0729 CLN 0003 ACN AA		221,885	221,885
		N00024-07-D-6200-0729-01 CLN 0003 ACN AB		206,874	206,874
		N00024-07-D-6200-0730 CLN 0003 ACN AA		1,339,016	1,339,016

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
		N00024-07-D-6200-0731 CLN 0003 ACN AA		171,202	171,202
		N00024-07-D-6200-0732 CLN 0003 ACN AA AB		216,053	216,053
		N00024-07-D-6200-0733 CLN 0003 ACN AA		54,346	54,346
		N00024-07-D-6200-0734 CLN 0003 ACN AA		99,904	99,904
		N00024-07-D-6200-0736 CLN 0003 ACN AA		966,925	966,925
		N00024-07-D-6200-0738 CLN 0003 ACN AA AB		127,037	127,037
		N00024-07-D-6200-0739 CLN 0003 ACN AA AB		264,099	264,099
		N00024-07-D-6200-0740 CLN 0003 ACN AA		32,061	32,061
		N00024-07-D-6200-0741 CLN 0003 ACN AA		902,974	902,974
		N00024-07-D-6200-0743 CLN 0003 ACN AA		200,538	200,538
		N00024-07-D-6200-0744 CLN 0003 ACN AA		182,400	182,400
		N00024-07-D-6200-0745 CLN 0003 ACN AA		316,615	316,615
		N00024-07-D-6200-0746 CLN 0003 ACN AA		147,324	147,324
		N00024-07-D-6200-0746-01 CLN 0003 ACN AA		3,505	3,505
		N00024-07-D-6200-0747 CLN 0003 ACN AA		199,098	199,098
		N00024-07-D-6200-0748 CLN 0003 ACN AA		420,014	420,014
		N00024-07-D-6200-0749 CLN 0003 ACN AA AB		76,747	76,747
		N00024-07-D-6200-0750 CLN 0003 ACN AA		83,872	83,872
		N00024-07-D-6200-0751 CLN 0003 ACN AA		105,492	105,492

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
		N00024-07-D-6200-0752 CLN 0003 ACN AA		44,990	44,990
		N00024-07-D-6200-0753 CLN 0003 ACN AA		87,614	87,614
		N00024-07-D-6200-0754 CLN 0003 ACN AA		100,306	100,306
		N00024-07-D-6200-0756 CLN 0003 ACN AA		119,553	119,553
		N00024-07-D-6200-0757 CLN 0003 ACN AA AB		25,975	25,975
		N00024-07-D-6200-0759 CLN 0003 ACN AA		455,288	455,288
		N00024-07-D-6200-0760 CLN 0003 ACN AA		33,749	33,749
		N00024-07-D-6200-0761 CLN 0003 ACN AA		18,206	18,206
		N00024-07-D-6200-0762 CLN 0003 ACN AA		158,144	158,144
		N00024-07-D-6200-0763 CLN 0003 ACN AA		11,317	11,317
		N00024-07-D-6200-0764 CLN 0003 ACN AA AB		52,198	52,198
		N00024-07-D-6200-0771 CLN 0003 ACN AA		129,132	129,132
		N00024-07-D-6200-0772 CLN 0003 ACN AA		14,511	14,511
		N00024-07-D-6200-0773 CLN 0003 ACN AA		6	6
		N00024-07-D-6200-0774 CLN 0003 ACN AA		55,205	55,205
		N00024-07-D-6200-0775 CLN 0003 ACN AA		69,537	69,537
		N00024-07-D-6200-0778 CLN 0003 ACN AA		10	10
		N00024-07-D-6200-0781 CLN 0003 ACN AA		81,915	81,915
		N00024-07-D-6200-0782 CLN 0003 ACN AA AB		40,838	40,838

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
		N00024-07-D-6200-0783 CLN 0003 ACN AA		3,077	3,077
		N00024-07-D-6200-0786 CLN 0003 ACN AA		23,898	23,898
		N00024-07-D-6200-0787 CLN 0003 ACN AA		2,497	2,497
		N00024-07-D-6200-0789 CLN 0003 ACN AA		4,674	4,674
		N00024-07-D-6200-0790 CLN 0003 ACN AA		313,105	313,105
		N00024-07-D-6200-0791 CLN 0003 ACN AA AB		311,983	311,983
		N00024-07-D-6200-0793 CLN 0003 ACN AA		15,837	15,837
		N00024-07-D-6200-0794 CLN 0003 ACN AA		4,444	4,444
		N00024-07-D-6200-0795 CLN 0003 ACN AA		24,232	24,232
		N00024-07-D-6200-0797 CLN 0003 ACN AA		36,986	36,986
		N00024-07-D-6200-0798 CLN 0003 ACN AA AB		113,753	113,753
		N00024-07-D-6200-0800 CLN 0003 ACRN AA		12,390	12,390
		N00024-07-D-6200-0802 CLN 0003 ACN AA		36,381	36,381
		N00024-07-D-6200-0804 CLN 0003 ACN AA		536	536
		N00024-07-D-6200-0805 CLN 0003 ACN AA		41,135	41,135
		N00024-07-D-6200-0806 CLN 0003 ACN AA		52,418	52,418
		N00024-07-D-6200-0807 CLN 0003 ACN AA		168,171	168,171
		N00024-07-D-6200-0808 CLN 0003 ACN AA		106,684	106,684
		N00024-07-D-6200-0809 CLN 0003 ACN AA		4,285	4,285

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
		N00024-07-D-6200- 0811 CLN 0003 ACN AA		32,977	32,977
		N00173-15-P-0069		85,832	85,832
		N41756-13-C-3006		113,125	113,125
		NNX12AI23G		112,072	112,072
		ONR/IPAA/QIANG		(93)	(93)
		UTA12-000254		137,847	137,847
		SAWYER			
		UTA12-000271 (GEORGIU)		160,995	160,995
		UTA13-000671		9,323	9,323
		UTA13-000862 1 WILKE		156,023	156,023
		W5J9CQ-12-C-0043		129,585	129,585
		W81XWH-11-2-0137		32,149	32,149
		W81XWH-12-C-0149		274,626	274,626
		W91151-15-D-0009 CLIN		310,295	310,295
		0001AA/0001AB			
		W91151-15-D-0009 CLIN 0002AA		22,125	22,125
		W91151-15-D-0009 CLIN 0003AA		5,398	5,398
		W91151-15-D-0009 CLIN 0003AB		1,489	1,489
		W9115U-10-C-0002		2,792,103	2,792,103
		W911NF P00003		307,827	307,827
		W911NF 10 2 0018		(1,275)	(1,275)
		W911NF-13-2-0018		5,116	5,116
		W911QY-15-C-0021		274,063	274,063
		W912HQ-11-C-0035	136,028	121,450	257,478
		W912HQ-14-C-0019	69,749	161,732	231,481
		W912HQ-14-C-0033	135,146	128,524	263,670
		W91CRB-14-C-0019	53,173	115,955	169,128
		YOUNG- MCCAUGHAN/IPAA		10,612	10,612
		14-17 / 14-17A		3,778	3,778
<i>Pass-Through from Academy of Applied Science</i>		510593		39,774	39,774
<i>Pass-Through from Allegheny Technologies, Inc.</i>		S12-68-TEXA, TO 002 (HQ0034-09-A-3014)		4,011	4,011
<i>Pass-Through from Applied Nanotech, Inc.</i>		W911NF-14-C003- TAMU PO33694		104,565	104,565
<i>Pass-Through from Applied Novel Devices, Inc.</i>		UTA14-001300		49,134	49,134
<i>Pass-Through from Applied Research Associates, Inc.</i>		N41756-12-C-4721, PO12-00328	10,148	54,804	64,952
<i>Pass-Through from Arc Technology</i>		TTU-HAP2		101,575	101,575
<i>Pass-Through from Arcadis U.s., Inc.</i>		D13-0202		10,762	10,762
<i>Pass-Through from Argonne National Laboratory</i>		2F-32641		(433)	(433)
<i>Pass-Through from Balcones Technologies, LLC</i>		UTA14-000974		32,000	32,000
<i>Pass-Through from Battelle Memorial Institute</i>		431861		46,150	46,150
<i>Pass-Through from Battelle Memorial Institute, Pacific Nw</i>		US001-0000397629		99,898	99,898
<i>Pass-Through from Bioo Scientific Corp</i>		UTA14-000878 Increment		31,595	31,595
<i>Pass-Through from Bprp Consulting, LLC</i>		N00024-07-D-6200 LOA UTA14-001284		30,470	30,470
<i>Pass-Through from Brainscope Co., Inc.</i>		UTA15-000835		9,787	9,787

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Ceed</i>		SINIT-14-0009		167,080	167,080
<i>Pass-Through from Charles River Analytics, Inc.</i>		SC1313401		16,219	16,219
<i>Pass-Through from Clarkson Aerospace Corporation</i>		UTEP 13-S7700-01-C2		112,889	112,889
<i>Pass-Through from Cobham Advanced Electronic Solutions</i>		PO 3784		95,045	95,045
<i>Pass-Through from Coherent Navigation, Inc.</i>		CN-STTR-12-001		16,226	16,226
<i>Pass-Through from Creare, Inc.</i>		67868		84,432	84,432
<i>Pass-Through from Cree, Inc.</i>		11 005 911NF 10 2 0038		73,935	73,935
<i>Pass-Through from Def - Logix, Inc.</i>		HC1028-14-C ABH- 4674 Beebe		81,220	81,220
<i>Pass-Through from Duke University</i>		13-ONR-1112		237,764	237,764
<i>Pass-Through from Dynamic Research Corp</i>		14463-PETTT- UTAUSTIN TO9		112,025	112,025
<i>Pass-Through from Ecology and Environment, Inc.</i>		1003025.0025		22,967	22,967
<i>Pass-Through from Electric Drivetrain Technologies, LLC</i>		UTA15-000638		2,150	2,150
<i>Pass-Through from Emergent Space Technologies, Inc.</i>		UTA14-001102		40,502	40,502
<i>Pass-Through from Entegriion, Inc.</i>		N00014-10-C-0333- UT MRF		1,241	1,241
<i>Pass-Through from Excet, Inc.</i>		4072		2,023	2,023
<i>Pass-Through from Fermi Natl. Accelerator Laboratories</i>		PO 616821		799	799
<i>Pass-Through from Fifth Gait Technologies</i>		S-13017.UTA PO13017-130006		42,144	42,144
<i>Pass-Through from Flir Systems, Inc.</i>		ENZ-1302-001		77,275	77,275
<i>Pass-Through from Ge Global Research</i>		PO 400141033		(1,614)	(1,614)
<i>Pass-Through from General Dynamics</i>		08ESM753983		290,437	290,437
<i>Pass-Through from General Dynamics</i>		F5702-11-SC00-UTEP		76,181	76,181
<i>Pass-Through from General Dynamics</i>		FA8650-11-D- 5702/0004LAMPS LOA 01 BENO		2,403	2,403
<i>Pass-Through from Geomorph Information System, LLC</i>		9095-003		98,708	98,708
<i>Pass-Through from Georgia Tech Research Institute</i>		D6182-S12		522,063	522,063
<i>Pass-Through from Giner, Inc.</i>		STTR W911NF-14-P- 0027		44,962	44,962
<i>Pass-Through from High Performance Technologies, Inc.</i>		14463-PETTT- UTAUSTIN-T08		14,397	14,397
<i>Pass-Through from High Performance Technologies, Inc.</i>		14463-PETTT- UTAUSTIN-T08 001		379,050	379,050
<i>Pass-Through from Horstman, Inc.</i>		UTA12-000711		12,024	12,024
<i>Pass-Through from Horstman, Inc.</i>		UTA12-000711 007		21,096	21,096
<i>Pass-Through from Horstman, Inc.</i>		UTA12-000711 008		45,066	45,066
<i>Pass-Through from Hrl Laboratories, LLC</i>		12081-300654-BS CHANGE NOTICE 7tsk2		81,897	81,897
<i>Pass-Through from Hrl Laboratories, LLC</i>		12081-300654-BS CHANGE NOTICE 9		80,876	80,876
<i>Pass-Through from Institute of International Education</i>		NSEP-U631073-UT- HIN-D		300,032	300,032
<i>Pass-Through from Integrated Systems Solutions, Inc.</i>		PO100618		19,362	19,362
<i>Pass-Through from Issac Corp</i>		UTA14-000833		16,823	16,823
<i>Pass-Through from Johns Hopkins University</i>		N66001-12-C-4020		(85)	(85)
<i>Pass-Through from Johns Hopkins University Applied Physics Lab</i>		115773 PRM HM0177- 12-C-0006		5	5
<i>Pass-Through from Kestrel Technology, LLC</i>		02-KT-0202-TTU		72,172	72,172
<i>Pass-Through from Knowledge Based Systems, Inc.</i>		5351.200-UTA-2012-5		18,798	18,798
<i>Pass-Through from Knowledge Based Systems, Inc.</i>		5351.250-UTA-2015-1		28,362	28,362
<i>Pass-Through from Leidos, Inc.</i>		PO10167703		63,257	63,257
<i>Pass-Through from Lockheed Martin Aeronautics</i>		PO 4100706880		519,103	519,103
<i>Pass-Through from Lynmtech, Inc.</i>		1502910		275	275

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For the Year Ended August 31, 2015

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Lynntech, Inc.</i>		FA9550-13-C-0004		(30,010)	(30,010)
<i>Pass-Through from Lynntech, Inc.</i>		UTA15-000778		17,508	17,508
<i>Pass-Through from Maritime Applied Physics Corp</i>		UTA14-001331		25,929	25,929
<i>Pass-Through from Massachusetts Institute of Technology</i>		7000289364		89,816	89,816
<i>Pass-Through from Mckean Defense Group</i>		EHP5140922		52,601	52,601
<i>Pass-Through from Metamagnetics, Inc.</i>		11351120052014		44,187	44,187
<i>Pass-Through from Microlink Devices, Inc.</i>		UTA13-000902 001		12,698	12,698
<i>Pass-Through from Mohawk Innovative Technology, Inc.</i>		UTA15-000368		5,810	5,810
<i>Pass-Through from Molecular Imprints, Inc.</i>		UTA13-001234		54,945	54,945
<i>Pass-Through from Nanowatt Design, Inc.</i>		GN0007244 Mohanty		20,326	20,326
<i>Pass-Through from National Institute of Building Sciences</i>		#28 ST-01 & 02		73,220	73,220
<i>Pass-Through from National Institute of Building Sciences</i>		0011 ST-01 and 02	33,645	1	33,646
<i>Pass-Through from Ncdmn</i>		UTA14-001417		67,561	67,561
<i>Pass-Through from Ness Engineering, Inc.</i>		W15QKN-0080-TTU-001		59,757	59,757
<i>Pass-Through from New Mexico State University</i>		Q01586 830832-1		61,515	61,515
<i>Pass-Through from Nextgen Aeronautics</i>		14-06		9,241	9,241
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0781-05 CLIN 0001AA		264,953	264,953
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0781-06 CLIN 0001AA		283,346	283,346
<i>Pass-Through from Northrop Grumman Corporation</i>		8200170705 UTA12-001161		(67)	(67)
<i>Pass-Through from Northrop Grumman Systems Corporation</i>		PO 8140000774		(4)	(4)
<i>Pass-Through from Northrop Grumman Systems Corporation</i>		PO 8140000824		120,671	120,671
<i>Pass-Through from Northrop Grumman Systems Corporation</i>		PO 8200186048		2,400	2,400
<i>Pass-Through from Ohio State University</i>		60036907 PO# RF01295891		6,680	6,680
<i>Pass-Through from Omega Optics</i>		UTA14-000620		184,600	184,600
<i>Pass-Through from Omitron, Inc.</i>		UTA12-001216		73,565	73,565
<i>Pass-Through from Penn State University</i>		S13-14		29,075	29,075
<i>Pass-Through from Penn State University</i>		S13-25		90,552	90,552
<i>Pass-Through from Photodigm, Inc.</i>		HQ0147-12-C-7126		97,279	97,279
<i>Pass-Through from Pratt and Whitney</i>		27108 8		131,976	131,976
<i>Pass-Through from Rand Corporation</i>		M1200483 (W74V8H-06-C-0002)		236	236
<i>Pass-Through from Rel, Incorporated</i>		7124T2		15,471	15,471
<i>Pass-Through from Robotic Research, LLC</i>		RPP20-UTA		57,141	57,141
<i>Pass-Through from Sandia National Laboratories</i>		1233924		3,629	3,629
<i>Pass-Through from Sandia National Laboratories</i>		1487995		12,402	12,402
<i>Pass-Through from Scra Applied R and d</i>		2015-322 NRTC-FY15-S		77,483	77,483
<i>Pass-Through from Semerane, Inc.</i>		FA9550-13-C-0011		30,701	30,701
<i>Pass-Through from Signature Science, LLC</i>		2012-030-0002	65,705		65,705
<i>Pass-Through from Silicon Audio Labs, Inc.</i>		UTA15-000007		44,995	44,995
<i>Pass-Through from Silicon Audio Labs, Inc.</i>		UTA15-000209 LOA Hall		44,976	44,976
<i>Pass-Through from Smithsonian Astrophysical Observatory</i>		AR9-0005X		955	955
<i>Pass-Through from Soartech</i>		10248.01		21,425	21,425
<i>Pass-Through from Southwest Research Institute</i>		H99033RI		45,983	45,983
<i>Pass-Through from Special Metals Corp.</i>		723282		54,996	54,996
<i>Pass-Through from Special Metals Corp.</i>		723283		12,099	12,099
<i>Pass-Through from Spectral Energies, LLC</i>		SB1201-001-1		24,597	24,597
<i>Pass-Through from Sri International</i>		19-000266 / SRI-266		62,317	62,317
<i>Pass-Through from Stanford University</i>		23282210-43822-A		1,002	1,002
<i>Pass-Through from Stevens Institute of Technology</i>		RT 131-UT Austin-20141029		7,590	7,590
<i>Pass-Through from Systems and Materials Research Corporation</i>		102-02		25,000	25,000

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Technical Data Analysis, Inc.</i>		2005-001-01		126,329	126,329
<i>Pass-Through from Teledyne Scientific and Imaging, LLC</i>		PO00107452		51,793	51,793
<i>Pass-Through from Texas Research Institute Austin, Inc.</i>		F7205-300-03		980	980
<i>Pass-Through from Geneva Foundation</i>		S-1245-01		30,414	30,414
<i>Pass-Through from Geneva Foundation</i>		S-2006-TSNRP-03 6	(1)	(1)	(1)
<i>Pass-Through from Geneva Foundation</i>		V-1158-01		12,291	12,291
<i>Pass-Through from The Henry M Jackson Foundation for The Advancement of Military Med</i>		827172		183,067	183,067
<i>Pass-Through from University of Colorado</i>		CU-31539 / PO 1000275891		10,624	10,624
<i>Pass-Through from Triton</i>		TSI-2434-14-102884		5,523	5,523
<i>Pass-Through from Txl Group, Inc.</i>		2014-0288	(1,961)	(1,961)	(1,961)
<i>Pass-Through from Ucar</i>		UCAR-16004 DO- 0001		146,612	146,612
<i>Pass-Through from Ues, Inc.</i>		S-901-3D2-002		41,538	41,538
<i>Pass-Through from University of Colorado - Boulder</i>		CU-31539 / PO 1000397399		3,369	3,369
<i>Pass-Through from University of Colorado - Boulder</i>		CU-445773 / PO 1000445773		4,199	4,199
<i>Pass-Through from University of Maryland</i>		16871-Z9885003		172,740	172,740
<i>Pass-Through from University of Maryland</i>		24297-Z9036103		1,183	1,183
<i>Pass-Through from University of Maryland</i>		Z9774003		13,761	13,761
<i>Pass-Through from University of Michigan</i>		3003563281		17,788	17,788
<i>Pass-Through from University of Mississippi</i>		15-01-029 / UM-029		160,066	160,066
<i>Pass-Through from University of Notre Dame</i>		202092-UTA		34,323	34,323
<i>Pass-Through from University of Pittsburgh</i>		0042758		1,472	1,472
<i>Pass-Through from University of Pittsburgh</i>		0043845-7		9,735	9,735
<i>Pass-Through from University Research Foundation, Inc. Madl</i>		PO# 11647		138,079	138,079
<i>Pass-Through from Vertical Lift Consortium, Inc.</i>		W911W6-12-2-0003		153,044	153,044
<i>Pass-Through from Vertical Lift Consortium, Inc.</i>		WBS#2013-B-12-T5.1-A		1,621	1,621
<i>Pass-Through from Weston Solutions, Inc.</i>		PO 0081323		7,253	7,253
<i>Pass-Through from Wet Labs, Inc.</i>		F2014-001		21,610	21,610
<i>Pass-Through from Wyle Laboratories</i>		T72431/FA8650-12-D-6		31,340	31,340
<i>Pass-Through from Wyle Laboratories</i>		T72550/FA8650-12-D-6		64,359	64,359
<i>Pass-Through from Wyle Laboratories</i>		WSC00028 TAT 261		64,824	64,824
<i>Pass-Through from Xtreme Alternative Defense Systems Ltd</i>		MANKOWSKI		16,416	16,416
<i>Pass-Through from Yale University</i>		C11K11057		25,140	25,140
<i>Pass-Through from Zymergen, Inc.</i>		UTA14-001297		72,702	72,702
<i>Pass-Through from Zyvex Labs, LLC</i>		W911NF-13-1-0470		112,830	112,830
Total - CFDA 12.XXX			1,713,910	91,971,170	93,685,080
Procurement Technical Assistance for Business Firms	12.002				
<i>Pass-Through from Cgi Federal, Inc.</i>		CGIFED12-ADIP- G2CORE		287	287
Aquatic Plant Control	12.100			14,903	14,903
<i>Pass-Through from Denton County</i>		UNT FY 06-01		8,951	8,951
<i>Pass-Through from Dnu City of Lewisville (12)</i>		FY11-01		9,107	9,107
Total - CFDA 12.100			0	32,961	32,961
Protection of Essential Highways, Highway Bridge Approaches, and Public Works	12.105			152,835	152,835
Collaborative Research and Development	12.114			916,488	916,488
<i>Pass-Through from Halcyon Biomedical, Inc.</i>		HB-UH-001		26,481	26,481
<i>Pass-Through from Lynntech, Inc.</i>		UTD09-68		(9,960)	(9,960)
<i>Pass-Through from Stevens Institute of Technology</i>		C9640		11,744	11,744
<i>Pass-Through from Technology Service Corporation</i>		TSC-1073-40066		15,517	15,517

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Us Army Core of Engineers</i>		SPN00388		30,188	30,188
<i>Pass-Through from Virginia Commonwealth University</i>		8000002348		14,367	14,367
Total - CFDA 12.114			0	1,004,825	1,004,825
Basic and Applied Scientific Research	12.300		1,130,938	20,397,639	21,528,577
<i>Pass-Through from Academy of Applied Science</i>		14-13/13A & 15-71/72		4,478	4,478
<i>Pass-Through from Accacia International</i>		1312014		21,000	21,000
<i>Pass-Through from American Maglev Tech of Fla, Inc.</i>		UTA13-000925		1	1
<i>Pass-Through from American Maglev Tech of Fla, Inc.</i>		UTA13-000925 001		8,018	8,018
<i>Pass-Through from Arcos, Inc.</i>		N0001412C0322		(5,284)	(5,284)
<i>Pass-Through from Aspen Systems, Inc.</i>		09-0589		(2,243)	(2,243)
<i>Pass-Through from BAE Systems, Inc.</i>		H94003-04-D0002		37,845	37,845
<i>Pass-Through from Boston University</i>		4500000045 (FORMERLY GC208303NGE)		15,484	15,484
<i>Pass-Through from Brigham Young University</i>		13-0361		25,303	25,303
<i>Pass-Through from Carnegie Mellon University</i>		1141225-327233		39,042	39,042
<i>Pass-Through from Chaminade University of Honolulu</i>		M1402523		109	109
<i>Pass-Through from Chemtor, L.P.</i>		8000001970		19,666	19,666
<i>Pass-Through from Czech Technical University</i>		N62909-13-1-N256		56,318	56,318
<i>Pass-Through from Duke University</i>		14-ONR-1005		94,953	94,953
<i>Pass-Through from Duke University</i>		14-ONR-1123		132,362	132,362
<i>Pass-Through from Empirical Technologies Corporation</i>		N0001410C0240		37,008	37,008
<i>Pass-Through from Florida State University</i>		R01682		123,272	123,272
<i>Pass-Through from Georgia Institute of Technology</i>		RC217-G3		116,040	116,040
<i>Pass-Through from Helicon Chemical Company, LLC</i>		M1400972		1,971	1,971
<i>Pass-Through from Helicon Chemical Company, LLC</i>		N68936-14-C-0056		18,875	18,875
<i>Pass-Through from Innovative Decisions, Inc.</i>		IDI-TAMU-1213-2012		145,059	145,059
<i>Pass-Through from Johns Hopkins University</i>		103318 CLIN 2 PROJ R4T03 JHU/APL		4,981	4,981
<i>Pass-Through from Jsj Technologies, LLC</i>		8000001906		1,034	1,034
<i>Pass-Through from Lynmtech, Inc.</i>		ARM-014- NCE		48,972	48,972
<i>Pass-Through from Medical University of South Carolina</i>		N000140810341 03		1,756	1,756
<i>Pass-Through from Naval Postgraduate School</i>		N00244-14-1-0062		245,157	245,157
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0710-20 0001		(6)	(6)
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0720-01		788,691	788,691
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0721-01-1		309,671	309,671
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0721-01-9		14,966	14,966
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-01-1 CLIN 0001AA		122,439	122,439
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-01-2 CLIN 0011AA		23,239	23,239
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-01-3 CLIN 0011AB		105,504	105,504
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-01-4 CLIN 0021AA		28,706	28,706
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-02-1 CLIN 0001AA		321,787	321,787
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-02-2 CLIN 0011AA		55,178	55,178
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-03-1 CLIN0001AA		43,991	43,991
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-04-1 CLIN 0001AA		159,635	159,635
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-04-2 CLIN 0011AA		449,085	449,085

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-05-1 CLIN 0001		261,217	261,217
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-05-2 CLIN 0011		233,956	233,956
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-05-3 CLIN 0021		399,986	399,986
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-06-1 CLIN 0001AA		159,909	159,909
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-07-1 CLIN 0001		1,163,161	1,163,161
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-07-9 CLIN TBD		30,767	30,767
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-08-1 CLIN 0001		49,946	49,946
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-10-1 CLIN 1001		65,335	65,335
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-10-2 CLIN 1011		103,630	103,630
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-10-3 CLIN 1021		12,622	12,622
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-11-9		136,771	136,771
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-9-1 CLIN 1001		56,410	56,410
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-9-2 CLIN 1011		122,778	122,778
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-9-3 CLIN 1021		5,667	5,667
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0781-02		3,950,882	3,950,882
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0781-03		4,522	4,522
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0781-04		213,045	213,045
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0797-23-1 CLIN 4001		1	1
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0797-23-2 CLIN 4011		2	2
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0797-24-1 CLIN 4001		3	3
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0797-24-2 CLIN 4011		5,144	5,144
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0797-24-3 CLIN 4021		(13)	(13)
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0797-25-1 CLIN 4001		9,825	9,825
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0797-25-2 CLIN 4011		7,376	7,376
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0797-25-3 CLIN 4021		52	52
<i>Pass-Through from North Carolina Agricultural and Tech State</i>		210158B		31,094	31,094
<i>Pass-Through from Northwestern University</i>		SP0030277- PROJ0008095		27,108	27,108
<i>Pass-Through from Oak Ridge National Laboratory</i>		4000124833		21,412	21,412
<i>Pass-Through from People Power</i>		109677		7,000	7,000
<i>Pass-Through from Physics, Materials, and Applied Mathematics Research, LLC</i>		8044-S1		24,474	24,474
<i>Pass-Through from Princeton University</i>		00002143/4/5		168,559	168,559
<i>Pass-Through from Princeton University</i>		SUB0000022		96,655	96,655
<i>Pass-Through from Princeton University</i>		SUB0000022 LOA #1 MacDonald		104,548	104,548
<i>Pass-Through from Rice University</i>		R18681		137,329	137,329
<i>Pass-Through from Stanford University</i>		60535648-104772 3420586		313,141	313,141

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Systems and Materials Research Corporation</i>		8000002137		66,890	66,890
<i>Pass-Through from Terviva Bioenergy, Inc.</i>		SRS REF # M1500855		119,897	119,897
<i>Pass-Through from Texas High Energy Materials</i>		UTCEM-N79446-14- D-1152-1 No.003		5,655	5,655
<i>Pass-Through from University of Colorado</i>		1548377		144,206	144,206
<i>Pass-Through from University of Tennessee Space Institute</i>		A15-1053-S001		9,176	9,176
<i>Pass-Through from University of California - Berkeley</i>		00008156N00014-13- 1-0421PO# BB00173098		113,895	113,895
<i>Pass-Through from University of Michigan</i>		3002453812-04		81,501	81,501
<i>Pass-Through from University of Minnesota</i>		A002181202		128,257	128,257
<i>Pass-Through from University of Mississippi</i>		12-10-019		25,090	25,090
<i>Pass-Through from University of Oregon</i>		N00014-11-1-0034 235571A	131,001	1,701,732	1,832,733
<i>Pass-Through from University of Pennsylvania</i>		555991		159,508	159,508
<i>Pass-Through from University of Wisconsin</i>		470K901		144,025	144,025
<i>Pass-Through from Virginia Tech</i>		CR-19794-430345		(1,525)	(1,525)
<i>Pass-Through from Woods Hole Oceanographic Institute</i>		A100846		101,915	101,915
<i>Pass-Through from Woods Hole Oceanographic Institute</i>		N00014-14-1- 0773/A101062		97,352	97,352
<i>Pass-Through from Zyvex Corporation</i>		W911NF-13-1-0470		28,853	28,853
Total - CFDA 12.300			1,261,939	34,862,443	36,124,382
Navy Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance	12.335				
<i>Pass-Through from Adventium Enterprises, LLC</i>		AEC2012-15-0006		48,294	48,294
Basic Scientific Research - Combating Weapons of Mass Destruction	12.351		1,206,867	5,736,472	6,943,339
<i>Pass-Through from Arizona State University</i>		13-174		81,040	81,040
<i>Pass-Through from Icahn School of Medicine at Mount Sinai</i>		HDTRA11210051		50,568	50,568
<i>Pass-Through from Icahn School of Medicine at Mount Sinai</i>		HDTRA11410013		335,180	335,180
<i>Pass-Through from Los Alamos National Laboratory</i>		330920		20,066	20,066
<i>Pass-Through from Science Applications International Corporation</i>		B8270		409,161	409,161
<i>Pass-Through from Vanderbilt University</i>		HDTRA11310034		303,724	303,724
Total - CFDA 12.351			1,206,867	6,936,211	8,143,078
Research on Chemical and Biological Defense	12.360			166,850	166,850
<i>Pass-Through from Profectus Biosciences Incorporated</i>		W911QY1410001		268,898	268,898
Total - CFDA 12.360			0	435,748	435,748
National Guard Military Construction Projects	12.400			2,250	2,250
National Guard Military Operations and Maintenance (O&M) Projects	12.401			25,885	25,885
<i>Pass-Through from Texas Military Department</i>		TX14-ENV-06		3,639	3,639
Total - CFDA 12.401			0	29,524	29,524
Military Medical Research and Development	12.420		1,406,787	25,002,577	26,409,364
<i>Pass-Through from Advanced Circulatory Systems, Inc.</i>		W81XWH-12-C-0181		1,882	1,882
<i>Pass-Through from American Burn Association</i>		W81XWH0810760 (107)		(107)	(107)
<i>Pass-Through from American Burn Association</i>		W81XWH0920194		112,097	112,097
<i>Pass-Through from American Burn Association</i>		W81XWH-09-2-0194	7,105	14,188	21,293
<i>Pass-Through from American Burn Association</i>		W81XWH1110835		124,883	124,883
<i>Pass-Through from Baylor College of Medicine</i>		W81XWH-12-0475		98,380	98,380

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Baylor College of Medicine</i>		W81XWH-12-1-0516		36,183	36,183
<i>Pass-Through from Baylor College of Medicine</i>		W81XWH1310286		21,785	21,785
<i>Pass-Through from Baylor College of Medicine</i>		W81XWH-14-1-0393		67,902	67,902
<i>Pass-Through from Biomedical Research Foundation of South Texas</i>		CHATDOD/GUDUV		2,663	2,663
<i>Pass-Through from Biomedical Research Foundation of South Texas</i>		CHATDOD/PARK		13,722	13,722
<i>Pass-Through from Biomedical Research Foundation of South Texas</i>		W81XWH-14-1-0606		15,174	15,174
<i>Pass-Through from Board of Trustees of the Leland Stanford Junior University</i>		26710080-50965-A		6,324	6,324
<i>Pass-Through from Boston University</i>		4500001734/W81XW H-14		151,205	151,205
<i>Pass-Through from Boston University</i>		W81XWH-11-2-0161 03		185,070	185,070
<i>Pass-Through from Brainscope Company, Inc.</i>		B-AHEAD III TRIAL		1,438	1,438
<i>Pass-Through from Brainscope Company, Inc.</i>		BRAINSCOPE AHEAD 200		963	963
<i>Pass-Through from Christopher Reeve Paralysis Foundation</i>		CTN10-2014(MJ)		96,305	96,305
<i>Pass-Through from Christopher Reeve Paralysis Foundation</i>		CTN11-2015(MJ)		35,709	35,709
<i>Pass-Through from Christopher Reeve Paralysis Foundation</i>		CTN8-2012(MJ)		(7,117)	(7,117)
<i>Pass-Through from Dana-Farber Cancer Institute, Inc.</i>		W81XWH-12-1-0459		(9,795)	(9,795)
<i>Pass-Through from Feinstein Institute for Medical Research</i>		W81XWH-10-2-0177		950	950
<i>Pass-Through from General Dynamics Information Technology</i>		DVBIC-SC-14-0011		131,867	131,867
<i>Pass-Through from Gertner Institute</i>		W81XWH-11-1-0395 02		2,217	2,217
<i>Pass-Through from Huntington Medical Research Institutes (HMRI)</i>		106005		(1,042)	(1,042)
<i>Pass-Through from Huntington Medical Research Institutes (HMRI)</i>		109171		81,551	81,551
<i>Pass-Through from Indiana University</i>		W81XWH-10-1-0540 01		(708)	(708)
<i>Pass-Through from Johns Hopkins University</i>		1R01AR064066-01		988	988
<i>Pass-Through from Johns Hopkins University</i>		FIXIT STUDY (METRC)		8,084	8,084
<i>Pass-Through from Johns Hopkins University</i>		OXYGEN		1,983	1,983
<i>Pass-Through from Johns Hopkins University</i>		W81XW-10-2-0090		4,850	4,850
<i>Pass-Through from Johns Hopkins University</i>		W81XWH0920108		164,319	164,319
<i>Pass-Through from Johns Hopkins University</i>		W81XWH-10-2-0090		318,398	318,398
<i>Pass-Through from Johns Hopkins University School of Medicine</i>		W81XWH 12 1 0464		40,064	40,064
<i>Pass-Through from Johns Hopkins University School of Medicine</i>		W81XWH-12-1-0464 SR09		1,650	1,650
<i>Pass-Through from Livionex Incorporated</i>		W81XWH-15-C-0023		302,505	302,505
<i>Pass-Through from Lynntech, Inc.</i>		W81XWH-15-C-0023		33,254	33,254
<i>Pass-Through from Memorial Sloan Kettering Cancer Center</i>		W81XWH-10-1-0699		93,407	93,407
<i>Pass-Through from Methodist Hospital Research Institute</i>		W81XWH-10-2-0125		45,674	45,674
<i>Pass-Through from Methodist Hospital Research Institute</i>		W81XWH-09-1-0212 02		(1,095)	(1,095)
<i>Pass-Through from Methodist Hospital Research Institute</i>		W81XWH1020125		102,630	102,630
<i>Pass-Through from Methodist Hospital Research Institute</i>		W81XWH-10-2-0125 01		3	3
<i>Pass-Through from Methodist Hospital Research Institute</i>		W81XWH-10-2-0125 02		(347)	(347)
<i>Pass-Through from Methodist Hospital Research Institute</i>		W81XWH-11-2-0168 02		(1)	(1)
<i>Pass-Through from National Trauma Institute</i>		NTITRA10101/W81X WH11		34,086	34,086
<i>Pass-Through from Northwestern University</i>		60036428		84,293	84,293

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Oregon Health Sciences University</i>		W81XWH-11-0841		71,124	71,124
<i>Pass-Through from Research Foundation of Suny</i>		W81XWH1011061		602	602
<i>Pass-Through from Southwest Texas Regional Advisory Council</i>		STRAC REMTORN 0 01		94,651	94,651
<i>Pass-Through from Sri International</i>		W81XWH1210223		26,070	26,070
<i>Pass-Through from Geneva Foundation</i>		S-1220-01		2,013	2,013
<i>Pass-Through from Geneva Foundation</i>		W81XWH-06-2-0033		417,034	417,034
<i>Pass-Through from Geneva Foundation</i>		W81XWH0820014		3,985	3,985
<i>Pass-Through from Geneva Foundation</i>		W81XWH130191		175,543	175,543
<i>Pass-Through from Geneva Foundation</i>		W81XWH-13-2- 0011/S-1274-02		58,433	58,433
<i>Pass-Through from University of Washington</i>		751989		27,910	27,910
<i>Pass-Through from University of Washington</i>		W81XWH-13-2-0090		52,797	52,797
<i>Pass-Through from University of Washington</i>		W81XWH-13-2-0093		269,296	269,296
<i>Pass-Through from University of California - San Francisco</i>		6821SC		35,253	35,253
<i>Pass-Through from University of Central Florida</i>		24096036-01		238,654	238,654
<i>Pass-Through from University of Delaware</i>		29998	13,632	98,276	111,908
<i>Pass-Through from University of Florida</i>		UFDSP00010257		67,044	67,044
<i>Pass-Through from University of Maryland - Baltimore</i>		W81XWH-14-1-0324		56,728	56,728
<i>Pass-Through from University of Missouri at St. Louis</i>		W81XWH-13-2-0025		90,748	90,748
<i>Pass-Through from University of Oklahoma</i>		2015-22		77,368	77,368
<i>Pass-Through from University of Pennsylvania</i>		565318/W91XWH-14- 1-0		46,214	46,214
<i>Pass-Through from University of Pennsylvania</i>		PETERSON/U PENN		54,649	54,649
<i>Pass-Through from University of Pittsburgh</i>		W81XWH-12-2-0023		47,860	47,860
<i>Pass-Through from Us Army Medical Research Acquisition Activity</i>		W81XWH-14-1-0340		171,786	171,786
<i>Pass-Through from Vanderbilt University</i>		2437-017449/WFUHS		8,534	8,534
<i>Pass-Through from Wake Forest University Health Sciences</i>		W81XWH-14-2-0004		174,247	174,247
<i>Pass-Through from Wake Forest University Health Sciences</i>		WFUHS 441071C CF-01		2,291	2,291
<i>Pass-Through from Wake Forest University Health Sciences</i>		WFUHS 441078 CF-08		43,583	43,583
Total - CFDA 12.420			1,427,524	29,833,704	31,261,228
Basic Scientific Research	12.431		9,933,156	9,497,111	19,430,267
<i>Pass-Through from Applied Nanotech, Inc.</i>		W911NF-12-C-0104- TAMU PO 32075		40,000	40,000
<i>Pass-Through from BAE Systems, Inc.</i>		882235		67,865	67,865
<i>Pass-Through from Carnegie Mellon University</i>		1130128-258633		(10,621)	(10,621)
<i>Pass-Through from Carnegie Mellon University</i>		1130163-311712		2,222	2,222
<i>Pass-Through from Carnegie Mellon University</i>		1130171-323762		152,127	152,127
<i>Pass-Through from Clemson University</i>		1734-201-2010192		18,957	18,957
<i>Pass-Through from Drexel University</i>		202329		154,621	154,621
<i>Pass-Through from Iowa State University</i>		421-20-27A		62,300	62,300
<i>Pass-Through from Lynntech, Inc.</i>		UTD 09-69		(254)	(254)
<i>Pass-Through from Marshall University Research Corporation</i>		M1500873		3,997	3,997
<i>Pass-Through from Massachusetts Institute of Technology</i>		5710003321		282	282
<i>Pass-Through from Ohio State University</i>		OSU RF01355822 60043375		205,690	205,690
<i>Pass-Through from Silicon Informatics, Inc.</i>		SI-2010-001		(5,814)	(5,814)
<i>Pass-Through from Silicon Informatics, Inc.</i>		SI-2012-001		29,253	29,253
<i>Pass-Through from Stanford University</i>		60300261-107307-B		443,579	443,579
<i>Pass-Through from State University of New York at Buffalo</i>		W911NF-11-1-0333		70,918	70,918
<i>Pass-Through from Superpower, Inc.</i>		W911NF-12-2-0044		192,109	192,109
<i>Pass-Through from Ohio State University Research Foundation</i>		RF # 60014918		(9,966)	(9,966)
<i>Pass-Through from University of Washington</i>		727277		(2,441)	(2,441)
<i>Pass-Through from University of Washington</i>		751692		1,539	1,539

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from University of California - Berkeley</i>		00007320 PO#		(913)	(913)
		2000009151			
<i>Pass-Through from University of California - Davis</i>		201403609-01		41,158	41,158
<i>Pass-Through from University of California - Irvine</i>		2010-2509		(720)	(720)
<i>Pass-Through from University of Canterbury</i>		W911NF-11-1-0481		8,083	8,083
<i>Pass-Through from University of Dayton Research Institute</i>		RSC14008		30,960	30,960
<i>Pass-Through from University of Kansas Center for Research</i>		B5900		28,551	28,551
<i>Pass-Through from University of Maryland</i>		Z845803		90,940	90,940
<i>Pass-Through from University of Maryland - College Park</i>		18691-Z8533001		74,461	74,461
<i>Pass-Through from University of North Carolina Charlotte</i>		20130358-01-UTX Sub		97,086	97,086
Total - CFDA 12.431			9,933,156	11,283,080	21,216,236
The Language Flagship Grants to Institutions of Higher Education	12.550				
<i>Pass-Through from Institute of International Education</i>		NSEP-U631073-UT-ARA	6,376	15,892	22,268
<i>Pass-Through from Institute of International Education</i>		NSEP-U631073-UT-HIN-D 3		16,827	16,827
<i>Pass-Through from Institute of International Education</i>		NSEP-U631073-UT-HIN-O		47,226	47,226
<i>Pass-Through from Institute of International Education</i>		NSEP-U631073-UT-HIN-O 3		120,876	120,876
Total - CFDA 12.550			6,376	200,821	207,197
Centers for Academic Excellence	12.598			303,760	303,760
Basic, Applied, and Advanced Research in Science and Engineering	12.630		345,314	4,513,759	4,859,073
<i>Pass-Through from Aas - Academy of Applied Sciences</i>		W911NF1020076		4,000	4,000
<i>Pass-Through from Academy of Applied Science</i>		441931-465511 (W911NF-10-2-0076)		19,992	19,992
<i>Pass-Through from Dcs Corporation</i>		APX02-0002 0004		80,540	80,540
<i>Pass-Through from Dcs Corporation</i>		APX02-0002 Task0005		423,700	423,700
<i>Pass-Through from Dcs Corporation</i>		W911NF-10-D-0002		77,200	77,200
<i>Pass-Through from Florida International University</i>		800001753-01		1,032	1,032
<i>Pass-Through from Florida International University</i>		800001753-02		7,722	7,722
<i>Pass-Through from Gtw Consultants and Associates, LLC</i>		D11PC18938/ 4000005		3,377	3,377
<i>Pass-Through from Johns Hopkins University</i>		2001645112/96012366 CLIN3		97,294	97,294
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		7056591		150,128	150,128
<i>Pass-Through from Sikorsky Aircraft</i>		SA-908NP Revised10.25.12 4500236133		124,007	124,007
<i>Pass-Through from Universal Technology Corporation</i>		15-S2605-04-C34		8,495	8,495
<i>Pass-Through from University of Minnesota</i>		HM1582-07-1-2035		(595)	(595)
Total - CFDA 12.630			345,314	5,510,651	5,855,965
Uniformed Services University Medical Research Project	12.750				
<i>Pass-Through from Henry M. Jackson Foundation</i>		726100 2272 UTA11-000658		14,450	14,450
<i>Pass-Through from The Geneva Foundation</i>		S-1226-02		1,221	1,221
<i>Pass-Through from The Geneva Foundation</i>		S-1315-02		22,429	22,429
Total - CFDA 12.750			0	38,100	38,100
Air Force Defense Research Sciences Program	12.800		2,486,078	14,232,574	16,718,652

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Asian Office of Aerospace Research and Dev</i>		FA2386-13-1-4119 / FA2386-13-1-4069	43,225	1,155,359	1,198,584
<i>Pass-Through from Battelle Memorial Institute</i>		417377		46,143	46,143
<i>Pass-Through from Booz Allen Hamilton, Inc.</i>		C2970		(4,529)	(4,529)
<i>Pass-Through from Brayton Energy</i>		OSD13-PR5		25,742	25,742
<i>Pass-Through from Brown University</i>		00000557 / PO#P280811		159,813	159,813
<i>Pass-Through from California Institute of Technology</i>		52-1093210		84,477	84,477
<i>Pass-Through from Case Western Reserve University</i>		RES506636		144,109	144,109
<i>Pass-Through from Clarkson Aerospace Corporation</i>		12-8567-018-02-CI		147,491	147,491
<i>Pass-Through from Clarkson Aerospace Corporation</i>		13-S7700-01-C2		50,570	50,570
<i>Pass-Through from Clarkson Aerospace Corporation</i>		PVAM 13-S7700-01		89,558	89,558
<i>Pass-Through from Clarkson Aerospace Corporation</i>		PVAM 14-S7700-02		9,859	9,859
<i>Pass-Through from Clarkson Aerospace Corporation</i>		TAMU 13-S567-020- 02-C2		(3,179)	(3,179)
<i>Pass-Through from Clarkson Aerospace Corporation</i>		TAMU 13-S7700-01-C2		73,998	73,998
<i>Pass-Through from Clarkson Aerospace Corporation</i>		TAMU 13-S7700-02-C2		76,128	76,128
<i>Pass-Through from Clarkson Aerospace Corporation</i>		UHH-13-S7700-01-C2		23,083	23,083
<i>Pass-Through from Clarkson Aerospace Corporation</i>		UHM 13-S7700-01-C1		81,616	81,616
<i>Pass-Through from Cobham</i>		10220-001		87,933	87,933
<i>Pass-Through from Dynetics</i>		CH010759		28,341	28,341
<i>Pass-Through from Erc, Inc.</i>		RS140102		31,400	31,400
<i>Pass-Through from Florida International University</i>		800000913-01		53,019	53,019
<i>Pass-Through from Florida State University</i>		R01748		138,627	138,627
<i>Pass-Through from General Dynamics Information Tech, Inc.</i>		08ESM541890/F5702- 11-04-SC63-01	25,584	38,187	63,771
<i>Pass-Through from Georgia Institute of Technology</i>		8000002321		97,381	97,381
<i>Pass-Through from Georgia Institute of Technology</i>		RB848-G1		27,803	27,803
<i>Pass-Through from Georgia Tech Research Corp</i>		RD446-S1		79,579	79,579
<i>Pass-Through from Georgia Tech Research Corp</i>		RD451-S1		86,797	86,797
<i>Pass-Through from Henry M. Jackson Foundation</i>		2381		12,369	12,369
<i>Pass-Through from Illinois Institute of Technology</i>		SRS REF M1501624		18,158	18,158
<i>Pass-Through from Intelligent Automation, Inc.</i>		2116-1		43,479	43,479
<i>Pass-Through from Iowa State University</i>		421-21-03C		153,410	153,410
<i>Pass-Through from Kairos Micro Systems Corp</i>		FA8650-11-C-1028		(740)	(740)
<i>Pass-Through from Lockheed Martin</i>		XH3583790E		39,156	39,156
<i>Pass-Through from Lynntech, Inc.</i>		LF-008		18,255	18,255
<i>Pass-Through from Lynntech, Inc.</i>		M1503044		(7,172)	(7,172)
<i>Pass-Through from Massachusetts Institute of Technology</i>		5710003069		6,867	6,867
<i>Pass-Through from Massachusetts Institute of Technology</i>		5710003842		10,266	10,266
<i>Pass-Through from National Center for Defense Manuf and Machining</i>		FA8650-12-2-7230	264,495	313,229	577,724
<i>Pass-Through from National Central University</i>		107097		2,485	2,485
<i>Pass-Through from Northrop Grumman Corporation</i>		2859431		47,327	47,327
<i>Pass-Through from Northrop Grumman Corporation</i>		2870841		2,264	2,264
<i>Pass-Through from Northrop Grumman Corporation</i>		8200134971		371,813	371,813
<i>Pass-Through from Northwestern University</i>		SP0022325- PROJ0007152		451,771	451,771
<i>Pass-Through from Ohio State University</i>		60036546 PO RF01301949		54,580	54,580
<i>Pass-Through from Ohio State University</i>		RF01344603		259,688	259,688
<i>Pass-Through from Omega Optics</i>		UTA14-000195		113,476	113,476
<i>Pass-Through from Oregon Health Sciences University</i>		90006220 UTHSCSA/ FA8		2,275	2,275
<i>Pass-Through from Oregon Health Sciences University</i>		FA8650-10-2-6143		598	598
<i>Pass-Through from Pacific Defense Solutions</i>		C081A		60,250	60,250
<i>Pass-Through from Physics, Materials, and Applied Mathematics Research, LLC</i>		8039-S1		22,348	22,348

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Physics, Materials, and Applied Mathematics Research, LLC</i>		8046-S1		298	298
<i>Pass-Through from Purdue University</i>		4104-58166		63,189	63,189
<i>Pass-Through from Purdue University</i>		4104-60184		13,596	13,596
<i>Pass-Through from Rice University</i>		FA9550-12-1-0035		319,232	319,232
<i>Pass-Through from Rice University</i>		R15903		6,059	6,059
<i>Pass-Through from Southwest Research Institute</i>		B99076BT		21,892	21,892
<i>Pass-Through from Spectral Energies, LLC</i>		SB1306-001-2		22,410	22,410
<i>Pass-Through from Spectral Energies, LLC</i>		SB1317-001-1		106,910	106,910
<i>Pass-Through from Stanford University</i>		60803373-114411		47,333	47,333
<i>Pass-Through from State University of New York Binghamton</i>		60292		211,413	211,413
<i>Pass-Through from Technology Service Corporation</i>		C4041	61,460		61,460
<i>Pass-Through from Technology Service Corporation</i>		TSC-1054-40017		378,198	378,198
<i>Pass-Through from Technology Service Corporation</i>		TSC-1064-40066		28,972	28,972
<i>Pass-Through from Teledyne Scientific and Imaging, LLC</i>		B9U544351		7,922	7,922
<i>Pass-Through from Texas High Energy Materials</i>		UTCCEM-FA79761-15-N-6175		9,037	9,037
<i>Pass-Through from Texas Research Institute Austin, Inc.</i>		F7407-14-SC1556		38,515	38,515
<i>Pass-Through from The Geneva Foundation</i>		S-1695-01		635,382	635,382
<i>Pass-Through from University of Alabama - Tuscaloosa</i>		UA15-011		77,897	77,897
<i>Pass-Through from University of Arizona</i>		226258		25,281	25,281
<i>Pass-Through from University of Washington</i>		757225		45,555	45,555
<i>Pass-Through from Ues, Inc.</i>		S-875-203-002		65,880	65,880
<i>Pass-Through from United States Air Force</i>		FA9550-10-1-0520		7,572	7,572
<i>Pass-Through from Universal Technology Corporation</i>		14-S7405-16-C1		147,556	147,556
<i>Pass-Through from Universal Technology Corporation</i>		15-S7407-14-CI		20,645	20,645
<i>Pass-Through from University Corporation for Atmospheric Research</i>		Z13-98902		(762)	(762)
<i>Pass-Through from University of California - Merced</i>		E200GQB743		3,392	3,392
<i>Pass-Through from University of Colorado - Boulder</i>		1549565		353,573	353,573
<i>Pass-Through from University of Colorado - Boulder</i>		1552153		39,904	39,904
<i>Pass-Through from University of Dayton Research Institute</i>		RSC13030		137,200	137,200
<i>Pass-Through from University of Dayton Research Institute</i>		RSC14027		113,337	113,337
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		2013-06019-01		15,514	15,514
<i>Pass-Through from University of Maryland</i>		FA86501426D16		797	797
<i>Pass-Through from University of Maryland - College Park</i>		FA9550-14-1-0019		464,910	464,910
<i>Pass-Through from University of Michigan</i>		3002498055		105,860	105,860
<i>Pass-Through from University of Michigan</i>		3002498055 3		31,935	31,935
<i>Pass-Through from University of North Carolina Charlotte</i>		20100669-02-UTA		21,880	21,880
<i>Pass-Through from University of Southern California</i>		34272240		114,150	114,150
<i>Pass-Through from Utah State University</i>		8000002168		95,485	95,485
<i>Pass-Through from Virginia Polytechnic Institute</i>		450321-19093		44,019	44,019
<i>Pass-Through from Virginia Tech</i>		450119-19794		43,143	43,143
<i>Pass-Through from Wasatch Molecular, Inc.</i>		101069		(468)	(468)
<i>Pass-Through from Zel Technologies, LLC</i>		7307-TEES-13		1,558	1,558
<i>Pass-Through from Zt Solar, Inc.</i>		FA8650-13-C-5001 (PR)		97,588	97,588
Total - CFDA 12.800			2,880,842	23,041,790	25,922,632
Language Grant Program	12.900			67,663	67,663
Mathematical Sciences Grants Program	12.901			86,984	86,984
Information Security Grants	12.902			17,953	17,953
<i>Pass-Through from Carnegie Mellon University</i>		1130172-326101		87,118	87,118
Total - CFDA 12.902			0	105,071	105,071
Research and Technology Development	12.910		346,206	3,571,058	3,917,264

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Arsenal Medical, Inc.</i>		W911NF-12-C-0066		15,151	15,151
<i>Pass-Through from Baylor College of Medicine</i>		N66001-14-1-402		43,979	43,979
<i>Pass-Through from California Institute of Technology</i>		68A-1093709		117,040	117,040
<i>Pass-Through from Foundation Applied Molecular Evoluti</i>		UTA13-000282		13,879	13,879
<i>Pass-Through from Harvard University</i>		133503-04		(591)	(591)
<i>Pass-Through from Hrl Laboratories</i>		10043-400140-DS		70,449	70,449
<i>Pass-Through from Lynntech, Inc.</i>		C4880		(779)	(779)
<i>Pass-Through from Michigan State University</i>		RC104707-UTA		133,192	133,192
<i>Pass-Through from National Energetics</i>		12-63-PULSE-FP014		754,516	754,516
<i>Pass-Through from Northwestern University</i>		SP0020412- PROJ000516		200,048	200,048
<i>Pass-Through from Plexon, Inc.</i>		N66001-11-C-4168		(4,397)	(4,397)
<i>Pass-Through from Purdue University</i>		4104-46105		35,273	35,273
<i>Pass-Through from Purdue University</i>		4104-56056		135,593	135,593
<i>Pass-Through from Queens College</i>		47217A		80,992	80,992
<i>Pass-Through from Sa Technologies</i>		W911QX12C0040- 1449-U		7,308	7,308
<i>Pass-Through from Sri International</i>		123-000023		162,599	162,599
<i>Pass-Through from Sri International</i>		19-000248		162,945	162,945
<i>Pass-Through from Teledyne Scientific and Imaging, LLC</i>		PO00101737 4T087		242,091	242,091
<i>Pass-Through from The Boeing Company</i>		660803		(1,415)	(1,415)
<i>Pass-Through from The Boeing Company</i>		972614		92,989	92,989
<i>Pass-Through from Triquint Semiconductor</i>		5154327		14,850	14,850
<i>Pass-Through from Tulane University</i>		TUL-SCC-553201-15/16		2,678	2,678
<i>Pass-Through from University of Minnesota</i>		A003571419		167,510	167,510
<i>Pass-Through from University of Missouri - Columbia</i>		C00043299-8		(148)	(148)
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5055068		92,790	92,790
<i>Pass-Through from University of Notre Dame</i>		ND-202016		31,558	31,558
<i>Pass-Through from Washington State University</i>		119031 G003130		69,701	69,701
Total - CFDA 12.910			346,206	6,210,859	6,557,065
Total - U.S. Department of Defense			19,122,134	212,159,031	231,281,165
Central Intelligence Agency					
Central Intelligence Agency	13.XXX	012215 M1501049		13,940 30,744	13,940 30,744
Total - CFDA 13.XXX			0	44,684	44,684
Total - Central Intelligence Agency			0	44,684	44,684
U.S. Department of Housing and Urban Development					
General Research and Technology Activity	14.506			16,148	16,148
Transformation Initiative Research Grants: Sustainable Community Research Grant Program	14.523			61,424	61,424
Lead Technical Studies Grants	14.902			43,084	43,084
Healthy Homes Technical Studies Grants	14.906		31,091	212,404	243,495
Total - U.S. Department of Housing and Urban Development			31,091	333,060	364,151
U.S. Department of the Interior					
U.S. Department of the Interior	15.XXX	E13PC00017 F13PC00013	9,968	108,248 31,072	118,216 31,072

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Interior (continued)					
		H5000 02 A271, J8380 10 0084		(25)	(25)
		M10PC00091		106,490	106,490
		P11AC91270 MOD2		42,648	42,648
		P11PX15710		4,413	4,413
		P13AC01159		72,833	72,833
		P13AC01280		416	416
		P14AC01691		8,286	8,286
		P14AC01728		1,558	1,558
		P14AC01788		20,239	20,239
		R7600120057		1,713	1,713
<i>Pass-Through from American Bird Conservancy</i>		F09AC00085		7,398	7,398
<i>Pass-Through from Amphibian and Reptile Monitoring at Palo Alto National Historic Park</i>		H5000-02-A271		4,370	4,370
<i>Pass-Through from National Center for Preservation Tech and Trng</i>		MT-2210-11-NC-10		1,773	1,773
<i>Pass-Through from Palo Alto Bird Monitoring</i>		P14AC01690		4,180	4,180
<i>Pass-Through from Stratus Consulting</i>		S183-3S-1931 S183- 041		74,377	74,377
<i>Pass-Through from Wildlife Management Institute, Inc.</i>		03132013		2,979	2,979
Total - CFDA 15.XXX			9,968	492,968	502,936
Recreation Resource Management	15.225			15,641	15,641
Wild Horse and Burro Resource Management	15.229			8,059	8,059
Fish, Wildlife and Plant Conservation Resource Management	15.231			604	604
Wildland Fire Research and Studies Program	15.232			34,911	34,911
<i>Pass-Through from National Wild Turkey Federation</i>		L13AC00117		47,185	47,185
Total - CFDA 15.232			0	82,096	82,096
Rangeland Resource Management	15.237				
<i>Pass-Through from Grazingland Management Systems</i>		D13PC00077		3,332	3,332
<i>Pass-Through from Grazingland Management Systems</i>		M1401591		35,142	35,142
Total - CFDA 15.237			0	38,474	38,474
Alaska Coastal Marine Institute	15.421			50,190	50,190
Bureau of Ocean Energy Management (BOEM)	15.423		413,003	846,886	1,259,889
Environmental Studies Program (ESP)					
<i>Pass-Through from University of Alaska</i>		UAF-12-0028	4,837	8,959	13,796
Total - CFDA 15.423			417,840	855,845	1,273,685
Coastal Impact Assistance Program (CIAP)	15.426			14,273	14,273
<i>Pass-Through from Houston Advanced Research Center</i>		CITP07-TALR0212		15,124	15,124
<i>Pass-Through from Houston Advanced Research Center</i>		CITP08-TAMUK0113A		74,823	74,823
<i>Pass-Through from Houston Advanced Research Center</i>		CITP08-TAMUK0113B	5,000	22,715	27,715
<i>Pass-Through from Houston Advanced Research Center</i>		CITP08-TAMUK0113C		40,060	40,060
<i>Pass-Through from Houston Advanced Research Center</i>		CITP0910-IRNR0613A		(30,076)	(30,076)
<i>Pass-Through from Houston Advanced Research Center</i>		CITP0910-IRNR0613B		(13,599)	(13,599)
<i>Pass-Through from Houston Advanced Research Center</i>		CITP0910-TALR0513		21,483	21,483
<i>Pass-Through from Houston Advanced Research Center</i>		CITP0910- TAMUK0513A		15,578	15,578
<i>Pass-Through from Houston Advanced Research Center</i>		CITP0910- TAMUK0513B		69,535	69,535

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Interior (continued)					
Total - CFDA 15.426			5,000	229,916	234,916
Safety and Environmental Enforcement Research and Data Collection for Offshore Energy and Mineral Activities <i>Pass-Through from Csi Technologies, LLC</i>	15.441	E14PC0037		578,606	578,606
				68,967	68,967
Total - CFDA 15.441			0	647,573	647,573
Water Desalination Research and Development Program <i>Pass-Through from Kii, Inc. - Suns River</i>	15.506	2	15,284	110,644	125,928
				4,077	4,077
Total - CFDA 15.506			15,284	114,721	130,005
WaterSMART (Sustaining and Manage America's Resources for Tomorrow) <i>Pass-Through from El Paso Water Utilities Psb</i>	15.507	CERRO001-2014/2015		60,451	60,451
Cultural Resources Management	15.511			55,072	55,072
Water Conservation Field Services Program (WCFSP)	15.530			12,489	12,489
Desert and Southern Rockies Landscape Conservation Cooperatives	15.557		6,098	58,398	64,496
SECURE Water Act 6 Research Agreements	15.560			49,077	49,077
Fish and Wildlife Management Assistance <i>Pass-Through from Gulf States Marine Fisheries Commission</i>	15.608	FWS-800-037-2014- SFASU		85,039	85,039
				20,000	20,000
Total - CFDA 15.608			0	105,039	105,039
Wildlife Restoration and Basic Hunter Education	15.611			328,459	328,459
Cooperative Endangered Species Conservation Fund <i>Pass-Through from The Nature Conservancy</i>	15.615	8000002090		360,018	360,018
				8,670	8,670
Total - CFDA 15.615			0	368,688	368,688
Multistate Conservation Grant Program	15.628			63,007	63,007
Partners for Fish and Wildlife	15.631			2,978	2,978
State Wildlife Grants <i>Pass-Through from State of Louisiana</i> <i>Pass-Through from State of Louisiana</i>	15.634	8000002223 CFMS 728593	69,065	774,470	843,535
				15,320	15,320
				26,385	26,385
Total - CFDA 15.634			69,065	816,175	885,240
Wildlife Without Borders-Mexico	15.641			141	141
Marine Turtle Conservation Fund	15.645			130,828	130,828
Service Training and Technical Assistance (Generic Training)	15.649			(95)	(95)
Research Grants (Generic) <i>Pass-Through from Lynntech, Inc.</i>	15.650	M1502371		29,515	29,515
				4,081	4,081
Total - CFDA 15.650			0	33,596	33,596
Undesirable/Noxious Plant Species	15.652			7,570	7,570
Migratory Bird Monitoring, Assessment and Conservation	15.655			159,143	159,143

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Interior (continued)					
Endangered Species Conservation - Recovery Implementation Funds	15.657			85,898	85,898
<i>Pass-Through from Houston Zoo</i>		8000001489		15,940	15,940
Total - CFDA 15.657			0	101,838	101,838
National Fish and Wildlife Foundation	15.663				
<i>Pass-Through from National Fish and Wildlife Foundation</i>		0104.13.040537		10,360	10,360
<i>Pass-Through from National Fish and Wildlife Foundation</i>		1601.12.033309	1,529	10,300	11,829
Total - CFDA 15.663			1,529	20,660	22,189
Coastal Impact Assistance Program	15.668		67,945	2,613,350	2,681,295
<i>Pass-Through from Cameron County</i>		2012C06204		14,163	14,163
<i>Pass-Through from Houston Advanced Research Center</i>		AQR07TAMU		77,309	77,309
<i>Pass-Through from Houston Advanced Research Center</i>		IKESURGE12-TAMU0313		35,233	35,233
<i>Pass-Through from Houston Advanced Research Center</i>		IKESURGE12-UT0313		27,052	27,052
<i>Pass-Through from The Nature Conservancy</i>		TXFO 03 0714 1		54,789	54,789
<i>Pass-Through from The Nature Conservancy</i>		TXFO030714-1 & TXFO042715-1		82,912	82,912
<i>Pass-Through from Umiaq</i>		10-CIAP-025		159,600	159,600
Total - CFDA 15.668			67,945	3,064,408	3,132,353
Cooperative Landscape Conservation	15.669		116,261	129,725	245,986
<i>Pass-Through from Wildlife Management Institute, Inc.</i>		2012-04 F11AC00813		7,142	7,142
<i>Pass-Through from Wildlife Management Institute, Inc.</i>		GCP LCC 2015-01		22,897	22,897
<i>Pass-Through from Wildlife Management Institute, Inc.</i>		GCPLCC 2013-04		40,968	40,968
Total - CFDA 15.669			116,261	200,732	316,993
Adaptive Science	15.670			186,246	186,246
Assistance to State Water Resources Research Institutes	15.805			77,770	77,770
Earthquake Hazards Research and Monitoring Assistance	15.807			202,516	202,516
U.S. Geological Survey Research and Data Collection	15.808			218,550	218,550
<i>Pass-Through from University of Southern California</i>		42494318		538	538
<i>Pass-Through from University of Southern California</i>		49156161		88	88
		PO10183410			
Total - CFDA 15.808			0	219,176	219,176
National Cooperative Geologic Mapping Program	15.810			129,153	129,153
Cooperative Research Units Program	15.812			408,180	408,180
National Land Remote Sensing Education Outreach and Research	15.815				
<i>Pass-Through from America View</i>		AV13-TX01		33,725	33,725
National Geospatial Program: Building The National Map	15.817		24,885	32,841	57,726
Energy Cooperatives to Support the National Coal Resources Data System (NCRDS)	15.819			14,250	14,250
National Climate Change and Wildlife Science Center	15.820				
<i>Pass-Through from University of Oklahoma</i>		2014-16		55,862	55,862
<i>Pass-Through from University of Oklahoma</i>		2014-17		10,099	10,099
<i>Pass-Through from University of Oklahoma</i>		2015-30		32,065	32,065

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Interior (continued)					
<i>Pass-Through from University of Oklahoma</i>		2015-31		48,993	48,993
<i>Pass-Through from University of Oklahoma</i>		G12AC00002 SUB 2012-30		170,326	170,326
Total - CFDA 15.820			0	317,345	317,345
National Historic Landmark	15.912			2,286	2,286
Outdoor Recreation Acquisition, Development and Planning	15.916			78,324	78,324
Rivers, Trails and Conservation Assistance	15.921			14,336	14,336
National Center for Preservation Technology and Training	15.923			49,010	49,010
American Battlefield Protection	15.926			1,424	1,424
National Heritage Area Federal Financial Assistance <i>Pass-Through from Cane River National Heritage Area</i>	15.939	CA2012-04		808	808
Natural Resource Stewardship <i>Pass-Through from World Wildlife Foundation</i>	15.944	P14AC01243		5,026 6,633	5,026 6,633
Total - CFDA 15.944			0	11,659	11,659
Cooperative Research and Training Programs 6 Resources of the National Park System	15.945		2,872	259,628	262,500
Total - U.S. Department of the Interior			736,747	10,213,418	10,950,165
U.S. Department of Justice					
U.S. Department of Justice <i>Pass-Through from Roger Williams University</i> <i>Pass-Through from Rti International</i>	16.XXX	J-FBI-10-009 2015063466 1321021316851030LN CE	1,956,310	106,877 25,835	2,063,187 25,835
<i>Pass-Through from Rti International</i> <i>Pass-Through from Rti International</i> <i>Pass-Through from University of Portsmouth</i>		2013-CY-BX-0006 FBI-13-UNTHSC-001 14744	100,294	8,763 83,205 (10,325)	8,763 83,205 (10,325)
Total - CFDA 16.XXX			2,148,572	122,387	2,270,959
Community Relations Service	16.200		25,976	132,137	158,113
Juvenile Accountability Block Grants	16.523			14,892	14,892
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525			131,693	131,693
Juvenile Justice and Delinquency Prevention Allocation to States	16.540			311,597	311,597
Part E - Developing, Testing and Demonstrating Promising New Programs <i>Pass-Through from Johns Hopkins University</i>	16.541	8000001981		161,447 29,046	161,447 29,046
Total - CFDA 16.541			0	190,493	190,493
Missing Children's Assistance <i>Pass-Through from Fox Valley Technical College</i>	16.543	D2013002040		30,508	30,508
National Institute of Justice Research, Evaluation, and Development Project Grants <i>Pass-Through from Arizona State University</i> <i>Pass-Through from Flashscan3d</i>	16.560	270490 2014-IJ-CX-K003	123,435	4,835,341 250,674 47,460	4,958,776 302,062 47,460

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Justice (continued)					
<i>Pass-Through from Houston City of</i>		C74344/UTA11- 000549PH II		594	594
<i>Pass-Through from Houston Police Department</i>		270280		320	320
Total - CFDA 16.560			174,823	5,134,389	5,309,212
Crime Victim Assistance/Discretionary Grants	16.582				
<i>Pass-Through from Lone Star Legal Aid</i>		7484-1 2012-VF-GX- 2019		19,488	19,488
Juvenile Mentoring Program	16.726		28,292	116,706	144,998
Edward Byrne Memorial Justice Assistance Grant Program	16.738			(455)	(455)
DNA Backlog Reduction Program	16.741			671,335	671,335
<i>Pass-Through from The Bode Technology Group, Inc.</i>		2012-DN-BX-K056	86,526		86,526
Total - CFDA 16.741			86,526	671,335	757,861
Edward Byrne Memorial Competitive Grant Program	16.751				
<i>Pass-Through from Institute for Intergov't Research</i>		8000002167	21,980	2,776,248	2,798,228
Second Chance Act Reentry Initiative	16.812				
<i>Pass-Through from Us Department of Justice</i>		2013-CY-BX-0002	23,182		23,182
Total - U.S. Department of Justice			2,509,351	9,651,418	12,160,769
U.S. Department of Labor					
U.S. Department of Labor	17.XXX			53,761	53,761
<i>Pass-Through from Aspen Institute</i>		DOL-ETA-14-C-0022 UTA13-000870		97,437	97,437
Total - CFDA 17.XXX			0	151,198	151,198
Employment Service/Wagner-Peyser Funded Activities	17.207				
<i>Pass-Through from Center for Innovation at Arlington</i>		2014-574		10,963	10,963
WIA/WIOA Pilots, Demonstrations, and Research Projects	17.261				
<i>Pass-Through from South Texas College</i>		UTPA/WR-15999-07- 60-A-48		(115)	(115)
H-1B Job Training Grants	17.268			66,647	66,647
WIA/WIOA Dislocated Worker Formula Grants	17.278			76,288	76,288
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282				
<i>Pass-Through from Austin Community College</i>		2014-2015 UTA14- 000282 31-1-93196		25,237	25,237
<i>Pass-Through from Corp for A Skilled Workforce</i>		2013-02		114,311	114,311
<i>Pass-Through from Corp for A Skilled Workforce</i>		2013-15 / UTA13- 000825		23,516	23,516
Total - CFDA 17.282			0	163,064	163,064
Workforce Innovation Fund	17.283				
<i>Pass-Through from Jobs for the Future</i>		UTA12-001153		119,363	119,363
Local Veterans' Employment Representative Program	17.804			42,488	42,488
Total - U.S. Department of Labor			0	629,896	629,896

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RESEARCH AND DEVELOPMENT CLUSTER (continued)							
U.S. Department of State							
U.S. Department of State <i>Pass-Through from Trafficking in Person Along Mexico</i>	19.XXX	S-SJTIP-14-CA-1038		28,865	28,865		
Environmental and Scientific Partnerships and Programs	19.017			124,639	124,639		
Global Threat Reduction <i>Pass-Through from Crdf Global</i>	19.033	GTR3-15-61257-1		317,556 36,581	317,556 36,581		
Total - CFDA 19.033			0	354,137	354,137		
Academic Exchange Programs - Scholars <i>Pass-Through from Crdf Global</i> <i>Pass-Through from Institute of International Education</i>	19.401	GTRX-14-60590-0 S-ECAGD-13-CA-149		43,440 17,877	43,440 17,877		
Total - CFDA 19.401			0	61,317	61,317		
General Department of State Assistance <i>Pass-Through from Crdf Global</i>	19.700	GTR2-15-61297-1		773,211 29,251	773,211 52,273		
Total - CFDA 19.700			23,022	802,462	825,484		
Total - U.S. Department of State			23,022	1,371,420	1,394,442		
U.S. Department of Transportation							
U.S. Department of Transportation	20.XXX	DTFH61-12-C-00025 DTFH6114C00003, PO#48-30-13062 DTFH6114C00033 DTFH6811E00043 DTFH68-11-E-00051 DTFH71-13-C-00002 DTFH71-13-C-00049 <i>Pass-Through from Aem Corporation</i> <i>Pass-Through from American Road and Transportation Builders Association</i> <i>Pass-Through from Applied Pavement Technology, Inc.</i> <i>Pass-Through from Battelle Memorial Institute</i> <i>Pass-Through from Booz Allen Hamilton, Inc.</i> <i>Pass-Through from Cambridge Systematics</i> <i>Pass-Through from Cambridge Systematics</i> <i>Pass-Through from Cambridge Systematics</i> <i>Pass-Through from Cambridge Systematics</i> <i>Pass-Through from Cambridge Systematics</i> <i>Pass-Through from Center for Transportation and the Environmt</i> <i>Pass-Through from Center for Transportation and the Environmt</i> <i>Pass-Through from Center for Transportation and the Environmt</i> <i>Pass-Through from Center for Transportation and the Environmt</i>	20.XXX	DTFH61-12-C-00025 DTFH6114C00003, PO#48-30-13062 DTFH6114C00033 DTFH6811E00043 DTFH68-11-E-00051 DTFH71-13-C-00002 DTFH71-13-C-00049 2321-000-TAMU01 DTFH61-11-H- WORK AUTHORIZATION 5; 2012-120-RR01 601304-8 601304-9 PO US001-601305-3 US001-601304-1 US001-601304-3 US001-601304-4 US001-601304-6 US001-601305-2 103676SB1M 1 008551 (NAS 143) 008852 007 150040; NAS 143 8780-001 (PRIME: DTFH61-13-D-00003) PSS 008785 TO 100 UTA11-000802 FL-88- 0001-00 UTA12-000814 UTA12-000814 05 UTA12-000814 07	28,325 138,028 66,020 24,248 3,892 3,817 17,309 (82) 33,703 1,655 25,824 8,060 145,074 27,267 (16) 31,564 38,357 50,181 (12,530) 24,092 6,201 10,628 35,365 19,721 20,956 17,493 6,698 4,734	47,066 181,667 66,020 24,248 3,892 3,817 17,309 (82) 33,703 1,655 25,824 8,060 145,074 27,267 (16) 31,564 38,357 50,181 (12,530) 24,092 6,201 10,628 35,365 19,721 20,956 17,493 6,698 4,734	75,391 319,695 66,020 24,248 3,892 3,817 17,309 (82) 33,703 1,655 25,824 8,060 145,074 27,267 (16) 31,564 38,357 50,181 (12,530) 24,092 6,201 10,628 35,365 19,721 20,956 17,493 6,698 4,734

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Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-State Entities	Expenditures	Total
RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Transportation (continued)					
<i>Pass-Through from Center for Transportation and the Environmt</i>		UTA12-000814 08		14,003	14,003
<i>Pass-Through from Crash Avoidance Metrics Partnership</i>		CAMP0000066 / 674		19,180	19,180
<i>Pass-Through from Fort Bend County</i>		P2012144	3,275	7,256	10,531
<i>Pass-Through from Houston - Galveston Area Council</i>		#TDOT.14.0220-02		136,482	136,482
<i>Pass-Through from Icf International, Inc.</i>		13DDSK0550	2,400	706	3,106
<i>Pass-Through from Idaho Transportation Department</i>		TTI-2013-01		5,780	5,780
<i>Pass-Through from Iteris, Inc.</i>		D00002-TEX		11,683	11,683
<i>Pass-Through from Kai, LLC</i>		UTA15-000465		81,133	81,133
<i>Pass-Through from Knowledge Based Systems, Inc.</i>		2014-TTI- Subcontract/PrimeDT RT5715C10028		10,795	10,795
<i>Pass-Through from Leidos, Inc.</i>		P010164331 14-022		6,164	6,164
<i>Pass-Through from Macrosys, LLC</i>		M1501759		90,312	90,312
<i>Pass-Through from Midwest Research Institute</i>		578-110811-01		79,596	79,596
<i>Pass-Through from Mitre Corporation</i>		84443	3,277	11,780	15,057
<i>Pass-Through from National Academy of Science - National Cooperative Freight Research</i>		NAS 150,TO7, NCFRP-46 SUB00000398	25,000	160,292	185,292
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		HR 01- 52 SUB0000237		202,615	202,615
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		HR 20-07 (344)	8,000	22,185	30,185
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		NAS 150 TO #11 HR 09-49B		69,112	69,112
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		SUB0000272 NAS 150, TO 1, HR 03-109	2,282	60,252	62,534
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		SUB0000338 / HR-20- 59(047)	13,046	43,178	56,224
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		SUB0000342; HR 15- 49	900	275,633	276,533
<i>Pass-Through from National Academy of Science - National Cooperative Rail Research</i>		NAS 150, #03, NCRRO R03-01	31,515	76,626	108,141
<i>Pass-Through from National Academy of Sciences</i>		2000003995		1,977	1,977
<i>Pass-Through from National Academy of Sciences</i>		2000004689		3,741	3,741
<i>Pass-Through from National Academy of Sciences</i>		2000005165		776	776
<i>Pass-Through from National Academy of Sciences</i>		2000005312		4,864	4,864
<i>Pass-Through from National Academy of Sciences</i>		NCFRP-47	72,814	134,236	207,050
<i>Pass-Through from National Academy of Sciences - Transit Cooperative Research Program</i>		NAS 150, #19, TCRP H-52	4,703	27,129	31,832
<i>Pass-Through from National Academy of Sciences - Transit Cooperative Research Program</i>		NAS 150, 18, G-14 - SUB0000621	19,390	38,319	57,709
<i>Pass-Through from National Academy of Sciences - Transit Cooperative Research Program</i>		NAS 150; TO #08; SUB0000433		12	12
<i>Pass-Through from National Academy of Sciences - Transit Cooperative Research Program</i>		SUB0000444 / NAS 150, NO.9	23,533	67,877	91,410
<i>Pass-Through from Oklahoma Department of Transportation</i>		SP&R 2261 CONTR# 3459044628 JP# 0194	27,094	55,850	82,944
<i>Pass-Through from Oklahoma Department of Transportation</i>		SP&R 2265 CONTR.#:3459044731		43,461	43,461
<i>Pass-Through from Oklahoma Department of Transportation</i>		SP&R ITEM 2261 3459041909	3,885	11,602	15,487
<i>Pass-Through from Oregon Department of Transportation</i>		30240		22,276	22,276
<i>Pass-Through from Oregon State University, Corvallis</i>		J1329A-C		748	748
<i>Pass-Through from Parker Corporate Enterprises, Inc.</i>		HR 20-06 (02-01)		94	94
<i>Pass-Through from Resource Systems Group</i>		UTA11-000910		21,700	21,700
<i>Pass-Through from Transportation Research Board</i>		DTFH61-11-C-00015 HR 10-96	86,909	106,633	193,542

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Transportation (continued)					
<i>Pass-Through from Transportation Research Board</i>		HR 24-41	163,925	61,078	225,003
<i>Pass-Through from University of Maryland</i>		Z9065002		26,687	26,687
<i>Pass-Through from University of Michigan, Ann Arbor</i>		3002203676		(5)	(5)
		DTFH61-11-C-00040			
ARRA - U.S. Department of Transportation					
<i>Pass-Through from National Academy of Sciences - Transit Cooperative Research Program</i>		TCRP A-38 SUB0000231		16,939	16,939
Total - CFDA 20.XXX			658,301	2,869,721	3,528,022
Aviation Education	20.100			11,389	11,389
Airport Improvement Program	20.106				
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		NAS 150, 13 - ACRP A09-11	12,453	174,031	186,484
<i>Pass-Through from National Academy of Sciences</i>		ACRP A09-10	54,647	103,172	157,819
Total - CFDA 20.106			67,100	277,203	344,303
Aviation Research Grants	20.108		236,400	470,209	706,609
Air Transportation Centers of Excellence	20.109		197,968	138,666	336,634
Highway Research and Development Program	20.200		87,109	226,554	313,663
<i>Pass-Through from Amec Environment and Infrastructure, Inc.</i>		6420120019F013000005		55,398	55,398
<i>Pass-Through from American Road and Transportation Builders Association</i>		DTFH61-13-H-00022-A		107,754	107,754
<i>Pass-Through from American Road and Transportation Builders Association</i>		DTFH61-13-H-0025-A		25,169	25,169
<i>Pass-Through from Applied Pavement Technology, Inc.</i>		WORK AUTHORIZATION 2; 2012-120-RR01		(32)	(32)
<i>Pass-Through from Battelle Memorial Institute</i>		PO US001- 0000401794		14,032	14,032
<i>Pass-Through from Battelle Memorial Institute</i>		PO US001-601304-7		60,143	60,143
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601206-1		53,835	53,835
<i>Pass-Through from California Dept. of Transportation</i>		65A0526		63,014	63,014
<i>Pass-Through from California State University, Long Beach</i>		SG175414100-A&M		21,577	21,577
<i>Pass-Through from City of El Paso</i>		M1502932 / 2015 CMAQ		3,913	3,913
<i>Pass-Through from City of El Paso</i>		M1503392 &0092; 2015 CMAQ		2,227	2,227
<i>Pass-Through from Michigan Department of Transportation</i>		2013-0229		375	375
<i>Pass-Through from Migma Systems, Inc.</i>		P2014683		56,316	56,316
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		HR 14-28, 163511- 1102		275,282	275,282
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		NAS 150, 15 - HR 09- 57		142,068	142,068
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		NAS 150, T.O. #14, HR 17-66	24,980	55,379	80,359
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		NAS 150, TO# 02, HR 07/23 SUB0000273	41,187	213,879	255,066
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		SUB0000237 (HR 17- 58)		170,452	170,452
<i>Pass-Through from National Academy of Sciences</i>		HR 14-20A / SUB00004	117,560	46,872	164,432
<i>Pass-Through from National Asphalt Pavement Association</i>		DTFH61-13-RA-00015 SUBAWARD		6,118	6,118

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Transportation (continued)					
<i>Pass-Through from Transportation Research Board of the National Academies</i>		HR 12-97		165,966	165,966
<i>Pass-Through from Transportation Research Board of the National Academies</i>		SUB0000174		(535)	(535)
<i>Pass-Through from University of California - Los Angeles</i>		0159 G RA063		5,442	5,442
<i>Pass-Through from University of California - Los Angeles</i>		0159 G RA063 1		82,036	82,036
<i>Pass-Through from University of Michigan, Ann Arbor</i>		3003298881		14,010	14,010
Total - CFDA 20.200			270,836	1,867,244	2,138,080
Highway Planning and Construction	20.205			303,704	303,704
<i>Pass-Through from Battelle Memorial Institute</i>		601305-4		3,372	3,372
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-10		172,853	172,853
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-11		50,631	50,631
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-12		63,293	63,293
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-13		52,783	52,783
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-14		39,698	39,698
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-15		17,716	17,716
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-16		95,181	95,181
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-17		4,424	4,424
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-5		54,256	54,256
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601305-5		24,470	24,470
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601305-6		71,526	71,526
<i>Pass-Through from Cambridge Systematics</i>		008852.008		30,800	30,800
<i>Pass-Through from Cambridge Systematics</i>		140044.001(Prime#N AS 143;SUB0004)		42,137	42,137
<i>Pass-Through from Cambridge Systematics</i>		CS 08500-080 (082)		10,389	10,389
<i>Pass-Through from Cambridge Systematics</i>		NCHRP 20-24B		(1,026)	(1,026)
<i>Pass-Through from Ch2m Hill</i>		NO: 10006-7-101058		12,319	12,319
<i>Pass-Through from Colorado Department of Transportation</i>		411002554		29,576	29,576
<i>Pass-Through from Economic Development Research Group, Inc.</i>		SHRP C-32		43	43
<i>Pass-Through from Gp Strategies Corporation</i>		PO P14-000671- GSA		4,233	4,233
<i>Pass-Through from Gulf Coast Rail District</i>		83-2XXIA006		24,103	24,103
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		NAS 150 TO #17; HR 20-05(46-16) PO SUB 0		32,079	32,079
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		NAS 150, #20, HR 03- 117		20,059	20,059
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		NAS 150, TO #12, HR 09-58	25,000	269,241	294,241
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		NAS 150, TO #16, HR01-53		18,141	18,141
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		NAS 150, TO 10, HR 03-114	109,068	148,059	257,127
<i>Pass-Through from Ohio Department of Transportation</i>		# 26101 SJN 134846	43,443	85,712	129,155
<i>Pass-Through from Ohio Department of Transportation</i>		#26923/JOB #135097	4,688	22,159	26,847
<i>Pass-Through from Ohio Department of Transportation</i>		27125		3,311	3,311
<i>Pass-Through from Ohio Department of Transportation</i>		ODT 25302 STATE 134716	(1,339)		(1,339)
<i>Pass-Through from Oregon Department of Transportation</i>		29184		21,028	21,028
<i>Pass-Through from University of Illinois</i>		11BOB 2011-05776-34		9,475	9,475
<i>Pass-Through from University of Nebraska - Lincoln</i>		26-1121-4019-002		18,965	18,965
<i>Pass-Through from University of Nevada - Reno</i>		P-122-13-803 / UNR- 14-06		29,207	29,207
<i>Pass-Through from University of South Florida - Tampa</i>		2104-1175-00-4		(1,973)	(1,973)

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Transportation (continued)					
<i>Pass-Through from Wayne State University, Detroit</i>		INDEX#3-70047, C#2013-0070#5, J#117433		(15)	(15)
Total - CFDA 20.205			180,860	1,781,929	1,962,789
Highway Training and Education <i>Pass-Through from Georgia Department of Transportation</i>	20.215	PEMSL000600311 : P.I. 0006311		63,095 138,271	63,095 138,271
Total - CFDA 20.215			0	201,366	201,366
National Motor Carrier Safety <i>Pass-Through from University of Michigan, Ann Arbor</i>	20.218	DTMC75-14-R- 00039&0092; 30033		27,570 1,957	27,570 1,957
Total - CFDA 20.218			0	29,527	29,527
Railroad Research and Development <i>Pass-Through from University of Illinois - Champaign - Urbana</i>	20.313	2012-06861-01		13,882	13,882
Public Transportation Research, Technical Assistance, and Training <i>Pass-Through from Fort Bend County Pass-Through from Idaho Transportation Department</i>	20.514	M1500072 092314 CPO 02621	6,500 2,749	28,201 19,876	34,701 22,625
Total - CFDA 20.514			9,249	48,077	57,326
Capital Assistance Program for Reducing Energy Consumption and Greenhouse Gas Emissions <i>Pass-Through from Center for Transportation and the Environmt</i>	20.523	UTA12-000559		19,482	19,482
State and Community Highway Safety <i>Pass-Through from Nebraska Department of Health and Human Pass-Through from University of Iowa - Iowa City</i>	20.600	P2013191 PO1001353180	6,820	1,189,287 2,969 169,940	1,196,107 2,969 169,940
Total - CFDA 20.600			6,820	1,362,196	1,369,016
Minimum Penalties for Repeat Offenders for Driving While Intoxicated <i>Pass-Through from University of California - Berkeley</i>	20.608	008704		230,157	230,157
National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants <i>Pass-Through from Nebraska Department of Health and Human</i>	20.614	M1500081/100114		28,945	28,945
National Priority Safety Programs	20.616		54,431	1,426,071	1,480,502
University Transportation Centers Program <i>Pass-Through from Michigan State University Pass-Through from Rutgers University Pass-Through from University of Idaho Pass-Through from University of Michigan, Ann Arbor Pass-Through from University of New Orleans Pass-Through from University of Oklahoma Pass-Through from University of Oklahoma Pass-Through from University of Oklahoma Pass-Through from University of South Florida - Tampa Pass-Through from University of Tulsa Pass-Through from University of Wisconsin - Madison Pass-Through from University of Wisconsin - Madison</i>	20.701	RC103194UTA 00004648/MOD#08 KLK-900-SB-003 3002833944 8000002113 14-2-1208346-94814 2015-18 DTRT13-G-UTC36 #2117-9061-02-A 14-2-1208346-94802 430K850 563K754	450,200	1,500,750 46,356 90,983 263,225 467,785 27 33,776 8,270 126,386 39,126 19,068 10,221 44,318	1,950,950 46,356 90,983 263,225 467,785 27 33,776 8,270 126,386 39,126 19,068 10,221 44,318

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Transportation (continued)					
<i>Pass-Through from Western Michigan University</i>		8090-UTA-1		65,834	65,834
Total - CFDA 20.701			450,200	2,716,125	3,166,325
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703				
<i>Pass-Through from National Academy of Sciences</i>		HM-18163811-1203		206,950	206,950
Pipeline Safety Research Competitive Academic Agreement Program (CAAP)	20.724			85,266	85,266
Biobased Transportation Research	20.761				
<i>Pass-Through from Oklahoma State University</i>		AB-5-66090.TAES9 HAYS		5,890	5,890
Transportation Planning, Research and Education	20.931			540,410	540,410
Total - U.S. Department of Transportation			2,132,165	14,330,705	16,462,870
Office of Personnel Management					
Intergovernmental Personnel Act (IPA) Mobility Program	27.011			675,527	675,527
<i>Pass-Through from Michael E. DeBakey Veterans Affairs Medical Center</i>		D45121		2,258	2,258
Total - CFDA 27.011			0	677,785	677,785
Total - Office of Personnel Management			0	677,785	677,785
Library of Congress					
Library of Congress	42.XXX	CRS 14-08; CRS 11-06 CRS#14-07 NAVAKAS		4,367 7,700 613	4,367 7,700 613
Total - CFDA 42.XXX			0	12,680	12,680
Total - Library of Congress			0	12,680	12,680
National Aeronautics and Space Administration					
National Aeronautics and Space Administration	43.XXX	0965 G SA561 NASA-28G / NNX15AE28G NNG12VI01C NNJ04HH01A NNJ13ZA04P NNJ15HP01P NNL14AA00C NNL14AA00C NNL14AA36T NNL14AA00C NNL14AB24T NNL14AA00C NNL15AA84T NNL14AA00C NNL15AB14T NNL14AA00C NNL15AB40T NNX08AO52G NNX08AO52G S05		686,810 32,642 716,795 13,177 198,965 416,853 2,503,483 85 19,867 19,618 57,119 17,971 4,766 50	686,810 32,642 716,795 13,177 198,965 416,853 2,652,431 85 19,867 19,618 57,119 17,971 4,766 50

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
National Aeronautics and Space Administration (continued)					
		NNX08AW08G		4,461	4,461
		NNX09AM08G	96,098	361,326	457,424
		NNX09AM51A		8,281	8,281
		NNX09AM60G		21,211	21,211
		NNX09AV10G	18,833	6,745	25,578
		NNX10AC68G		73,726	73,726
		NNX10AF10G		4,638	4,638
		NNX10AO26G 09- MDAP09-0087		82,081	82,081
		NNX10AP98G		20,970	20,970
		NNX10AT57A		353,112	353,112
		NNX11AJ73G		98,229	98,229
		NNX12AG09G		69,426	69,426
		NNX14AC76G		334,700	334,700
		NNX15AF55G		(1,218)	(1,218)
<i>Pass-Through from Advanced Magnet Lab</i>		108653		98,928	98,928
<i>Pass-Through from Balcones Technologies, LLC</i>		UTA13-000810		132,425	132,425
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1360670		81,763	81,763
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1393349		389	389
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1405316 1		78,810	78,810
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1416374		481	481
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1427764		11,466	11,466
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1427884		29,629	29,629
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1434786		2	2
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1439152		4,813	4,813
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1450036		109,484	109,484
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1454803		20,244	20,244
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1454813		1,725	1,725
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1464593		181,849	181,849
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1472263		14,055	14,055
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1472265		1	1
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1472270		10,000	10,000
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1478359		25,725	25,725
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1478359 03		39,715	39,715
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1478584		27,435	27,435
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1478584 02		944,654	944,654
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1479726		118,013	118,013

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
National Aeronautics and Space Administration (continued)					
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1485877		6,801	6,801
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1485889		2,818	2,818
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1487811		6,218	6,218
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1488676		51,114	51,114
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1491503		37,658	37,658
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1491844		48,572	48,572
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1495153		11,833	11,833
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1497331		17,519	17,519
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1499692		5,000	5,000
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1500179		41,917	41,917
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1512634		14,501	14,501
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1514074		8,660	8,660
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1514075		35,459	35,459
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1515281		46,719	46,719
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1515294		18,183	18,183
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1515303		16,949	16,949
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1518949		25,688	25,688
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1521160		7,558	7,558
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1521445		14,153	14,153
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1525949		14,351	14,351
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1531101		11,692	11,692
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		RSA 1510016		81,191	81,191
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		RSA 1515297		44,964	44,964
<i>Pass-Through from Colorado State University</i>		SA-15-093		48,630	48,630
<i>Pass-Through from Denison University</i>		P0042593		17,044	17,044
<i>Pass-Through from Georgia Institute of Technology</i>		R9867-G4		12	12
<i>Pass-Through from Jacobs Technology, Inc.</i>		EN41520TMS		599,893	599,893
<i>Pass-Through from Jet Propulsion Laboratory</i>		1506453		29,886	29,886
<i>Pass-Through from Johns Hopkins University Applied Physics Lab</i>		BPS/STP-14-181		105,144	105,144
<i>Pass-Through from Jpl Subcontract: A Prototype</i>		RSA-1349744		1,034	1,034
<i>Pass-Through from Kestrel Technology, LLC</i>		KT-AA07C-TTU		108,034	108,034
<i>Pass-Through from Lockheed Martin Engineering Services</i>		7200004829	283,259	26,674	309,933
<i>Pass-Through from Lynntech, Inc.</i>		2011-NAS54C-0001		47,999	47,999

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
National Aeronautics and Space Administration (continued)					
<i>Pass-Through from Micro Aerospace Solutions, Inc.</i>		UTA13-000519		21	21
<i>Pass-Through from NASA</i>		PR No: 4200494678		51,408	51,408
<i>Pass-Through from NASA Jet Propulsion Lab</i>		1515315		13,403	13,403
<i>Pass-Through from NASA Jet Propulsion Lab</i>		1521569		16,216	16,216
<i>Pass-Through from NASA Jet Propulsion Lab</i>		RSA 1466427		1,033	1,033
<i>Pass-Through from NASA Jet Propulsion Lab</i>		RSA 1485903		10,099	10,099
<i>Pass-Through from NASA Jet Propulsion Lab</i>		RSA 1496186		5,320	5,320
<i>Pass-Through from National Institute of Aerospace</i>		T13-6500-UTEX		43,594	43,594
		T.O.#6515UTEX			
<i>Pass-Through from National Institute of Aerospace</i>		T13-6500-UTEX TO		59,844	59,844
		6528-UTEX			
<i>Pass-Through from National Space Biomedical Research Institute</i>		NCC 9-58		59,108	59,108
<i>Pass-Through from National Space Biomedical Research Institute</i>		NCC95849/CA02701	37,445	4,505	41,950
<i>Pass-Through from National Space Grant Foundation</i>		NASA SUBAWARD		2,373	2,373
<i>Pass-Through from Omega Optics</i>		UTA15-000617		10,091	10,091
<i>Pass-Through from Paragon Tec, Inc.</i>		SEMA		17,752	17,752
<i>Pass-Through from Rio Grande Valley Science Association</i>		RGVSA-TX-2011- 00001		1,968	1,968
<i>Pass-Through from Science Applications International</i>		PO10210610/NNJ13R A018		17,098	17,098
<i>Pass-Through from Science Systems and Applications, Inc.</i>		21101-15-XXX-CR G-006		9,303	9,303
<i>Pass-Through from Scientific Systems Co., Inc.</i>		1597-UTA		18,877	18,877
<i>Pass-Through from Selenium Ltd</i>		NNX14CJ10P		7,688	7,688
<i>Pass-Through from Smithsonian Astrophysical Observatory</i>		G04-15035B		1,440	1,440
<i>Pass-Through from Southwest Research Institute</i>		1415FC0036 Mod#3		7,734	7,734
<i>Pass-Through from Southwest Research Institute</i>		E99046JD		2,345	2,345
<i>Pass-Through from Space Telescope Science Institute</i>		HST-AR-12820.01-A		73	73
<i>Pass-Through from Space Telescope Science Institute</i>		HST-AR-13276.02-A		4,202	4,202
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-12506.04-A		34,015	34,015
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-12507.05-A		38,437	38,437
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-12880.006-A		102,312	102,312
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-12896.001-A		39,558	39,558
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13019.02-A		241,041	241,041
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13334.003-A		232	232
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13334.004-A		10,869	10,869
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13335.005-A		10,870	10,870
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13678.002-A		232	232
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13678.007-A		10,869	10,869
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13819.001-A		3,863	3,863
<i>Pass-Through from Space Telescope Science Institute Aura</i>		HST-GO-13735.001-A		15,671	15,671
<i>Pass-Through from Space Telescope Science Institute Aura</i>		HST-GO-13856.005-A		7,836	7,836
<i>Pass-Through from The Boeing Company</i>		785051		106,943	106,943
<i>Pass-Through from The Boeing Company</i>		NAS15-10000/868017		21,945	21,945
<i>Pass-Through from The University of Tennessee</i>		A12-422-S001		409	409
<i>Pass-Through from Under Armour, Inc.</i>		CA00004	3,029	2,327	5,356
<i>Pass-Through from United Negro College Fund Special Program</i>		UNCF2011-2013		6,612	6,612
<i>Pass-Through from United Negro College Fund Special Program</i>		UNCFSP/NNX13AK8 9A		196,079	196,079
<i>Pass-Through from University of Wisconsin</i>		348K272		70,338	70,338
<i>Pass-Through from University Space Res Association</i>		NAS2-97001 UTA14- 000015		1,903	1,903
<i>Pass-Through from University Space Res Association</i>		NAS2-97001 UTA14- 000016		1,999	1,999
<i>Pass-Through from University Space Res Association</i>		NAS2-97001 UTA14- 000174		1,591	1,591

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
National Aeronautics and Space Administration (continued)					
<i>Pass-Through from Wyle</i>		NAS9-02078		25,760	25,760
<i>Pass-Through from Wyle Laboratories</i>		NAS902078		21,002	21,002
Total - CFDA 43.XXX			600,874	10,936,309	11,537,183
Science	43.001		879,933	6,964,171	7,844,104
<i>Pass-Through from American College of Sports Medicine</i>		M1301979		188	188
<i>Pass-Through from Astronomical Society of the Pacific</i>		SPN00336		4,914	4,914
<i>Pass-Through from Baylor College of Medicine</i>		AO00017;PO# 5600965730		84,492	84,492
<i>Pass-Through from Baylor College of Medicine</i>		PF03504; PO#5600965730		7,742	7,742
<i>Pass-Through from California Institute of Technology</i>		1439374		(130)	(130)
<i>Pass-Through from California Institute of Technology</i>		65P-1094260		16,766	16,766
<i>Pass-Through from Chandra X - Ray Observatory Center</i>		GO2-13095X		12,305	12,305
<i>Pass-Through from Columbia University</i>		1(GG006669)		16,496	16,496
<i>Pass-Through from George Mason University</i>		E2030522		33,294	33,294
<i>Pass-Through from Georgetown University</i>		NNX09AU5G		12,980	12,980
<i>Pass-Through from Georgetown University</i>		NNX09AU95G		616,937	616,937
<i>Pass-Through from Georgia Institute of Technology</i>		RE407-G3		61,264	61,264
<i>Pass-Through from Hj Sci and Tech, Inc.</i>		NNX13CP49C-1		75,890	75,890
<i>Pass-Through from Innovative Imaging and Research Corp</i>		NNX13CS14C		113,099	113,099
<i>Pass-Through from Jacobs Technology, Inc.</i>		8000002248		66,869	66,869
<i>Pass-Through from Jacobs Technology, Inc.</i>		8000002254		7,559	7,559
<i>Pass-Through from Jacobs Technology, Inc.</i>		8000002284		112,956	112,956
<i>Pass-Through from Jacobs Technology, Inc.</i>		8000002285		81,390	81,390
<i>Pass-Through from Jacobs Technology, Inc.</i>		8000002286		105,285	105,285
<i>Pass-Through from Jacobs Technology, Inc.</i>		8000002371		7,512	7,512
<i>Pass-Through from Jacobs Technology, Inc.</i>		8000002372		6,698	6,698
<i>Pass-Through from Johns Hopkins University</i>		105226		18,689	18,689
<i>Pass-Through from Johns Hopkins University</i>		115338		12,457	12,457
<i>Pass-Through from National Institute of Aerospace</i>		SPN00024		2,917	2,917
<i>Pass-Through from National Space Biomedical Research Institute</i>		CA02801	342,390	10,456	352,846
<i>Pass-Through from National Space Biomedical Research Institute</i>		CA03801	74,971	218,601	293,572
<i>Pass-Through from National Space Biomedical Research Institute</i>		NCC9-58 204		(2,546)	(2,546)
<i>Pass-Through from National Space Biomedical Research Institute</i>		NCC958203		119,114	119,114
<i>Pass-Through from Northeastern University</i>		505015-78050		14,906	14,906
<i>Pass-Through from Nuvue Therapeutics</i>		NNX12AM78G		51,674	51,674
<i>Pass-Through from Ohio State University</i>		60039639		44,591	44,591
<i>Pass-Through from Omega Optics</i>		8000002176		22,381	22,381
<i>Pass-Through from Paragon Tec, Inc.</i>		51711		224,835	224,835
<i>Pass-Through from Pennsylvania State University</i>		5080-TAMU-NASA- M37G		7,371	7,371
<i>Pass-Through from Physics, Materials, and Applied Mathematics Research, LLC</i>		8043-S1		69,997	69,997
<i>Pass-Through from Privatran, LLC</i>		M1303258		56,386	56,386
<i>Pass-Through from Purdue University</i>		4103-51247		88,397	88,397
<i>Pass-Through from Science Systems and Applications, Inc.</i>		21101-14-031		17,627	17,627
<i>Pass-Through from Smithsonian Astrophysical Observatory</i>		AR3-14004X		2,669	2,669
<i>Pass-Through from Smithsonian Astrophysical Observatory</i>		G03-14012B		7,668	7,668
<i>Pass-Through from Smithsonian Astrophysical Observatory</i>		G04-15061X		13,684	13,684
<i>Pass-Through from Smithsonian Astrophysical Observatory</i>		GO0-11076X PRIME:NAS		24,818	24,818

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
National Aeronautics and Space Administration (continued)					
<i>Pass-Through from Smithsonian Astrophysical Observatory</i>		GO1-12077X PRIME: NA		26,942	26,942
<i>Pass-Through from Smithsonian Astrophysical Observatory</i>		GO2-13120X		(200)	(200)
<i>Pass-Through from South Dakota State University</i>		3TB135/EUGENIO ARIMA		15,581	15,581
<i>Pass-Through from Southwest Research Institute</i>		1 #1415GC0079		34,013	34,013
<i>Pass-Through from Southwest Research Institute</i>		1 1415FC0084		34,013	34,013
<i>Pass-Through from Southwest Research Institute</i>		1 1415FC0087		34,305	34,305
<i>Pass-Through from Southwest Research Institute</i>		1 1415GC0085		34,013	34,013
<i>Pass-Through from Southwest Research Institute</i>		1 1415GC0088		34,013	34,013
<i>Pass-Through from Southwest Research Institute</i>		1415FC0036/B99076B T		717	717
<i>Pass-Through from Southwest Research Institute</i>		1415FC0086 - 1		33,916	33,916
<i>Pass-Through from Southwest Research Institute</i>		-1415FC0094		34,191	34,191
<i>Pass-Through from Southwest Research Institute</i>		1415GC0011		41,121	41,121
<i>Pass-Through from Southwest Research Institute</i>		1415GC0090 - 1		34,013	34,013
<i>Pass-Through from Southwest Research Institute</i>		1415GC0093 - 1		31,904	31,904
<i>Pass-Through from Southwest Research Institute</i>		1415GC0099		8,621	8,621
<i>Pass-Through from Southwest Research Institute</i>		1415NC0095		34,252	34,252
<i>Pass-Through from Southwest Research Institute</i>		SWRI - LLERA		(1,389)	(1,389)
<i>Pass-Through from Southwest Research Institute</i>		SWRI-CLARK E99080X		(578)	(578)
<i>Pass-Through from Southwest Research Institute</i>		Task1 #1415FC0089		34,208	34,208
<i>Pass-Through from Southwest Research Institute</i>		Task1 1415GC0080		34,013	34,013
<i>Pass-Through from Southwest Research Institute</i>		Task1&2 1415NC0092		25,061	25,061
<i>Pass-Through from Southwest Research Institute</i>		Task1415GC0091		34,089	34,089
<i>Pass-Through from Space Environment Technologies, LLC</i>		CG-2012-3		187	187
<i>Pass-Through from Stanford University</i>		28879900-49920-A		917	917
<i>Pass-Through from Tao of Systems Integration, Inc.</i>		11-0662		1,198	1,198
<i>Pass-Through from Tao of Systems Integration, Inc.</i>		M1401982		32,404	32,404
<i>Pass-Through from Tao of Systems Integration, Inc.</i>		M1500108		56,195	56,195
<i>Pass-Through from University of Colorado</i>		1551917 PO 1000400866		20,748	20,748
<i>Pass-Through from University of Georgia</i>		RR185-447/4944326		36,277	36,277
<i>Pass-Through from University of Washington</i>		UWSC8206		3,520	3,520
<i>Pass-Through from United Negro College Fund Special Program</i>		NNX09AV17A		293	293
<i>Pass-Through from Universities Space Research Association</i>		02235-06		45,570	45,570
<i>Pass-Through from Universities Space Research Association</i>		05717-003		45,670	45,670
<i>Pass-Through from Universities Space Research Association</i>		09960-22		14,590	14,590
<i>Pass-Through from Universities Space Research Association</i>		09960-25		5,399	5,399
<i>Pass-Through from Universities Space Research Association</i>		NCC9-142		8	8
<i>Pass-Through from Universities Space Research Association</i>		NNJ11HE31A		4,337	4,337
<i>Pass-Through from University of California - Berkeley</i>		00007855- 5		2,362,735	2,362,735
<i>Pass-Through from University of Hawaii</i>		MA140015/POZ10070 169		19,275	19,275
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		2012-04308-03		36,353	36,353
<i>Pass-Through from University of Kansas Center for Research</i>		FY2014-068		24,379	24,379
<i>Pass-Through from University of Maryland - College Park</i>		Z7680601		79,383	79,383
<i>Pass-Through from University of New Mexico</i>		04806V-874F NNX11AG91G		748	748
<i>Pass-Through from University of New Mexico</i>		04806V-87Q1		599	599
<i>Pass-Through from University of South Florida</i>		NNX14AP62A / (2500-1616-00-E)		24,682	24,682
<i>Pass-Through from Vectornav Technologies, LLC</i>		M1400206		183,008	183,008
<i>Pass-Through from Virginia Tech</i>		426663197/NNX12AF 30G		30,362	30,362
<i>Pass-Through from Wyle Laboratories</i>		T72314		1,298,460	1,298,460

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
National Aeronautics and Space Administration (continued)					
<i>Pass-Through from Yale University</i>		C15N12088 (N00218)		18,221	18,221
Total - CFDA 43.001			1,297,294	14,337,706	15,635,000
Aeronautics	43.002			1,936,000	1,936,000
<i>Pass-Through from Baylor College of Medicine</i>		COOP AGMT #NCC 9-58-587; NSBRI #EO02001		191,021	191,021
<i>Pass-Through from The Boeing Company</i>		420188 (ITEM 0001)		11,542	11,542
Total - CFDA 43.002			0	2,138,563	2,138,563
Exploration	43.003		88,926	3,013,092	3,102,018
<i>Pass-Through from Emory University</i>		T267892		5,348	5,348
<i>Pass-Through from National Space Biomedical Research Institute</i>		CA02802/NCC 9-58 298	24,869	276,248	301,117
<i>Pass-Through from United Negro College Fund</i>		M1400473		31,758	31,758
Total - CFDA 43.003			113,795	3,326,446	3,440,241
Space Operations	43.007		27,996	1,054,405	1,082,401
<i>Pass-Through from Center for the Advancement of Science in Space</i>		GA-2014-128	18,543	71,551	90,094
<i>Pass-Through from Center for the Advancement of Science in Space</i>		GA-2014-132	187	21,802	21,989
<i>Pass-Through from Vanderbilt University</i>		NNX12AL35G		14,724	14,724
<i>Pass-Through from Wyle Integrated Science and Engineering Group</i>		T72203		393,517	393,517
<i>Pass-Through from Wyle Integrated Science and Engineering Group</i>		T72589		9,659	9,659
Total - CFDA 43.007			46,726	1,565,658	1,612,384
Education	43.008		3,544,654	2,508,519	6,053,173
<i>Pass-Through from National Institute of Aerospace</i>		C15-2A00-TAMU		25,356	25,356
<i>Pass-Through from Omega Optics</i>		8000002388		55,815	55,815
<i>Pass-Through from University of Alabama - Huntsville</i>		B7460		34,292	34,292
<i>Pass-Through from University of Alabama - Huntsville</i>		SPN00439		2,182	2,182
Total - CFDA 43.008			3,544,654	2,626,164	6,170,818
Cross Agency Support	43.009			1,454,653	1,454,653
<i>Pass-Through from Atmospheric and Space Tech Res Association, LLC</i>		139-03 (NNX14AP88G)		44,604	44,604
<i>Pass-Through from Planetary Science Institute</i>		1350		26,070	26,070
<i>Pass-Through from UCLA Atmospheric and Oceanic Sciences</i>		0965 G SA561		13,539	13,539
<i>Pass-Through from University of New Mexico</i>		282002-8784		96,572	96,572
Total - CFDA 43.009			0	1,635,438	1,635,438
Total - National Aeronautics and Space Administration			5,603,343	36,566,284	42,169,627
National Endowment For The Humanities					
Promotion of the Arts Grants to Organizations and Individuals	45.024			14,763	14,763
Promotion of the Arts Partnership Agreements	45.025			23,296	23,296
Promotion of the Humanities Federal/State Partnership	45.129			(232)	(232)

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
National Endowment for the Humanities (continued)					
<i>Pass-Through from Humanities Texas</i>		2014-4546		4,359	4,359
<i>Pass-Through from Humanities Texas</i>		2014-4637		1,250	1,250
<i>Pass-Through from Humanities Texas</i>		2015-4737		2,604	2,604
<i>Pass-Through from Humanities Texas</i>		8000002307		661	661
Total - CFDA 45.129			0	8,642	8,642
Promotion of the Humanities Division of Preservation and Access	45.149		65,985	47,812	113,797
<i>Pass-Through from Vanderbilt University</i>		22806-S3		1,258	1,258
Total - CFDA 45.149			65,985	49,070	115,055
Promotion of the Humanities Fellowships and Stipends	45.160			33,591	33,591
Promotion of the Humanities Research	45.161		32,489	54,042	86,531
Promotion of the Humanities Teaching and Learning Resources and Curriculum Development	45.162			97,624	97,624
Promotion of the Humanities Professional Development	45.163		8,431	127,440	135,871
Promotion of the Humanities Public Programs	45.164			1,610	1,610
Promotion of the Humanities Office of Digital Humanities	45.169			44,775	44,775
Grants to States	45.310			22,050	22,050
National Leadership Grants	45.312			279,467	279,467
Laura Bush 21st Century Librarian Program	45.313		997	263,430	264,427
Total - National Endowment For The Humanities			107,902	1,019,800	1,127,702
National Science Foundation					
National Science Foundation	47.XXX	1427824		3,448	3,448
		IIS-1445930		10,000	10,000
		N41756-12-C-4806		32,812	32,812
<i>Pass-Through from Baton Rouge Area Foundation</i>		PHY-0917587		71,025	71,025
<i>Pass-Through from Baylor University</i>		32180119-01		89,335	89,335
<i>Pass-Through from Baylor University</i>		M1503029		9,351	9,351
<i>Pass-Through from Consortium for Ocean Leadership</i>		T338A59		14,270	14,270
<i>Pass-Through from Consortium for Ocean Leadership</i>		T338B59		12,968	12,968
<i>Pass-Through from Consortium for Ocean Leadership</i>		T352A59		47,211	47,211
<i>Pass-Through from Consortium for Ocean Leadership</i>		T353A59		10,000	10,000
<i>Pass-Through from Indiana University</i>		IUB-4812439-UTA PO# 734307		(3,845)	(3,845)
<i>Pass-Through from Metropolitan Transportation Commission</i>		UTA15-000693		2,357	2,357
<i>Pass-Through from University System of New Hampshire</i>		13-028		64,576	64,576
<i>Pass-Through from Woods Hole Research Inst.</i>		WHRC-MG0917-01		52,911	52,911
Total - CFDA 47.XXX			0	416,419	416,419
Engineering Grants	47.041		2,029,803	31,986,405	34,016,208
<i>Pass-Through from Arizona State University</i>		12-731		193,331	193,331
<i>Pass-Through from Arizona State University</i>		13-959		16	16
<i>Pass-Through from Atx Photonics, LLC</i>		UTA15-00169		37,619	37,619
<i>Pass-Through from Case Western Reserve University</i>		IIP-1343270		28,504	28,504
<i>Pass-Through from Cirasys, Inc.</i>		IIP-1416282		14,020	14,020
<i>Pass-Through from Cornell University</i>		44771-7476		708,707	708,707
<i>Pass-Through from Femto Scale, Inc.</i>		1330350		30,110	30,110
<i>Pass-Through from Georgia Institute of Technology</i>		RA063-G2 CMMI- 0936603		(476)	(476)

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
National Science Foundation (continued)					
<i>Pass-Through from Innovative Energy Solution</i>		M1500521		36,219	36,219
<i>Pass-Through from Kampachi Farms, LLC</i>		C13-00252		(29,198)	(29,198)
<i>Pass-Through from Kettering University</i>		530215A		8,123	8,123
<i>Pass-Through from Los Alamos National Laboratory</i>		237617-1		138,215	138,215
<i>Pass-Through from Louisiana State University</i>		96227		45,496	45,496
<i>Pass-Through from Lucelo Technologies, Inc.</i>		UTA15-000080		23,529	23,529
<i>Pass-Through from Macromoltek, LLC</i>		UTA15-000787		23,603	23,603
<i>Pass-Through from Microsol Technologies, Inc.</i>		1301482/ IIP-1345883		7,214	7,214
<i>Pass-Through from Mississippi State University</i>		060100.362620.01		125,408	125,408
<i>Pass-Through from National Science Foundation</i>		152247	7,902		7,902
<i>Pass-Through from Northeastern University - Boston</i>		501947-078050		73,070	73,070
<i>Pass-Through from Ohio State University</i>		60046373 PO RF01378732		82,064	82,064
<i>Pass-Through from Princeton University</i>		00001217		135,177	135,177
<i>Pass-Through from Purdue University</i>		NEES-4101-31903		46,677	46,677
<i>Pass-Through from Purdue University</i>		NEES-4101-31914		53,591	53,591
<i>Pass-Through from Purdue University</i>		NEES-4101-64397		8,085	8,085
<i>Pass-Through from Selenium Ltd</i>		IIP-1256598		21,617	21,617
<i>Pass-Through from Selenium Ltd</i>		SBIR2-TTU		52,813	52,813
<i>Pass-Through from Sentinel Photonics</i>		UTA13-000473		22,803	22,803
<i>Pass-Through from Solarno, Inc.</i>		IIP-1127564		10,557	10,557
<i>Pass-Through from Stanford University</i>		60397075-105651-A		99	99
<i>Pass-Through from Syncref, Inc.</i>		IIP-1214917		(3,860)	(3,860)
<i>Pass-Through from Syseng, LLC</i>		1321506A		36,429	36,429
<i>Pass-Through from University of Arizona</i>		2001-MC-425		(526)	(526)
<i>Pass-Through from University of Arizona</i>		242687		40,049	40,049
<i>Pass-Through from University of Cincinnati</i>		004662		74,812	74,812
<i>Pass-Through from University of Colorado</i>		FY15.581.002, 3-5- 35743		14,294	14,294
<i>Pass-Through from University of California - Berkeley</i>		00007900		111,333	111,333
<i>Pass-Through from University of California - Berkeley</i>		00008204/BB00188148		136,958	136,958
<i>Pass-Through from University of California - Riverside</i>		CBET-1144237 01		(940)	(940)
<i>Pass-Through from University of Florida</i>		UFOER00010214		6,014	6,014
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		2013-06137-01		71,872	71,872
<i>Pass-Through from University of Kansas Center for Research</i>		FY2011-033		22,346	22,346
<i>Pass-Through from University of Tennessee - Knoxville</i>		A12-0044-S005		58,103	58,103
<i>Pass-Through from UT - Dallas</i>		120019/CBET-1105524		(2,102)	(2,102)
<i>Pass-Through from Virginia Polytechnic Institute and State University</i>		478997-19892		55,979	55,979
<i>Pass-Through from Virginia Polytechnic Institute and State University</i>		479261-19837		1,939	1,939
<i>Pass-Through from Virginia Tech University</i>		478871-19433		(10)	(10)
Total - CFDA 47.041			2,037,705	34,506,088	36,543,793
Mathematical and Physical Sciences	47.049		543,452	32,534,057	33,077,509
<i>Pass-Through from American University</i>		31340		15,935	15,935
<i>Pass-Through from Association of Universities for Research in Astronomy</i>		N53844C-L		23,946	23,946
<i>Pass-Through from California Institute of Technology</i>		68D-1094595		18,656	18,656
<i>Pass-Through from California Institute of Technology</i>		68D-1094596		138,808	138,808
<i>Pass-Through from Carnegie Institution of Washington</i>		7-10220-01		48,916	48,916
<i>Pass-Through from Case Western Reserve University</i>		DMR-0423914 UTA06-623		400,636	400,636
<i>Pass-Through from Case Western Reserve University</i>		DMR-0423914 UTA11-288 BONNECAZE		62,492	62,492

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
National Science Foundation (continued)					
<i>Pass-Through from Case Western Reserve University</i>		DMR-0423914 UTA11-289 ELLISON		73,165	73,165
<i>Pass-Through from Columbia University</i>		1 (GG009299)		60,493	60,493
<i>Pass-Through from Columbia University, City of New York</i>		13/#5-25191 PRIME: P	127,416	1,390,646	1,518,062
<i>Pass-Through from George Mason University</i>		DMS-1309376		2,592	2,592
<i>Pass-Through from Iowa State University</i>		420-25-64A PRIME- DMR-1309510		13,851	13,851
<i>Pass-Through from Mathematical Association of America</i>		DMS-0846477		5,200	5,200
<i>Pass-Through from Michigan State University</i>		RC100197UTA PRIME: P		32,873	32,873
<i>Pass-Through from Ohio State University</i>		60018555; 60034168; 60047148		34,850	34,850
<i>Pass-Through from Ohio State University</i>		60034168		43,093	43,093
<i>Pass-Through from Princeton University</i>		00001884		(196)	(196)
<i>Pass-Through from Princeton University</i>		00002014		2,333	2,333
<i>Pass-Through from Rice University</i>		R3F204		22,238	22,238
<i>Pass-Through from Support for Advanced Ligo</i>		PHY-0823459		2,046	2,046
<i>Pass-Through from the City University of New York (Cuny)</i>		40D80-A		78,416	78,416
<i>Pass-Through from University of Washington</i>		GN0004772		85,328	85,328
<i>Pass-Through from University of California - Berkeley</i>		00008791		35,708	35,708
<i>Pass-Through from University of California - Los Angeles</i>		0518-G-KB563		(45)	(45)
<i>Pass-Through from University of California - Los Angeles</i>		0995 G RA191 1		61,698	61,698
<i>Pass-Through from University of Michigan</i>		3002099272		31,953	31,953
<i>Pass-Through from University of Michigan</i>		3002558313		38,168	38,168
<i>Pass-Through from University of South Carolina</i>		14-2477		6,788	6,788
<i>Pass-Through from University of Tennessee - Knoxville</i>		A13-0253-S001		66,966	66,966
<i>Pass-Through from Wesleyan University</i>		WESU5011003130		11,778	11,778
Total - CFDA 47.049			670,868	35,343,388	36,014,256
Geosciences	47.050		1,684,681	11,633,852	13,318,533
<i>Pass-Through from Arizona Geological Society, Inc.</i>		ICER-1340233		4,251	4,251
<i>Pass-Through from Columbia University</i>		1GG008898		12,298	12,298
<i>Pass-Through from Columbia University</i>		3 (GC002456)		3,462	3,462
<i>Pass-Through from Columbia University</i>		9 (GG002806) 2 PO G04791		63,889	63,889
<i>Pass-Through from Conservation International Foundation</i>		1000484		1,435	1,435
<i>Pass-Through from Consortium for Ocean Leadership</i>		T341A59		68,374	68,374
<i>Pass-Through from Duke University</i>		14-NSF-1030		50,165	50,165
<i>Pass-Through from Duke University</i>		14-NSF-1030 LOA #1 Latrubesse		43,750	43,750
<i>Pass-Through from Inc. Research Institutions for Seismology</i>		10-UTEP-SAGE		484,981	484,981
<i>Pass-Through from Joint Oceanographic Institutions, Inc.</i>		T33A42		944	944
<i>Pass-Through from Joint Oceanographic Institutions, Inc.</i>		T345A42		40,727	40,727
<i>Pass-Through from Joint Oceanographic Institutions, Inc.</i>		T352A42		79,970	79,970
<i>Pass-Through from Joint Oceanographic Institutions, Inc.</i>		T352B42		22,263	22,263
<i>Pass-Through from Lake Superior State University</i>		20653201301		72,682	72,682
<i>Pass-Through from National Academy of Sciences</i>		PGA-P210873		14,042	14,042
<i>Pass-Through from Old Dominion University</i>		15-181-100510-010		94,191	94,191
<i>Pass-Through from Portland State University</i>		204FOU432		509,846	509,846
<i>Pass-Through from Rice University</i>		R3D671		86,387	86,387
<i>Pass-Through from Rice University</i>		R3E513		104,638	104,638
<i>Pass-Through from Rice University</i>		R3E515		89,719	89,719
<i>Pass-Through from San Francisco State University</i>		S9-94557		21,304	21,304
<i>Pass-Through from The University of Georgia</i>		RR100-621/4943786		40,714	40,714
<i>Pass-Through from Trustees of Columbia University</i>		3(GG009393-01)		33,266	33,266
<i>Pass-Through from University Corporation for Atmospheric Research</i>		W14-16198		223,451	223,451

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
National Science Foundation (continued)					
<i>Pass-Through from University of Hawaii at Manoa</i>		MA130044		(103)	(103)
<i>Pass-Through from University of Minnesota</i>		A003176706		73,100	73,100
<i>Pass-Through from University of Southern California</i>		33425379		8,039	8,039
<i>Pass-Through from University of Southern California</i>		Y88409		46,511	46,511
<i>Pass-Through from University of Wyoming</i>		100180 PRIME: EAR-11		(3,434)	(3,434)
Total - CFDA 47.050			1,684,681	13,924,714	15,609,395
Computer and Information Science and Engineering	47.070		1,914,421	42,210,380	44,124,801
<i>Pass-Through from American Association for the Advancement of Science</i>		AGR DATED 11-26-12		(1,099)	(1,099)
<i>Pass-Through from Bbn Technology Corp.</i>		14303		39,813	39,813
<i>Pass-Through from Computer Aids for Chemical Engineering</i>		M1401549		92,244	92,244
<i>Pass-Through from Johns Hopkins University</i>		2002096800		130,563	130,563
<i>Pass-Through from National Science Foundation</i>		2610046461/HS1208623	81,281		81,281
<i>Pass-Through from New York University</i>		F4365-01 PO UW829726		23,546	23,546
<i>Pass-Through from Purdue University</i>		4101-47540		167,090	167,090
<i>Pass-Through from University of Arizona</i>		232337		13,486	13,486
<i>Pass-Through from University of Colorado</i>		1549808 / 1000144247		161,191	161,191
<i>Pass-Through from Traclabs, Inc.</i>		C6810		40,282	40,282
<i>Pass-Through from Tulane University</i>		TUL-660-12/13		46,328	46,328
<i>Pass-Through from University of Arkansas</i>		CCF-1117672		9,265	9,265
<i>Pass-Through from University of California - Los Angeles</i>		0145 G SB193		62,970	62,970
<i>Pass-Through from University of California - San Diego</i>		CNS1338192		66,297	66,297
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		2011-00318-08ILLINOIS GRANT CODE A1536		2,446,734	2,446,734
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		2014-03629-01		12,783	12,783
<i>Pass-Through from University of Massachusetts - Amherst</i>		13-007042D00		983	983
<i>Pass-Through from University of Michigan</i>		3002960285		30,497	30,497
<i>Pass-Through from University of Notre Dame</i>		202440UTD		9,754	9,754
<i>Pass-Through from University of Wisconsin - Madison</i>		487K281		26,435	26,435
Total - CFDA 47.070			1,995,702	45,589,542	47,585,244
Biological Sciences	47.074		1,072,892	15,395,935	16,468,827
<i>Pass-Through from Arizona State University</i>		14-343		88,560	88,560
<i>Pass-Through from Dnu Stratus Consulting (FFT)</i>		S087-1C-1667		211,691	211,691
<i>Pass-Through from Iowa State University</i>		420-40-45E		86,099	86,099
<i>Pass-Through from Michigan State University</i>		61-2075UT		543,006	543,006
<i>Pass-Through from Michigan State University</i>		RC062075UTPA		27,761	27,761
<i>Pass-Through from New York Botanical Garden the</i>		NYBG-1115104-02-UT		21,861	21,861
<i>Pass-Through from North Carolina State University</i>		2010-1450-01		163,768	163,768
<i>Pass-Through from Portland State University</i>		MCB43963		56,757	56,757
<i>Pass-Through from Purdue University</i>		4101-19823		(7)	(7)
<i>Pass-Through from Radford University</i>		F21021		5,205	5,205
<i>Pass-Through from Samuel Roberts Noble Foundation, Inc.</i>		2012-943-003		202,635	202,635
<i>Pass-Through from Samuel Roberts Noble Foundation, Inc.</i>		GN0005967		85,590	85,590
<i>Pass-Through from University of Arizona</i>		131816		1,664,260	1,664,260
<i>Pass-Through from University of California - Davis</i>		201223137-01 2		143,538	143,538
<i>Pass-Through from University of California - Los Angeles</i>		0521 G RA115		94,436	94,436
<i>Pass-Through from University of California - Riverside</i>		105-1457000		7,572	7,572
<i>Pass-Through from University of Delaware</i>		37568		52,682	52,682
<i>Pass-Through from University of Michigan</i>		3003241305		28,764	28,764
<i>Pass-Through from University of Minnesota</i>		H003254003		159,990	159,990
<i>Pass-Through from University of New Hampshire</i>		14-036		14,663	14,663

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
National Science Foundation (continued)					
<i>Pass-Through from University of Northern Iowa</i>		S6093A		9,027	9,027
<i>Pass-Through from University of Utah</i>		10028702		3,286	3,286
<i>Pass-Through from University of Wisconsin</i>		427K265		2,517	2,517
Total - CFDA 47.074			1,072,892	19,069,596	20,142,488
Social, Behavioral, and Economic Sciences	47.075		137,883	4,056,380	4,194,263
<i>Pass-Through from American Bar Foundation</i>		S2012-1 (SES- 1228345)		10,304	10,304
<i>Pass-Through from Arizona State University</i>		15-582		296	296
<i>Pass-Through from Carnegie Mellon University</i>		1122003-327837		80,486	80,486
<i>Pass-Through from Gallaudet University</i>		UTA10-000365		19,833	19,833
<i>Pass-Through from Human Relations Area Files, Inc.</i>		50000022678			
<i>Pass-Through from Michigan State University</i>		SA CO14-19 UTH CRE		27,944	27,944
<i>Pass-Through from Rand Corp</i>		RC104050 UTSA		13,623	13,623
<i>Pass-Through from Rutgers University</i>		9920110077		66,526	66,526
<i>Pass-Through from Texas Christian University</i>		00004775 PO# S1741423		(8)	(8)
<i>Pass-Through from University of Cincinnati</i>		24472-14-00		4,006	4,006
<i>Pass-Through from University of Georgia</i>		008149 PRIME: BCS-12		49,941	49,941
<i>Pass-Through from University of Kansas Center for Research</i>		SMA1262522		32,683	32,683
<i>Pass-Through from University of Southern Mississippi</i>		FY2015-010		16,599	16,599
<i>Pass-Through from University of Wisconsin</i>		USM-GR05085-003		13,011	13,011
Total - CFDA 47.075			137,883	4,391,624	4,529,507
Education and Human Resources	47.076		1,978,417	22,300,679	24,279,096
<i>Pass-Through from American Education Research Association</i>		NSF Grant #DRL- 0941014		1,290	1,290
<i>Pass-Through from Association of American Geographers</i>		8000002088		32,744	32,744
<i>Pass-Through from Association of American Geographers</i>		8000002205		119,037	119,037
<i>Pass-Through from Cal State University</i>		GRA2183 1		429	429
<i>Pass-Through from Carleton College</i>		DUE-1125331		37,355	37,355
<i>Pass-Through from Dnu University of Virginia (FFL)</i>		GA10874-136594		792	792
<i>Pass-Through from Florida Institute of Technology</i>		201619 (NSF OCE- 1219804)		18,157	18,157
<i>Pass-Through from Houston Community College System</i>		108541		144	144
<i>Pass-Through from Kent State University</i>		402016UTA DUE- 114098		27,525	27,525
<i>Pass-Through from New Mexico State University</i>		Q01635		39,909	39,909
<i>Pass-Through from Purdue University</i>		4101-31776		104,416	104,416
<i>Pass-Through from Stevens Institute of Technology</i>		1203198		6,652	6,652
<i>Pass-Through from University of California - Santa Cruz</i>		S0184225	6,000	73,602	79,602
<i>Pass-Through from University of Massachusetts Lowell</i>		8000002315		21,446	21,446
<i>Pass-Through from University of Michigan</i>		3003298136		2,964	2,964
<i>Pass-Through from University of Wisconsin</i>		490K873 (DUE- 1231286)		113,976	113,976
<i>Pass-Through from University of Wisconsin</i>		490K921		60,056	60,056
<i>Pass-Through from University of Wisconsin System</i>		490K803		93,852	93,852
<i>Pass-Through from Venturewell</i>		2015-259		880	880
<i>Pass-Through from Wright State University</i>		PSP06882		2,280	2,280
Total - CFDA 47.076			1,984,417	23,058,185	25,042,602
Polar Programs	47.078		124,551	1,504,718	1,629,269
<i>Pass-Through from Ch2mhill Constructors, Inc.</i>		815732		248,296	248,296
Total - CFDA 47.078			124,551	1,753,014	1,877,565

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
National Science Foundation (continued)					
Office of International Science and Engineering	47.079			617,882	617,882
<i>Pass-Through from Johns Hopkins University</i>		2001648885		219,045	219,045
<i>Pass-Through from Johns Hopkins University</i>		2001954664		44,053	44,053
<i>Pass-Through from Nanograv Physics Frontier Center</i>		PHY-1430284		54,461	54,461
<i>Pass-Through from Pire: An International Pulsar Timing</i>		OISE-0968296		101,235	101,235
<i>Pass-Through from U S Civilian Research and Development Foundation</i>		OISE9531011NIH		4,346	4,346
Total - CFDA 47.079			0	1,041,022	1,041,022
Office of Cyberinfrastructure	47.080		42,612	1,565,622	1,608,234
<i>Pass-Through from California Institute of Technology</i>		42B-1093324 PRIME:1		136,711	136,711
<i>Pass-Through from University of Georgia</i>		RR197-017/4941206		17,006	17,006
<i>Pass-Through from University of Buffalo</i>		R928869		30,399	30,399
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		2009-02232-04		150,175	150,175
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		2011-00318- 08ILLINOIS GRANT CODE A1536		1,155,454	1,155,454
<i>Pass-Through from University of Southern California</i>		i10341		8,959	8,959
<i>Pass-Through from Utah State University</i>		12008204		53,705	53,705
Total - CFDA 47.080			42,612	3,118,031	3,160,643
Trans-NSF Recovery Act Research Support	47.082			(16,047)	(16,047)
ARRA - Trans-NSF Recovery Act Research Support			75,258	547,769	623,027
<i>Pass-Through from University of Florida</i>		UF12066 2		11,553	11,553
Total - CFDA 47.082			75,258	543,275	618,533
Total - National Science Foundation			9,826,569	182,754,898	192,581,467
Small Business Administration					
Small Business Development Centers	59.037			105,307	105,307
<i>Pass-Through from Dallas County Community College District</i>		SBAHQ-12-B-0051		23,683	23,683
<i>Pass-Through from Dallas County Community College District</i>		SBAHQ-13-B-0007		22,341	22,341
Total - CFDA 59.037			0	151,331	151,331
Total - Small Business Administration			0	151,331	151,331
U.S. Department of Veterans Affairs					
U.S. Department of Veterans Affairs	64.XXX	109707		16,210	16,210
		549-D25016		1,354	1,354
		580-D45086 D35053		26,649	26,649
		671-C55276		5,288	5,288
		691-C58093		31,985	31,985
		691C58144		73,759	73,759
		ABBOUD/IPAA/AKO ULOUZ		39,523	39,523
		ABBOUD/IPAA/DAY		(207)	(207)
		ABBOUD/IPAA/VIS		29,918	29,918
		WANAD			
		ABBOUD/IPAA/YI		16,053	16,053
		ABH5041		7,417	7,417
		AGUIAR/IPAA/LIN		63,436	63,436
		AGUIAR/IPAA/ORTE GA		(380)	(380)

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Veterans Affairs (continued)					
		AGUIAR/IPAA/WANG		57,230	57,230
		AHUJA/IPAA/CARRI LLO		15,504	15,504
		AHUJA/IPAA/CASTI BLAN		3,382	3,382
		AHUJA/IPAA/HE		94,195	94,195
		AHUJA/IPAA/INGALE		55,060	55,060
		AHUJA/IPAA/KOPP ELAAR		(513)	(513)
		AHUJA/IPAA/LIU		78,124	78,124
		AHUJA/IPAA/MANO HARAN		65,243	65,243
		AHUJA/IPAA/ROGE RS		17,432	17,432
		BLOCK/IPAA/NAYAK		63,687	63,687
		BLOCK/IPAA/SHAN MUGAS		54,921	54,921
		BOLLINGER/IPAA/C ORTE		15,752	15,752
		BOLLINGER/IPAA/E LIZO		4,935	4,935
		BOLLINGER/IPAA/G ELLE		10,042	10,042
		BOLLINGER/IPAA/J ONES		21,034	21,034
		BOLLINGER/IPAA/M ADER		1,900	1,900
		BOLLINGER/IPAA/M OORE		25,599	25,599
		BOLLINGER/IPAA/N OEL		12,100	12,100
		BX-14-001		23,984	23,984
		C55003		28,596	28,596
		CHATTERJ/IPAA/JA DHAV		6,507	6,507
		CHATTERJEE/IPAA/ FELI		9,346	9,346
		CHATTERJEE/IPAA/ HORN		6,507	6,507
		CHATTERJEE/IPAA/ MIRK		2,169	2,169
		CHATTERJEE/IPAA/ SONG		65,706	65,706
		CHEN/IPAA/DAI		58,419	58,419
		CHEN/IPAA/DEAN		31,521	31,521
		CHEN/IPAA/MARIN KOVIC		2,117	2,117
		CHEN/IPAA/ZHONG		38,233	38,233
		CLARK/IPAA/CHAN DU		56,708	56,708
		DAWES/IPAA/CARRI ZALE		25,070	25,070
		ESPINOZA/IPAA/CO NDE		50,186	50,186
		ESPINOZA/IPAA/JO NES		5,624	5,624

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Veterans Affairs (continued)					
		ESPINOZA/IPAA/MA CCAR		57,869	57,869
		ESPINOZA/IPAA/MO RIS		53,566	53,566
		ESPINOZA/IPAA/NO EL		29,080	29,080
		ESPINOZA/IPAA/W ANG		48,077	48,077
		FANTI/IPAA/CUNNI NGHA		10,635	10,635
		FANTI/IPAA/HU		33,554	33,554
		FANTI/IPAA/VELAG APUD		18,303	18,303
		FELDMAN/IPAA/HA LANEY		3,016	3,016
		FINLEY/IPAA/HARO		34,799	34,799
		FINLEY/IPAA/MADER		7,599	7,599
		FINLEY/IPAA/NOEL		12,100	12,100
		FOX/IPAA/ACHESO		3,216	3,216
		FOX/IPAA/FORD		(77)	(77)
		FOX/IPAA/FRANKLIN		29,597	29,597
		FOX/IPAA/LANCAST ER		5,885	5,885
		FOX/IPAA/RAMAGE		38,736	38,736
		FOX/IPAA/RODRIGU EZ		4,887	4,887
		FOX/IPAA/SALINAS		36,726	36,726
		FOX/IPAA/WOOLSE Y		11,213	11,213
		FRAZER/IPAA/ARRO YO		18,583	18,583
		FRAZER/IPAA/BENM ANSO		19,360	19,360
		FRAZER/IPAA/CARR ENO		27,760	27,760
		FREEMAN/IPAA/CH EN		4,367	4,367
		FREEMAN/IPAA/HILL		16,969	16,969
		FREEMAN/IPAA/KO LAPAR		74,330	74,330
		FREEMAN/IPAA/ZH AO		37,973	37,973
		GALVAN/IPAA/DER OSA		3,852	3,852
		GALVAN/IPAA/HUS SONG		28,918	28,918
		GHOSH- C/IPAA/ESPARZA		43,362	43,362
		GHOSH- CHOU/IPAA/BERA		17,077	17,077
		GHOSH- CHOUD/IPAA/DAS		43,338	43,338
		GHOSH- CHOUDHURY/IPAA		1,802	1,802
		HABIB/IPAA/KOSTI		29,610	29,610
		HABIB/IPAA/LIANG		48,774	48,774

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Veterans Affairs (continued)					
		HABIB/IPAA/MOHA N		10,747	10,747
		HABIB/IPAA/SALAS		778	778
		HART/IPAA/CAO		(139)	(139)
		HART/IPAA/CLARK		16,486	16,486
		HART/IPAA/GALAL ELDEE		10,826	10,826
		HORNSBY/IPAA/GA LEANO		7,842	7,842
		HORNSBY/IPAA/GA LVAN		2,270	2,270
		HORNSBY/IPAA/MIS HRA		27,501	27,501
		HORNSBY/IPAA/QUI		37,000	37,000
		HORNSBY/IPAA/TA RDIF		2,857	2,857
		IKENO/IPAA/FLORE		40,050	40,050
		KAMAT/IPAA/SHI		56,453	56,453
		KAMAT/IPAA/SHU		39,113	39,113
		KAMAT/IPAA/XUE		14,329	14,329
		KASINATH/IPAA/FE LIER		43,470	43,470
		KASINATH/IPAA/LEE		34,049	34,049
		KASINATH/IPAA/M ARIAP		9,050	9,050
		LEYKUM/IPAA/CRA BTREE		48,965	48,965
		LEYKUM/IPAA/HIB NER		41,654	41,654
		LEYKUM/IPAA/JON ES		1,835	1,835
		LEYKUM/IPAA/LAN HAM		18,579	18,579
		LI/IPAA/CHEN		55,345	55,345
		LI/IPAA/LI		20,706	20,706
		LI/IPAA/LIU		32,885	32,885
		LI/IPAA/ZHANG		18,807	18,807
		LI/IPAA/ZHAO		9,584	9,584
		LUBER/IPAA/HEND RIC		17,372	17,372
		MUSI/IPAA/HARTM AN		33,834	33,834
		MUSI/IPAA/ORSAK		64,955	64,955
		PETERSON/IPAA/AG UILE		40,706	40,706
		PETERSON/IPAA/BR ACKI		7,233	7,233
		PETERSON/IPAA/BR UNDI		64,378	64,378
		PETERSON/IPAA/BU EL		82,819	82,819
		PETERSON/IPAA/CR UZ		18,162	18,162
		PETERSON/IPAA/HA MMAC		48,655	48,655
		PETERSON/IPAA/HA RGIT		40,512	40,512

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Veterans Affairs (continued)					
		PETERSON/IPAA/LI		28,661	28,661
		PETERSON/IPAA/MC GEAR		123,452	123,452
		PETERSON/IPAA/ME NDOZ		87,892	87,892
		PETERSON/IPAA/RO ACHE		55,603	55,603
		PETERSON/IPAA/YO UNG-		61,203	61,203
		PO # 580-D52083		5,944	5,944
		PO 650D48059 / 650D48060		35,104	35,104
		PO# 663-D53070 UTA15-000553		56,845	56,845
		POLLOCK/IPAA/MIC HALE	539		539
		PUGH/IPAA/BOUCH ER		20,108	20,108
		PUGH/IPAA/ELIZON DO		38,465	38,465
		PUGH/IPAA/FRANK LIN		14,747	14,747
		PUGH/IPAA/JONES		13,095	13,095
		PUGH/IPAA/LANHAM		40,538	40,538
		PUGH/IPAA/MCMIL LAN		64,435	64,435
		PUGH/IPAA/MOORE -SERV		2,394	2,394
		PUGH/IPAA/NAHID		9,822	9,822
		PUGH/IPAA/NOEL		28,095	28,095
		PUGH/IPAA/PALMER		30,190	30,190
		PUGH/IPAA/RODRI GUEZ		56,038	56,038
		PUGH/IPAA/ROHDE		3,140	3,140
		PUGH/IPAA/SWAN		32,727	32,727
		PUGH/IPAA/WANG		13,380	13,380
		PUGH/IPAA/WELLS		22,382	22,382
		RAN/IPAA/CHEN		39,983	39,983
		RAN/IPAA/NA		68,618	68,618
		RESTREPO/IPAA/FO LTZ		(43)	(43)
		RESTREPO/IPAA/RE YES		10,158	10,158
		SANCHEZ/IPAA/GA RZA		24,724	24,724
		SANCHEZ/IPAA/MIN ER		26,483	26,483
		SANCHEZ- R/IPAA/GARZA		10,069	10,069
		SANCHEZ- R/IPAA/MINER		2,518	2,518
		SHIREMAN/IPAA/LEI		48,431	48,431
		SHIREMAN/IPAA/ZH ANG		4,943	4,943
		SRS REF M1500395		13,123	13,123
		SRS REF M1501533		7,230	7,230

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Veterans Affairs (continued)					
		STERN/IPAA/MARTI NEZ		29,154	29,154
		STERN/IPAA/MINTZ		514	514
		STERN/IPAA/PETER SON		471	471
		STRONG/IPAA/KAD APAKK		52,731	52,731
		STRONG/IPAA/MAR TINEZ		61,927	61,927
		VA000006961		60,364	60,364
		WAGNER/IPAA/BERA		48,987	48,987
		WAGNER/IPAA/DREL		12,677	12,677
		WAGNER/IPAA/LEE		17,894	17,894
		WAGNER/IPAA/SPRI NGER		9,080	9,080
		WAGNER/IPAA/TAN		47,543	47,543
		WALTER/IPAA/HIL DRETH		44,152	44,152
		WEINER/IPAA/URIBE		78,107	78,107
		WEINER/IPAA/WIN		78,850	78,850
		WILLIAMSON/IPAA/ CUEL		52,190	52,190
		YEH/IPAA/DEAN		31,521	31,521
		YEH/IPAA/WANG		39,893	39,893
		YEH/IPAA/ZHANG D52016		7,072	7,072
				12,644	12,644
<i>Pass-Through from Michael E. Debakey Veterans Affairs Medical Center</i>					
<i>Pass-Through from Michael E. Debakey Veterans Affairs Medical Center</i>		IIR 12-115		38,554	38,554
Total - CFDA 64.XXX			0	5,017,210	5,017,210
Veterans Medical Care Benefits	64.009			131,351	131,351
Veterans State Hospital Care	64.016			42,609	42,609
<i>Pass-Through from Minneapolis VA Health Care System</i>		108423		21,939	21,939
<i>Pass-Through from University of Maryland - Baltimore County</i>		VA245-14-P-0487		3,924	3,924
Total - CFDA 64.016			0	68,472	68,472
Sharing Specialized Medical Resources	64.018			136,105	136,105
Veterans State Adult Day Health Care	64.026			79,878	79,878
Total - U.S. Department of Veterans Affairs			0	5,433,016	5,433,016
Environmental Protection Agency					
Environmental Protection Agency	66.XXX				
<i>Pass-Through from Border Environment Cooperation Commission</i>		TAA14-026; B2020 R6.934		13,444	13,444
<i>Pass-Through from Border Environment Cooperation Commission</i>		TAA14-044		38,140	38,140
<i>Pass-Through from Health Effects Institute</i>		4949-RFA14-2/15-3		25,467	25,467
<i>Pass-Through from Okeanos Technologies, LLC</i>		SBIR Phase 2 UTA13- 000888		1,358	1,358
<i>Pass-Through from Pegasus Technical Services</i>		PO #TXTECH-15-001		68,908	68,908
<i>Pass-Through from The Cadmus Group</i>		015-UTA-1 TO 6-18		17,642	17,642
Total - CFDA 66.XXX			0	164,959	164,959

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
Environmental Protection Agency (continued)					
Air Pollution Control Program Support	66.001			85,420	85,420
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034		15,943	83,890	99,833
<i>Pass-Through from Rti International</i>		8-312-0213244- 51380L 1		29,775	29,775
<i>Pass-Through from Ysleta Del Sur Pueblo</i>		020-6100-01		42	42
Total - CFDA 66.034			15,943	113,707	129,650
Water Pollution Control State, Interstate, and Tribal Program Support	66.419		122,114	1,591,976	1,714,090
Water Quality Management Planning	66.454				
<i>Pass-Through from Coastal Bend Bays and Estuaries Program</i>		1517/1421/1523/1514		109,650	109,650
National Estuary Program	66.456		128,614	157,320	285,934
<i>Pass-Through from Coastal Bend Bays and Estuaries Program</i>		1527		20,937	20,937
Total - CFDA 66.456			128,614	178,257	306,871
Nonpoint Source Implementation Grants	66.460		283,090	2,655,055	2,938,145
<i>Pass-Through from Brazos River Authority</i>		BRA 582-12-10075/ TCEQ-068981125		(8)	(8)
<i>Pass-Through from Central Texas Council of Government</i>		6202013		55,552	55,552
<i>Pass-Through from Indus Corporation</i>		SC-TAMUS-10770		74,130	74,130
Total - CFDA 66.460			283,090	2,784,729	3,067,819
Water Quality Cooperative Agreements	66.463		4,572	74,297	78,869
Beach Monitoring and Notification Program Implementation Grants	66.472			86,975	86,975
Gulf of Mexico Program	66.475			23,462	23,462
Science To Achieve Results (STAR) Research Program	66.509		94,153	923,000	1,017,153
<i>Pass-Through from University of Colorado</i>		83560301/ CU#1552329		5,174	5,174
<i>Pass-Through from University of Maryland</i>		Z994601		7,538	7,538
<i>Pass-Through from University of Massachusetts - Amherst</i>		15-008462 E 00 A		19,074	19,074
<i>Pass-Through from University of Massachusetts - Amherst</i>		15-008462 E 00 - ADMIN UNIT		14,215	14,215
<i>Pass-Through from University of Massachusetts - Amherst</i>		15-008462 E 00 C		28,715	28,715
<i>Pass-Through from University of Massachusetts - Amherst</i>		15-008462 E 00 D		143,592	143,592
<i>Pass-Through from University of South Florida</i>		83556901 2104-1198- 00-E		40,208	40,208
Total - CFDA 66.509			94,153	1,181,516	1,275,669
Office of Research and Development Consolidated Research/Training/Fellowships	66.511				
<i>Pass-Through from Benton and Associates, Inc.</i>		CR-83419201		10,615	10,615
<i>Pass-Through from Water Research Foundation</i>		4485		11,036	11,036
Total - CFDA 66.511			0	21,651	21,651
Science To Achieve Results (STAR) Fellowship Program	66.514			16,304	16,304
P3 Award: National Student Design Competition for Sustainability	66.516		16,655		16,655

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
Environmental Protection Agency (continued)					
Performance Partnership Grants	66.605			623,487	623,487
Chemical Emergency Preparedness and Prevention (CEPP) Technical Assistance Grants Program <i>Pass-Through from Ch2m Hill</i>	66.810	100007-7-100055		4,230	4,230
International Financial Assistance Projects Sponsored by the Office of International and Tribal Affairs <i>Pass-Through from Border Environment Cooperation Commission</i>	66.931	TAA14-050 EPA00F59501		15,691	15,691
<i>Pass-Through from Southwest Border Ahec</i>		BECCS GRANT #4- 00F59501-1		6,695	6,695
Total - CFDA 66.931			0	22,386	22,386
Total - Environmental Protection Agency			665,141	7,083,006	7,748,147
Nuclear Regulatory Commission					
Nuclear Regulatory Commission <i>Pass-Through from University of California - San Diego</i>	77.XXX	NRC-HQ-60-15-C-0005 38935200-SUB S9000358		15,454 17,587	15,454 17,587
Total - CFDA 77.XXX			0	33,041	33,041
U. S. Nuclear Regulatory Commission Nuclear Education Grant Program	77.006			172,756	172,756
U.S. Nuclear Regulatory Commission Minority Serving Institutions Program (MSIP)	77.007			134,754	134,754
U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	77.008			293,416	293,416
U.S. Nuclear Regulatory Commission Office of Research Financial Assistance Program <i>Pass-Through from Bechtel Marine Propulsion Corporation</i>	77.009	104453		31,687 157,770	31,687 157,770
Total - CFDA 77.009			0	189,457	189,457
Total - Nuclear Regulatory Commission			0	823,424	823,424
U.S. Department of Energy					
U.S. Department of Energy	81.XXX	11122-27 11122-27 LOA P.EICHHUBL/J.GALE 11123-32 1165342 1247909 1370852 1377930 202835 267205 4000118811 58-5347-4-015 7091750 DE-AC04-00AL6620 DE-AC04-00AL66620	129,562	141,804 187,523 129,137 2,525 (884) 118,345 66,226 57,741 57,030 (530) 20,481 10,803 53,118 12,592	141,804 187,523 258,699 2,525 (884) 118,345 66,226 57,741 57,030 (530) 20,481 10,803 53,118 12,592

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Energy (continued)					
		DE-AC52-09NA29327	43,318		43,318
		DE-FG02-03ER15406 A006		15	15
		DE-SC0010307 0001		53,993	53,993
		LOABENO		850,681	850,681
		PO 1318954		43,410	43,410
		S013464-C	72,551	584,701	657,252
<i>Pass-Through from Alstom Power, Inc.</i>		A-9		74,179	74,179
<i>Pass-Through from Anasys Instruments</i>		UTA13-000824		154,918	154,918
<i>Pass-Through from Argonne National Lab</i>		3F-31921		105,659	105,659
<i>Pass-Through from Argonne National Laboratory</i>		3F-31101		55,551	55,551
<i>Pass-Through from Argonne National Laboratory</i>		DEAC0206CH11357		86,219	86,219
<i>Pass-Through from Battelle</i>		00127393	81,987	103,907	185,894
<i>Pass-Through from Battelle</i>		00128532		24,654	24,654
<i>Pass-Through from Battelle</i>		153424		25,936	25,936
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		00062780		3,610	3,610
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		0159577		11,643	11,643
<i>Pass-Through from Battelle Pacific Northwest Division</i>		255463		11,209	11,209
<i>Pass-Through from Brookhaven National Lab - Department of Energy</i>		196207 PRIME: DE-AC02		664	664
<i>Pass-Through from Brookhaven National Lab - Department of Energy</i>		229206 PR: DE - AC02-98		249,320	249,320
<i>Pass-Through from Brookhaven National Lab - Department of Energy</i>		254299 Prime: DE - AC02		17,261	17,261
<i>Pass-Through from Brookhaven National Laboratory</i>		258086		183,921	183,921
<i>Pass-Through from Brookhaven Science Associates (BSA)</i>		264917		120,737	120,737
<i>Pass-Through from Brookhaven Science Associates (BSA)</i>		M1402265-440711		375,676	375,676
<i>Pass-Through from Carnegie Institute of Washington</i>		4-10114-08		35	35
<i>Pass-Through from Center for Transportation and the Environmt</i>		UTA14-000883		203,393	203,393
<i>Pass-Through from Colorado School of Mines</i>		Sub# 400465		83,703	83,703
<i>Pass-Through from Consolidated Nuclear Security, LLC</i>		45127		16,421	16,421
<i>Pass-Through from Consolidated Nuclear Security, LLC</i>		PTX01-0000028393		25,305	25,305
<i>Pass-Through from Consolidated Nuclear Security, LLC</i>		PTX01-0000031097		19,574	19,574
<i>Pass-Through from Fermi National Accelerator Laboratory</i>		PO 618223 (DE-AC02-07CH11359)		24,472	24,472
<i>Pass-Through from Fermi National Accelerator Laboratory</i>		PO 620798		38,385	38,385
<i>Pass-Through from Fermi Research Alliance, LLC</i>		584808		1,050	1,050
<i>Pass-Through from Fermi Research Alliance, LLC</i>		584823	19,386	129,709	149,095
<i>Pass-Through from Fermi Research Alliance, LLC</i>		609991		23,804	23,804
<i>Pass-Through from Fermi Research Alliance, LLC</i>		613044		60,868	60,868
<i>Pass-Through from Fermi Research Alliance, LLC</i>		618632		20,608	20,608
<i>Pass-Through from Fermi Research Alliance, LLC</i>		618990		71,771	71,771
<i>Pass-Through from Heliotrope Technologies</i>		UTA14-000630		100,793	100,793
<i>Pass-Through from Idaho National Laboratory</i>		00150706		95,336	95,336
<i>Pass-Through from Intelligent Optical Systems, Inc.</i>		IOS #3246 DOE-NOCOS		1,177	1,177
<i>Pass-Through from Jefferson Science Associates</i>		JSA-15-C034, PO350072		180,000	180,000
<i>Pass-Through from Jefferson Science Associates</i>		JSA-15-C1181; PO355823		8,362	8,362
<i>Pass-Through from Keylogic Systems, Inc.</i>		K6000-619		37,410	37,410
<i>Pass-Through from Kootenai Tribe of Idaho</i>		1988-064-00		2,143	2,143
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		6981059		2,740	2,740
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		6998655		120,118	120,118
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		7000389		288,494	288,494
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		7052152		48,597	48,597
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		7110765		10,042	10,042
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		7209922		101,103	101,103

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Energy (continued)					
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		7223523		44,201	44,201
<i>Pass-Through from Lawrence Livermore National Lab</i>		B608033		6,190	6,190
<i>Pass-Through from Lawrence Livermore National Lab</i>		B612618		8,642	8,642
<i>Pass-Through from Lawrence Livermore National Laboratory</i>		B606081		12,152	12,152
<i>Pass-Through from Lawrence Livermore National Security, LLC</i>		DEAC5207NA27344		93,516	93,516
<i>Pass-Through from Los Alamos National Lab</i>		216365-1		3,376	3,376
<i>Pass-Through from Los Alamos National Lab</i>		281563		17,528	17,528
<i>Pass-Through from Los Alamos National Lab</i>		311031		14,937	14,937
<i>Pass-Through from Los Alamos National Lab</i>		79506-001-10		593,495	593,495
<i>Pass-Through from Los Alamos National Lab</i>		NO.275945 UTA14- 000679		270,907	270,907
<i>Pass-Through from Los Alamos National Lab</i>		PO 291375		93,712	93,712
<i>Pass-Through from Los Alamos National Laboratory</i>		189074		(273)	(273)
<i>Pass-Through from Los Alamos National Security, LLC</i>		217594		23,054	23,054
<i>Pass-Through from Massachusetts Institute of Technology</i>		5710003402		21,303	21,303
<i>Pass-Through from Massachusetts Institute of Technology</i>		571000-3709		249,560	249,560
<i>Pass-Through from National Renewable Energy Lab</i>		AFC-4-42004-01		3,150	3,150
<i>Pass-Through from National Renewable Energy Lab</i>		AFT-2-22439-01		1,523	1,523
<i>Pass-Through from National Renewable Energy Lab</i>		XGG-3-23326-01		7,959	7,959
<i>Pass-Through from National Renewable Energy Laboratory</i>		AFA-5-52027-01		43,767	43,767
<i>Pass-Through from National Renewable Energy Laboratory</i>		XEI-3-23232-01		27,415	27,415
<i>Pass-Through from National Security Technologies, LLC</i>		158987 1		13,024	13,024
<i>Pass-Through from Nvidia Corp</i>		UTA14-001189		279,709	279,709
<i>Pass-Through from Oak Ridge National Laboratory</i>		4000134027		41,562	41,562
<i>Pass-Through from Pacific Northwest Laboratory</i>		223907		66,506	66,506
<i>Pass-Through from Pacific Northwest Laboratory</i>		232973		50,957	50,957
<i>Pass-Through from Pacific Northwest Laboratory</i>		239473		65,960	65,960
<i>Pass-Through from Pacific Northwest Laboratory</i>		249181		26,264	26,264
<i>Pass-Through from Pantex Medical</i>		PTX01-0000043311		83,791	83,791
<i>Pass-Through from Radiabeam Technologies</i>		UTEP-2AMC-SC001		167,414	167,414
<i>Pass-Through from Research Partnership to Secure Energy</i>		11122-56	114,638	425,606	540,244
<i>Pass-Through from Research Partnership to Secure Energy</i>		12122-52		325,102	325,102
<i>Pass-Through from Research Partnership to Secure Energy</i>		LOA OMELON		17,785	17,785
<i>Pass-Through from Research Partnership to Secure Energy</i>		LOAHAYMAN		68,433	68,433
<i>Pass-Through from Rice University</i>		R16873		30,487	30,487
<i>Pass-Through from Sandia Corporation (Sandia National Lab)</i>		PO 1465125		81,111	81,111
<i>Pass-Through from Sandia Corporation (Sandia National Lab)</i>		PO 1531197		7,094	7,094
<i>Pass-Through from Sandia Corporation (Sandia National Lab)</i>		PO 1387126		29,459	29,459
<i>Pass-Through from Sandia Corporation (Sandia National Lab)</i>		PO 1427597		72,255	72,255
<i>Pass-Through from Sandia Corporation (Sandia National Lab)</i>		PO 1509532		30,085	30,085
<i>Pass-Through from Sandia Corporation (Sandia National Lab)</i>		PO 1541069		34,473	34,473
<i>Pass-Through from Sandia Corporation (Sandia National Lab)</i>		PO 1573619		19,127	19,127
<i>Pass-Through from Sandia Corporation (Sandia National Lab)</i>		PURCHASE 1269622 REV 2		(117)	(117)
<i>Pass-Through from Sandia Corporation (Sandia National Lab)</i>		STANDARD PURCHASE ORDER: 1271025, REV. 1		33,364	33,364
<i>Pass-Through from Sandia National Laboratories</i>		1174449		441,453	441,453
<i>Pass-Through from Sandia National Laboratories</i>		1197246		84,370	84,370
<i>Pass-Through from Sandia National Laboratories</i>		1307455		1,719	1,719
<i>Pass-Through from Sandia National Laboratories</i>		1307455 REV 3		45,963	45,963
<i>Pass-Through from Sandia National Laboratories</i>		1315794		67,861	67,861
<i>Pass-Through from Sandia National Laboratories</i>		1414232 Rev 2		27,243	27,243
<i>Pass-Through from Sandia National Laboratories</i>		1420994		40,531	40,531
<i>Pass-Through from Sandia National Laboratories</i>		1439100		181,664	181,664
<i>Pass-Through from Sandia National Laboratories</i>		1524251		31,591	31,591
<i>Pass-Through from Sandia National Laboratories</i>		1529274		86,125	86,125
<i>Pass-Through from Sandia National Laboratories</i>		1578668		17,576	17,576

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Energy (continued)					
<i>Pass-Through from Sandia National Laboratories</i>		LETTER		83,637	83,637
		AGREEMENTS			
<i>Pass-Through from Sandia National Laboratories</i>		PO 1386784		69,740	69,740
<i>Pass-Through from Sandia National Laboratories</i>		PO 1475240		25,793	25,793
<i>Pass-Through from Sandia National Laboratories</i>		PO 1529354		131,950	131,950
<i>Pass-Through from Sandia National Laboratories</i>		PO1452528		148,609	148,609
<i>Pass-Through from Savannah River Nuclear Solutions</i>		0000158190		66,044	66,044
<i>Pass-Through from Slac National Accelerator Laboratory</i>		120903		235,443	235,443
<i>Pass-Through from Uchicago Argonne, LLC</i>		4F-31901		43,634	43,634
<i>Pass-Through from Uchicago Argonne, LLC</i>		4F-32043		19,121	19,121
<i>Pass-Through from University of California - Lawrence Berkeley Laboratory</i>		7216561		22,373	22,373
<i>Pass-Through from University of Wisconsin - Madison</i>		353K312		48,724	48,724
<i>Pass-Through from Urs</i>		244799.US/40819273/1 087477		450,076	450,076
<i>Pass-Through from Urs</i>		RES1302670		12,268	12,268
<i>Pass-Through from UT - Battelle, LLC</i>		4000113112		(3,332)	(3,332)
<i>Pass-Through from UT - Battelle, LLC</i>		4000122526		3,895	3,895
<i>Pass-Through from UT - Battelle, LLC</i>		4000122526 4		44,980	44,980
<i>Pass-Through from UT - Battelle, LLC</i>		4000136442 (Increment)		38,195	38,195
<i>Pass-Through from UT - Battelle, LLC</i>		LOA - PRUDENCIO		5,717	5,717
ARRA - U.S. Department of Energy					
<i>Pass-Through from Denbury Resources</i>		AP&C INCDE-FE- 0002314 & DE-FE- 0002381		35,242	35,242
<i>Pass-Through from Denbury Resources</i>		LEUCADIA DE-FE- 0002314 & DE-FE- 0002381		43,058	43,058
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		7107529		102,256	102,256
<i>Pass-Through from Pecan Street Project, Inc.</i>		UTA10-000960		32,470	32,470
Total - CFDA 81.XXX			461,442	11,900,742	12,362,184
State Energy Program	81.041			107,371	107,371
<i>Pass-Through from State of Louisiana</i>		2031-14-01		12,035	12,035
Total - CFDA 81.041			0	119,406	119,406
Office of Science Financial Assistance Program	81.049		796,379	24,372,330	25,168,709
<i>Pass-Through from Argonne National Laboratory</i>		1F-32303		306,130	306,130
<i>Pass-Through from Battelle</i>		00095441		57,373	57,373
<i>Pass-Through from Battelle</i>		00119754		72,444	72,444
<i>Pass-Through from Battelle</i>		00120553		200,201	200,201
<i>Pass-Through from Battelle</i>		00121203		131,840	131,840
<i>Pass-Through from Battelle</i>		00121602	125,923	24,662	150,585
<i>Pass-Through from Battelle</i>		00121603	186,757		186,757
<i>Pass-Through from Battelle</i>		00121604	92,352		92,352
<i>Pass-Through from Battelle</i>		00121934		599	599
<i>Pass-Through from Battelle</i>		00128976		138,625	138,625
<i>Pass-Through from Battelle</i>		B5841	9,609		9,609
<i>Pass-Through from Battelle</i>		B6681	192,938		192,938
<i>Pass-Through from Battelle</i>		B6686	306		306
<i>Pass-Through from Battelle</i>		B6687	155,701		155,701
<i>Pass-Through from Battelle</i>		B6741	4,703		4,703
<i>Pass-Through from Battelle</i>		C0251	91,906		91,906
<i>Pass-Through from Calnetix</i>		12-13857		102,619	102,619
<i>Pass-Through from Dnu University of Virginia (FFL)</i>		GQ10044-133948		27,887	27,887
<i>Pass-Through from Femto Scale, Inc.</i>		1502670		19,092	19,092

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Energy (continued)					
<i>Pass-Through from HJ Science and Technology, Inc.</i>		DE-SC0009553-1	35,805	710,306	746,111
<i>Pass-Through from Idaho State University</i>		RACL74-11-268A		(13)	(13)
<i>Pass-Through from Iowa State University</i>		DESC0008484		87,794	87,794
<i>Pass-Through from Iln Energy Systems, Inc.</i>		DE-SC001015		53,235	53,235
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		7112636		5,026	5,026
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		7115062		45,135	45,135
<i>Pass-Through from Lawrence Livermore National Security, LLC</i>		B599687		607,911	607,911
<i>Pass-Through from Los Alamos National Security, LLC</i>		228868		15,924	15,924
<i>Pass-Through from Los Alamos National Security, LLC</i>		257633		1,128	1,128
<i>Pass-Through from Los Alamos National Security, LLC</i>		274554		101,586	101,586
<i>Pass-Through from Los Alamos National Security, LLC</i>		311770		21,287	21,287
<i>Pass-Through from Los Alamos National Security, LLC</i>		M1402661	17,460		17,460
<i>Pass-Through from Massachusetts Institute of Technology</i>		5710003381		313,161	313,161
<i>Pass-Through from Materials and Electrochemical Research Cor</i>		GN0007240		33,161	33,161
<i>Pass-Through from Materials and Electrochemical Research Cor</i>		GN0007264		13,624	13,624
<i>Pass-Through from Mesa Photonics</i>		20150217		54,874	54,874
<i>Pass-Through from National Renewable Energy Laboratory</i>		XGS-4-42321-01		25,037	25,037
<i>Pass-Through from Ncarbon, Inc.</i>		UTA14-000310		11,808	11,808
<i>Pass-Through from Oak Ridge National Laboratory</i>		4000089499		2,255	2,255
<i>Pass-Through from Omega Optics</i>		UTA15-000286		39,447	39,447
<i>Pass-Through from Omega Optics</i>		UTA15-000307		27,069	27,069
<i>Pass-Through from Pacific Northwest National Laboratory</i>		156080		42,716	42,716
<i>Pass-Through from Pacific Northwest National Laboratory</i>		242239		101,026	101,026
<i>Pass-Through from Penn State University</i>		5020-UTA-SU-105B		43,306	43,306
<i>Pass-Through from Radiabeam Technologies</i>		DE-SC00011826		72,785	72,785
<i>Pass-Through from Regents of the University of California</i>		7062952; WBS 1.5.4.3		22,438	22,438
<i>Pass-Through from Regents of the University of California</i>		7079435		14,703	14,703
<i>Pass-Through from Research Partnership to Secure Energy for America</i>		10122-42		76,788	76,788
<i>Pass-Through from Research Partnership to Secure Energy for America</i>		10122-43		8,854	8,854
<i>Pass-Through from Research Partnership to Secure Energy for America</i>		11122-07		233,433	233,433
<i>Pass-Through from Sandia National Laboratories</i>		1382221		89,423	89,423
<i>Pass-Through from Sandia National Laboratories</i>		1441390		42,612	42,612
<i>Pass-Through from Sandia National Laboratories</i>		1494370		33,233	33,233
<i>Pass-Through from Sandia National Laboratories</i>		1520033		17,363	17,363
<i>Pass-Through from Sandia National Laboratories</i>		1524056		15,001	15,001
<i>Pass-Through from Sandia National Laboratories</i>		1539133		46,242	46,242
<i>Pass-Through from Sandia National Laboratories</i>		1572763		10,177	10,177
<i>Pass-Through from Shear Form</i>		12-0094		1,351	1,351
<i>Pass-Through from Silicon Audio Labs, Inc.</i>		UTA15-000759		10,826	10,826
<i>Pass-Through from Solarno, Inc.</i>		DESC0001145/DE- SC0009447		(1,771)	(1,771)
<i>Pass-Through from Stanford Linear Accelerator Center</i>		85541		(3,164)	(3,164)
<i>Pass-Through from University of Cal - Riverside</i>		S-000687		126,154	126,154
<i>Pass-Through from University of Cal - Riverside</i>		S-000687 LOA #1 Li		186,701	186,701
<i>Pass-Through from University of California - Berkeley</i>		00008632		254,793	254,793
<i>Pass-Through from University of California - San Diego</i>		10321283		(223,446)	(223,446)
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		2011-00313-01		59,642	59,642
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		2013-04789-01		67,248	67,248
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		2014-03595-01		96,928	96,928
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		2014-03595-02		228,938	228,938
<i>Pass-Through from University of Michigan</i>		3001346237		218,699	218,699
<i>Pass-Through from University of Oregon</i>		234171F PRIME:DE- SCO		(1,186)	(1,186)

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Energy (continued)					
<i>Pass-Through from University of Southern California</i>		40683296 (DE- SC0009885		254,442	254,442
<i>Pass-Through from University of Tennessee - Knoxville</i>		A12-0153-S001		80,884	80,884
<i>Pass-Through from University of Wisconsin</i>		455K674		423,463	423,463
<i>Pass-Through from University of Wisconsin - Madison</i>		Sub 347K900		35,378	35,378
<i>Pass-Through from Westinghouse Electric Company</i>		4500654380		10,649	10,649
ARRA - Office of Science Financial Assistance Program			38,870	728,338	767,208
Total - CFDA 81.049			1,748,709	31,048,524	32,797,233
University Coal Research	81.057		18,965	201,067	220,032
Office of Scientific and Technical Information	81.064			(27,811)	(27,811)
<i>Pass-Through from Sandia National Laboratories</i>		1375508		68	68
Total - CFDA 81.064			0	(27,743)	(27,743)
Nuclear Waste Disposal Siting	81.065				
<i>Pass-Through from Nye County, Nevada</i>		10-014		62	62
Regional Biomass Energy Programs	81.079				
<i>Pass-Through from South Dakota State University</i>		3TA153 /PRIME:DE- FC36-05GO85041		296	296
<i>Pass-Through from South Dakota State University</i>		3TA153 DE-FC36- 06G085041/3TG148- 05G85041		41,342	41,342
<i>Pass-Through from South Dakota State University</i>		3TF148 (PRIME#DE- FC36-05GO85041		18,846	18,846
Total - CFDA 81.079			0	60,484	60,484
Conservation Research and Development	81.086		1,362,702	642,559	2,005,261
<i>Pass-Through from Austin City of</i>		UTA14-001448 DE- EE0006078		19,907	19,907
<i>Pass-Through from Austin Energy</i>		ENG-5269		18,203	18,203
<i>Pass-Through from Gnz Energy, Inc.</i>		DOE-EE-0004840		67,666	67,666
<i>Pass-Through from Penn State University</i>		4944-UTA-DOE-6447		324,594	324,594
Total - CFDA 81.086			1,362,702	1,072,929	2,435,631
Renewable Energy Research and Development	81.087		338,411	1,321,119	1,659,530
<i>Pass-Through from Abb Corporate Research Center</i>		C5120		211,197	211,197
<i>Pass-Through from Advanced Magnet Lab</i>		107196		9,757	9,757
<i>Pass-Through from Arizona State University</i>		13-185		81,140	81,140
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		127468	38,807	255,405	294,212
<i>Pass-Through from Board of Trustees of the Leland Stanford Junior University</i>		60964986-51007		34,733	34,733
<i>Pass-Through from Cb&i, Inc.</i>		777276-000		868	868
<i>Pass-Through from Houston Community College</i>		270410		5,529	5,529
<i>Pass-Through from Los Alamos National Security, LLC</i>		282767		21,647	21,647
<i>Pass-Through from Los Alamos National Security, LLC</i>		285123		34,487	34,487
<i>Pass-Through from National Renewable Energy Lab</i>		8000002082		119,617	119,617
<i>Pass-Through from National Renewable Energy Lab</i>		8000002242		317,913	317,913
<i>Pass-Through from Omnetric Corporation</i>		NCS-5-42326-01		48,250	48,250
<i>Pass-Through from Pennsylvania State University</i>		5105-UTA-DOE-6761		28,299	28,299
<i>Pass-Through from Stanford University</i>		60217589-60257757- 51077-M		54,493	54,493
<i>Pass-Through from Stanford University</i>		Agr. 60516997-51077 Req. 342506		80,057	80,057
<i>Pass-Through from University of Arizona</i>		143187		485,488	485,488

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Energy (continued)					
<i>Pass-Through from University of Florida</i>		UF13021 (#DE- PI0000031)		465	465
<i>Pass-Through from University of Illinois</i>		2012-05477		46,044	46,044
ARRA - Renewable Energy Research and Development			46,967	20,981	67,948
Total - CFDA 81.087			424,185	3,177,489	3,601,674
Fossil Energy Research and Development	81.089		1,024,990	7,507,856	8,532,846
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		120106	6,759	27,014	33,773
<i>Pass-Through from Clearview Subsea, LLC</i>		10002-03		152,315	152,315
<i>Pass-Through from Csi Technologies, LLC</i>		10122-19		13,252	13,252
<i>Pass-Through from Csi Technologies, LLC</i>		11122-42		49,435	49,435
<i>Pass-Through from Florida International University</i>		800005248-01		24,358	24,358
<i>Pass-Through from Gas Technology Institute</i>		UTA09-000924 PO# S00000132		(85)	(85)
<i>Pass-Through from General Electric Power and Water</i>		900539349		43,786	43,786
<i>Pass-Through from Gsi Environmental, Inc.</i>		SC3875-006		147,281	147,281
<i>Pass-Through from Houston Advanced Research Center</i>		EFDTIP-TIP204		171,384	171,384
<i>Pass-Through from Houston Advanced Research Center</i>		EFDTIP-TIP205		35,331	35,331
<i>Pass-Through from Houston Area Research Center</i>		280430		26,072	26,072
<i>Pass-Through from Intelligent Optical Systems, Inc.</i>		IOS #3239 DOE-RICO III		60,357	60,357
<i>Pass-Through from Membrane Tech and Research, Inc.</i>		373-DOE-FE-13118- UTEXAS		90,913	90,913
<i>Pass-Through from National Research Library</i>		N00173-15-P-3503		16,421	16,421
<i>Pass-Through from Research Partnership to Secure Energy for America</i>		10121-4501-01		667,057	667,057
<i>Pass-Through from Rpsea</i>		09122-12		(193)	(193)
<i>Pass-Through from Southern States Energy Board</i>		SSEB-SECARB3-973- T13BEG-TI-2008-019	2,115,417	434,379	2,549,796
ARRA - Fossil Energy Research and Development					
<i>Pass-Through from Calera Corp.</i>		UTA13-000398		59,104	59,104
Total - CFDA 81.089			3,147,166	9,526,037	12,673,203
Epidemiology and Other Health Studies Financial Assistance Program	81.108			116,929	116,929
Stewardship Science Grant Program	81.112			2,629,679	2,629,679
<i>Pass-Through from Stanford University</i>		60300258-107109-A		88,728	88,728
Total - CFDA 81.112			0	2,718,407	2,718,407
Defense Nuclear Nonproliferation Research	81.113			25,606	25,606
<i>Pass-Through from Lawrence Livermore National Security, LLC</i>		B571336		143,143	143,143
<i>Pass-Through from University of California - Berkeley</i>		BB00154662/00008127		24,188	24,188
Total - CFDA 81.113			0	192,937	192,937
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117		83,900	432,605	516,505
<i>Pass-Through from Thurgood Marshall Scholarship Fund</i>		MSI-Visiting Prof- PVAMU-Bellam2012		9,970	9,970
Total - CFDA 81.117			83,900	442,575	526,475
Nuclear Energy Research, Development and Demonstration	81.121		51,763	2,294,964	2,346,727
<i>Pass-Through from Areva Federal Services, LLC</i>		15C3011928		54,238	54,238

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Energy (continued)					
<i>Pass-Through from Battelle</i>		00124068		(4)	(4)
<i>Pass-Through from Battelle</i>		00124695		35,706	35,706
<i>Pass-Through from Battelle</i>		00127086		165,596	165,596
<i>Pass-Through from Battelle</i>		00138966		13,936	13,936
<i>Pass-Through from Battelle</i>		00139642		35,023	35,023
<i>Pass-Through from Battelle</i>		00143948		73,903	73,903
<i>Pass-Through from Battelle</i>		00152846		59,703	59,703
<i>Pass-Through from Battelle</i>		154381		19,762	19,762
<i>Pass-Through from Battelle</i>		156135		29,840	29,840
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		128931	74,183	167,865	242,048
<i>Pass-Through from Georgia Institute of Technology</i>		RF764-G3		12,892	12,892
<i>Pass-Through from Lawrence Livermore National Laboratory</i>		B599185		46,113	46,113
<i>Pass-Through from Lawrence Livermore National Laboratory</i>		B600575		118,690	118,690
<i>Pass-Through from Lawrence Livermore National Laboratory</i>		B613258		137,380	137,380
<i>Pass-Through from Lawrence Livermore National Security, LLC</i>		B602391		610,417	610,417
<i>Pass-Through from Los Alamos National Security, LLC</i>		208335-1		103,599	103,599
<i>Pass-Through from Los Alamos National Security, LLC</i>		208873-1		62,890	62,890
<i>Pass-Through from Los Alamos National Security, LLC</i>		240292-1		64,242	64,242
<i>Pass-Through from Oak Ridge National Laboratory</i>		400010505		8,577	8,577
<i>Pass-Through from Oak Ridge National Laboratory</i>		4000105055		18,285	18,285
<i>Pass-Through from Oak Ridge National Laboratory</i>		4000114530		(604)	(604)
<i>Pass-Through from Syracuse University</i>		24958-02972-S01		3,220	3,220
<i>Pass-Through from Syracuse University</i>		27383-03825-S01		22,588	22,588
<i>Pass-Through from Uchicago Argonne, LLC</i>		4F-31621		40,717	40,717
<i>Pass-Through from University of Arkansas</i>		SA1510070		58,776	58,776
<i>Pass-Through from University of Nebraska - Lincoln</i>		25-1217-0013-002		7,201	7,201
<i>Pass-Through from Westinghouse Electric Company</i>		4500460309		1,397	1,397
Total - CFDA 81.121			125,946	4,266,912	4,392,858
Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122		17,776	193,281	211,057
<i>Pass-Through from Superpower, Inc.</i>		107365		46,784	46,784
<i>Pass-Through from Superpower, Inc.</i>		99895		122,591	122,591
<i>Pass-Through from University of Chicago - Argonne National Laboratory</i>		4F-30201		61,128	61,128
ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis				80,889	80,889
<i>Pass-Through from Center for the Commercialization of Electronic Technologies</i>		DE-OE000194		78,295	78,295
<i>Pass-Through from Pecan Street Project, Inc.</i>		DE-FOA-0000036 PRIME		178,032	178,032
<i>Pass-Through from Pecan Street Project, Inc.</i>		DE-FOA-0000036 UTA10-001028		33,624	33,624
<i>Pass-Through from Pecan Street Project, Inc.</i>		DE-FOA-0000036 UTA11-000092		106,471	106,471
<i>Pass-Through from Pecan Street Project, Inc.</i>		DE-FOA-0000036 UTA11-001004		67,045	67,045
Total - CFDA 81.122			17,776	968,140	985,916
National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.123		206,129	293,432	499,561
<i>Pass-Through from Florida A and M University</i>		C-4342		154,212	154,212
Total - CFDA 81.123			206,129	447,644	653,773
Predictive Science Academic Alliance Program	81.124		277,811	1,664,441	1,942,252
<i>Pass-Through from Stanford University</i>		60544212-107908		83,090	83,090

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Energy (continued)					
Total - CFDA 81.124			277,811	1,747,531	2,025,342
ARRA - Expand and Extend Clean Coal Power Initiative <i>Pass-Through from Petra Nova Parish Holdings, LLC</i>	81.131	UTA15-000294 PO 4501616882		71,455	71,455
ARRA - Geologic Sequestration Site Characterization	81.132			28,803	28,803
ARRA - Industrial Carbon Capture and Storage (CCS) Application <i>Pass-Through from Siemens</i>	81.134	UTA13-000255 / PO 6500021159 MOD#1		245,501 16,879	245,501 16,879
Total - CFDA 81.134			0	262,380	262,380
Advanced Research Projects Agency - Energy <i>Pass-Through from Adma Products, Inc.</i> <i>Pass-Through from Am Biotechnologies, LLC</i> <i>Pass-Through from Ceramatec, Inc.</i> <i>Pass-Through from Chromatin, Inc.</i> <i>Pass-Through from Georgia Institute of Technology</i> <i>Pass-Through from Massachusetts Institute of Technology</i> <i>Pass-Through from Physical Sciences, Inc.</i> <i>Pass-Through from Sharp Laboratories of America</i> <i>Pass-Through from Superpower, Inc.</i> <i>Pass-Through from Tai - Yang Research Co.</i> <i>Pass-Through from University of California - Los Angeles</i> <i>Pass-Through from University of Maryland - College Park</i> <i>Pass-Through from University of Nevada - Las Vegas</i> <i>Pass-Through from University of South Carolina</i> <i>Pass-Through from UT - Battelle, LLC</i> <i>Pass-Through from UT - Battelle, LLC</i>	81.135	C13-00682 1500422 UTA14-000129 DOE DE-AR0000208 RD735-G1 DE-AR0000181 SC67187-1867 UTA13-000404 107379 DE-AR0000337 GN0005968 Z713201 13-738Q-A-00 15-2798 4000123096 4000139515	2,660,030	3,835,304 (307) 2,000 312,308 270,530 131,387 27,909 38,851 224,753 9,297 101,957 66,354 206,900 74,052 146,199 280,969 34,051	6,495,334 (307) 2,000 312,308 270,530 131,387 27,909 38,851 224,753 9,297 101,957 66,354 206,900 74,052 146,199 280,969 34,051
ARRA - Advanced Research Projects Agency - Energy <i>Pass-Through from Adma Products, Inc.</i>		C10-361		(445)	(445)
Total - CFDA 81.135			2,660,030	5,762,069	8,422,099
Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis	81.214			59,105	59,105
Total - U.S. Department of Energy			10,534,761	74,163,884	84,698,645
U.S. Department of Education					
U.S. Department of Education <i>Pass-Through from Los Alamos National Lab</i> <i>Pass-Through from University of Wisconsin - Milwaukee</i>	84.XXX	318613 H133G140222		89,804 27,190	89,804 27,190
Total - CFDA 84.XXX			0	116,994	116,994
Adult Education - Basic Grants to States	84.002			207,958	207,958
Special Education Grants to States <i>Pass-Through from Region 17 Education Service Center</i>	84.027	Region 17 Education Service Center		162,532 31,965	162,532 31,965
Total - CFDA 84.027			0	194,497	194,497
Higher Education Institutional Aid	84.031			1,926,546	1,926,546

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Education (continued)					
Career and Technical Education -- Basic Grants to States	84.048			602,593	602,593
Fund for the Improvement of Postsecondary Education	84.116			111,668	111,668
<i>Pass-Through from The Urban Institute</i>		0799800000UTD01		(29,526)	(29,526)
<i>Pass-Through from University of Northern Colorado</i>		3500 P116B060180		8	8
Total - CFDA 84.116			0	82,150	82,150
Minority Science and Engineering Improvement	84.120		37,554	538,512	576,066
Centers for Independent Living	84.132				
<i>Pass-Through from TIRR Memorial Hermann</i>		H132B120001		3,726	3,726
National Institute on Disability and Rehabilitation Research	84.133		9,712	726,045	735,757
<i>Pass-Through from Baylor College of Medicine</i>		101748025-2		48,093	48,093
<i>Pass-Through from Baylor Research Institute</i>		H133A120098		2,743	2,743
<i>Pass-Through from Baylor Research Institute</i>		H133A120098-14		47,963	47,963
<i>Pass-Through from Langston University</i>		H133B130023		18,254	18,254
<i>Pass-Through from TIRR Memorial Hermann</i>		H133A110027 / SWADA-UTHSCH-15		49,513	49,513
<i>Pass-Through from TIRR Memorial Hermann</i>		H133A12008		45,337	45,337
<i>Pass-Through from TIRR Memorial Hermann</i>		H133B090002		1,182	1,182
<i>Pass-Through from TIRR Memorial Hermann</i>		H133B090002 / 1567-14		1,507	1,507
<i>Pass-Through from University of Wisconsin - Madison</i>		282K763		24,327	24,327
Total - CFDA 84.133			9,712	964,964	974,676
Migrant Education High School Equivalency Program	84.141			309,257	309,257
Bilingual Education Professional Development	84.195			(1)	(1)
Graduate Assistance in Areas of National Need	84.200			86,250	86,250
<i>Pass-Through from American Institutes for Research</i>		13RRG10002		50,464	50,464
Total - CFDA 84.200			0	136,714	136,714
Fund for the Improvement of Education	84.215		365,727	3,291,556	3,657,283
<i>Pass-Through from Reach Out and Read, Inc.</i>		ROR-NC-2002		225	225
Total - CFDA 84.215			365,727	3,291,781	3,657,508
TRIO McNair Post-Baccalaureate Achievement	84.217			334,998	334,998
Centers for International Business Education	84.220			193,277	193,277
Education Research, Development and Dissemination	84.305		2,239,303	7,011,383	9,250,686
<i>Pass-Through from American Institutes for Research</i>		R305A140430		23,088	23,088
<i>Pass-Through from Georgia St University Research Foun</i>		8000001578		30,058	30,058
<i>Pass-Through from Georgia State University</i>		SP00010952		55,013	55,013
<i>Pass-Through from Georgia State University</i>		SP00010989-01		33,560	33,560
<i>Pass-Through from Harvard University</i>		106553.5053234		(439)	(439)
<i>Pass-Through from Harvard University</i>		108129-5076576		21,368	21,368
<i>Pass-Through from Ohio State University</i>		R305A1040430		76,339	76,339
<i>Pass-Through from Rmc Research Corporation</i>		91866		(7,312)	(7,312)
<i>Pass-Through from University of Michigan</i>		3002533698		136,443	136,443
<i>Pass-Through from University of Wisconsin - Madison</i>		3003216145		(5,215)	(5,215)
Total - CFDA 84.305			2,239,303	7,374,286	9,613,589
Research in Special Education	84.324		505,746	1,905,484	2,411,230
<i>Pass-Through from the Curators of University of Missouri</i>		R324A120027		23,936	23,936
<i>Pass-Through from University of California - Davis</i>		P30AI036211-19REV		43,588	43,588

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Education (continued)					
<i>Pass-Through from University of Kansas Center for Research</i>		FY2014-044		14,898	14,898
<i>Pass-Through from University of Kansas Center for Research</i>		FY2014-045-M1		46,650	46,650
<i>Pass-Through from University of Kansas Center for Research</i>		FY2014-055		(2,346)	(2,346)
<i>Pass-Through from University of Miami</i>		AC 69434	9,723	70,192	79,915
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5-39281		111,307	111,307
Total - CFDA 84.324			515,469	2,213,709	2,729,178
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325		19,161	931,016	950,177
<i>Pass-Through from University of Florida</i>		UFDSP00010565		(3,404)	(3,404)
Total - CFDA 84.325			19,161	927,612	946,773
Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326			383,681	383,681
<i>Pass-Through from Cal State University Northridge</i>		F-11-2963-3 UTA		448,757	448,757
Total - CFDA 84.326			0	832,438	832,438
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334		9,751	64,532	74,283
Transition to Teaching	84.350				
<i>Pass-Through from University of Louisiana at Monroe</i>		SVK010-TAMUK-00		240,245	240,245
Early Reading First	84.359				
<i>Pass-Through from Rmc Research Corporation</i>		EDO1CO00550006		422	422
English Language Acquisition State Grants	84.365			997,233	997,233
Mathematics and Science Partnerships	84.366			972,524	972,524
<i>Pass-Through from Texas Regional Collaborative</i>		UTA13-000370		(414)	(414)
Total - CFDA 84.366			0	972,110	972,110
Improving Teacher Quality State Grants	84.367			527,770	527,770
<i>Pass-Through from National Institute for Excellence in Teaching</i>		PRIME: U367D130024		738,749	738,749
<i>Pass-Through from National Writing Project Corp</i>		NWP 2013-14 SEED GRANT		4,902	4,902
Total - CFDA 84.367			0	1,271,421	1,271,421
Grants for Enhanced Assessment Instruments	84.368			837,013	837,013
Striving Readers	84.371			425,928	425,928
<i>Pass-Through from Miko Group, Inc.</i>		ED-ESE-11-C-0057		16,829	16,829
Total - CFDA 84.371			0	442,757	442,757
Statewide Longitudinal Data Systems	84.372			(7,086)	(7,086)
College Access Challenge Grant Program	84.378			(5,145)	(5,145)
ARRA - Investing in Innovation (i3) Fund	84.396				
<i>Pass-Through from Ohio State University</i>		U396A100027	235,739	187,167	422,906
ARRA - Centers for Independent Living, Recovery Act.	84.400				
<i>Pass-Through from Tirr Memorial Hermann</i>		H400B100003 / 1596-15		7,998	7,998
Investing in Innovation (i3) Fund	84.411		437,991	3,041,961	3,479,952
<i>Pass-Through from University of Connecticut</i>		146944107		1,163	1,163

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Education (continued)					
Total - CFDA 84.411			437,991	3,043,124	3,481,115
Graduate Research Opportunities for Minority Students (Minorities and Retirement Security Program)	84.414			115,539	115,539
Total - U.S. Department of Education			3,870,407	28,419,341	32,289,748
National Archives and Records Administration					
National Historical Publications and Records Grants	89.003			58,161	58,161
Total - CFDA 89.003			0	58,161	58,161
Total - National Archives and Records Administration			0	58,161	58,161
U.S. Department of Health and Human Services					
U.S. Department of Health and Human Services	93.XXX	0000001506		(376)	(376)
		13-IPA1310480-1		6,558	6,558
		155162/154927		7,100	7,100
		156883/156867		256,110	256,110
		15944		135,474	135,474
		1R43CA193087-01		15,912	15,912
		200-2009-32594		715,364	715,364
		200-2011-39475		49,799	49,799
		200-2011-41271		303,783	303,783
		200-2014-M-59937		70,384	70,384
		2012-041547-001		651	651
		2013-57049	7,260		7,260
		2014-01 07822S10		4,265	4,265
		CUBRC 2013: 07822S10		9,298	9,298
		HHSF223201110109A	24,774	46,572	71,346
		HSH234200737001C		137,599	137,599
		04			
		HSH250201000011C/		3,399,453	3,399,453
		00			
		HHSN261201000032I		6,964	6,964
		HHSN261201000142C		120,138	120,138
		04			
		HHSN261201200037I		2,588	2,588
		HHSN261201200210P		132	132
		HHSN261201400573P		20,236	20,236
		HHSN263201000044I		30,420	30,420
		03			
		HHSN268200900039C		479,116	479,116
		04			
		HHSN268201000036C	1,280,781	436,578	1,717,359
		HHSN268201000037C		2,176,742	2,176,742
		HHSN268201100036C		858,041	858,041
		HHSN268201200019C	157,610	117,181	274,791
		HHSN268201500007P		3,941	3,941
		HHSN271201300564P		6,637	6,637
		HHSN272200800048C		9,114	9,114
		HHSN272201000038I	193,955	889,234	1,083,189
		HHSN272201000040I		739,316	739,316
		HHSN272201000040I		2,768,309	2,768,309
		HHSN272201100018I		99,712	99,712
		HHSN275201200023C		327	327
		HHSN275201300018I		5,577	5,577

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
		N01 AR062279		60	60
		N01 CM-2011-00039 01	8,100	708,690	716,790
		N01 CM-62202 09		2,614	2,614
		N01-AI-30065		(22,425)	(22,425)
		N01-CN-035159 07	285,332	165,034	450,366
		N01DA-13-8908		837,363	837,363
		NBS #3937452 DUNS #800771594		5,414	5,414
		NS06698704		(75)	(75)
		P400369		(186)	(186)
		PO: C45117 DEAN SITTIG		6,582	6,582
		PO: D52014		56,205	56,205
		PR141961		2,466	2,466
		RO1DA039789		7,478	7,478
		SRS REF M1501639		234,069	234,069
		Tetraphase 2013-02		813	813
		U54MD009479		13,041	13,041
		W81XWH-10-0101 04		112,804	112,804
<i>Pass-Through from Adaptive Biotechnologies Corp.</i>		APAD-NCI-261201		36,474	36,474
<i>Pass-Through from American Institutes for Research</i>		1205.03029.002		57,142	57,142
<i>Pass-Through from American Institutes for Research</i>		SUB # 0260002103		11,253	11,253
<i>Pass-Through from American Type Culture Collection</i>		201005160002		505,847	505,847
<i>Pass-Through from Baylor College of Medicine</i>		HHSA290200810015C		(5,331)	(5,331)
<i>Pass-Through from Baylor College of Medicine</i>		HHSA- 290201500002C		75,657	75,657
<i>Pass-Through from Baylor College of Medicine</i>		N01-AI-80002		305,425	305,425
<i>Pass-Through from Children's Hospital of Philadelphia</i>		BQSF-P-AALL1131 11XS		6,963	6,963
<i>Pass-Through from Children's Hospital of Philadelphia</i>		HHSN261200800001E		3,999	3,999
<i>Pass-Through from Children's Hospital of Philadelphia</i>		U10 CA098543-10		141,094	141,094
<i>Pass-Through from Children's Hospital of Philadelphia</i>		U10CA98543		22,094	22,094
<i>Pass-Through from Chrysalis Biotechnology</i>		HHSN261201300076C		60,046	60,046
<i>Pass-Through from Cincinnati Children's Hospital Medical Center</i>		HHSN272200800006C		(2,467)	(2,467)
<i>Pass-Through from Community Action, Inc.</i>		UTA10-001284		133,975	133,975
<i>Pass-Through from Department of Health and Human Services</i>		HHSM-500-2012-0025C	81,494		81,494
<i>Pass-Through from Duke Clinical Research Institute</i>		N01AR22265		18,238	18,238
<i>Pass-Through from Duke University</i>		GUIDE-IT 2-2 Echo		15,903	15,903
<i>Pass-Through from Duke University</i>		HHSN272201000053C		38,467	38,467
<i>Pass-Through from Duke University</i>		HHSN2752010000031		17,649	17,649
<i>Pass-Through from Duke University</i>		HHSN275201000003I		206	206
<i>Pass-Through from Duke University Medical Center</i>		HHSN272200900023C		257,655	257,655
<i>Pass-Through from Emmes Corporation</i>		HHSN263201200001C		363,353	363,353
<i>Pass-Through from Evorx Technologies, Inc.</i>		HHSN26120130065		64,637	64,637
<i>Pass-Through from Feinstein Institute for Medical Research</i>		HHSN-271-2009- 00019C		77,982	77,982
<i>Pass-Through from Henry M. Jackson Foundation</i>		790936, 300883-1.00- 60808		(85)	(85)
<i>Pass-Through from Hispanic Association of Colleges and University</i>		13127225		(2,389)	(2,389)
<i>Pass-Through from Houston Academy of Medicine - Texas Medical Center Library</i>		HHSN276201100007C		222	222
<i>Pass-Through from Icf Consulting Group, Inc.</i>		CETT Program		7,463	7,463
<i>Pass-Through from Inhibikase Therapeutics, Inc.</i>		HDTRA112C0051		350,648	350,648
<i>Pass-Through from Kansas State University</i>		S13205		12,330	12,330
<i>Pass-Through from La Jolla Institute for Allergy and Immunology</i>		25059-10-384		12,216	12,216
<i>Pass-Through from Leidos Biomedical Research, Inc.</i>		13XS034-T03		21,091	21,091

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Leidos Biomedical Research, Inc.</i>		14X082ST1		464,038	464,038
<i>Pass-Through from Leidos Biomedical Research, Inc.</i>		14X082T2		106,854	106,854
<i>Pass-Through from Leidos Biomedical Research, Inc.</i>		15X073		64,979	64,979
<i>Pass-Through from Leidos Biomedical Research, Inc.</i>		HHSN261200800001E		178,556	178,556
<i>Pass-Through from Leidos, Inc.</i>		12XS348/HHSN26120080		95,599	95,599
<i>Pass-Through from Massachusetts General Hospital</i>		HHN2712011000061		220,977	220,977
<i>Pass-Through from Massachusetts General Hospital</i>		HHSN2612007440C 05		(8,261)	(8,261)
<i>Pass-Through from Massachusetts General Hospital</i>		HHSN2712011000061		12,743	12,743
<i>Pass-Through from Mayo Clinic</i>		RTOG-0614		16,281	16,281
<i>Pass-Through from Mdc Associates, LLC</i>		MDC-03-03		2,073	2,073
<i>Pass-Through from Meso Scale Diagnostics, LLC</i>		W81XWH-13C-0196		30,204	30,204
<i>Pass-Through from Montefiore Medical Center</i>		HHSN268200700015C		5,715	5,715
<i>Pass-Through from Nationwide Children's Hospital</i>		650213/HHSN261201000		19,314	19,314
<i>Pass-Through from Nationwide Children's Hospital</i>		719114		8,465	8,465
<i>Pass-Through from New England Research Institutes</i>		N01HC45207		9,920	9,920
<i>Pass-Through from Nn/lm South Central Region</i>		HHSN-276-2011-00007C		4,243	4,243
<i>Pass-Through from North American Association of Central Cancer Registries</i>		2014-07-01		59,312	59,312
<i>Pass-Through from Northwestern University</i>		60033872-UTX/HHSN275		138,320	138,320
<i>Pass-Through from Northwestern University</i>		HHSN272201200026C		159,736	159,736
<i>Pass-Through from Nsabp</i>		5 U10 CA012027 37		801	801
<i>Pass-Through from Omega Optics</i>		HHSN261201200043C		6,338	6,338
<i>Pass-Through from Omega Optics</i>		UTA12-001008		92,476	92,476
<i>Pass-Through from Omm Scientific, Inc.</i>		HHSN261201300020C		6,948	6,948
<i>Pass-Through from Physical Sciences, Inc.</i>		HHSN26120140006		27,121	27,121
<i>Pass-Through from Radiabeam Technologies</i>		1LPT 001		15,470	15,470
<i>Pass-Through from Radiant Creative Group, LLC</i>		1 R41 CA168107 01		75,909	75,909
<i>Pass-Through from Radiation Oncology Dept</i>		RTOG 0525 01		(16,588)	(16,588)
<i>Pass-Through from Radiation Oncology Dept</i>		RTOG 1008 01		200	200
<i>Pass-Through from Radiation Oncology Dept</i>		RTOG0539 01		1,137	1,137
<i>Pass-Through from Radiation Oncology Dept</i>		RTOG0617		13,568	13,568
<i>Pass-Through from Radiation Oncology Dept</i>		RTOG-0825 01		(5,052)	(5,052)
<i>Pass-Through from Radiation Oncology Dept</i>		RTOG-0929 01		1,278	1,278
<i>Pass-Through from Radiation Oncology Dept</i>		RTOG3501		3,935	3,935
<i>Pass-Through from Radiation Therapy Oncology Group (RTOG)</i>		RTOG1308		24,027	24,027
<i>Pass-Through from Research Triangle Institute</i>		200-2010-37370		3,757	3,757
<i>Pass-Through from SAIC-Frederick, Inc.</i>		13XS034-T02		(41,982)	(41,982)
<i>Pass-Through from SAIC-Frederick, Inc.</i>		13XS034-T04		13,074	13,074
<i>Pass-Through from SAIC-Frederick, Inc.</i>		13XS034-T01		40,612	40,612
<i>Pass-Through from SAIC-Frederick, Inc.</i>		13XS071		(7,526)	(7,526)
<i>Pass-Through from SAIC-Frederick, Inc.</i>		28XS099 01		(632)	(632)
<i>Pass-Through from SAIC-Frederick, Inc.</i>		HHSN261200800001E 01		(3,242)	(3,242)
<i>Pass-Through from SAIC-Frederick, Inc.</i>		SAIC 29XS143 03		24	24
<i>Pass-Through from Scripps Research Institute</i>		5-50444		1,224	1,224
<i>Pass-Through from Social and Scientific Sys, Inc.</i>		HHSN2612014000101		8,919	8,919
<i>Pass-Through from Social and Scientific Systems, Inc.</i>		CRB-SSS-S-12-002253		8,242	8,242
<i>Pass-Through from Social and Scientific Systems, Inc.</i>		CRB-SSS-S-12-002254		3,511	3,511
<i>Pass-Through from Southwest Oncology Group</i>		1		(196)	(196)
<i>Pass-Through from St. Jude Children's Research Hospital</i>		111981010-7583333		16,493	16,493
<i>Pass-Through from Stony Brook University</i>		59329		25,719	25,719
<i>Pass-Through from Synergy Enterprises, Inc.</i>		1070-	48,398		48,398
<i>Pass-Through from Takeda Vaccines, Inc.</i>		205(HHSN2712012 HHSN272201000034C		42,717	42,717

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from TASC, Inc.</i>		FA865014D6519		184,102	184,102
<i>Pass-Through from Texas A&M Research Foundation</i>		RN7054-2014-0383	35,594		35,594
<i>Pass-Through from University of Alabama - Birmingham</i>		HHSN263201200010C		22,161	22,161
<i>Pass-Through from University of Alabama - Birmingham</i>		HHSN268201100025C		99	99
<i>Pass-Through from Tulane University Medical Center</i>		HHSN272200900049C		63,858	63,858
<i>Pass-Through from University of California - San Diego</i>		HHSN271201000036C		99,148	99,148
<i>Pass-Through from University of California - San Francisco</i>		N01 AI-15416 02		(37,880)	(37,880)
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5100322		11,465	11,465
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5-35131 UTA11-000657		54	54
<i>Pass-Through from University of Pittsburgh</i>		5U01NS081041-02		44,430	44,430
<i>Pass-Through from University of South Alabama</i>		HDTRA11400023		198,782	198,782
<i>Pass-Through from University of South Florida</i>		0000018677		14,180	14,180
<i>Pass-Through from University of Utah</i>		HHSN268200900046C		274,532	274,532
<i>Pass-Through from University of Wisconsin - Madison</i>		5UM1AI11427-02		130,843	130,843
<i>Pass-Through from University of Wisconsin - Madison</i>		N01AI90052		19,561	19,561
<i>Pass-Through from Urban Strategies</i>		G107836		15,779	15,779
<i>Pass-Through from Utah State University</i>		HHSN272001100019I		(4,319)	(4,319)
<i>Pass-Through from Utah State University</i>		HHSN272201100019I		71,786	71,786
<i>Pass-Through from Veterans Administration</i>		688D52031 / 15FED15		163,066	163,066
<i>Pass-Through from Veterans Administration</i>		V688P-2994	30,631	19,017	49,648
<i>Pass-Through from Wyle Laboratories</i>		NCC95860		22,794	22,794
<i>Pass-Through from Xigen, LLC</i>		1R43DK103356-01		3,383	3,383
ARRA - U.S. Department of Health and Human Services		HHSN261201000029I 01		41,641	41,641
		HHSN261201000032I 01		45,975	45,975
Total - CFDA 93.XXX			2,153,929	22,017,760	24,171,689
Cooperative Agreements to Improve the Health Status of Minority Populations	93.004				
<i>Pass-Through from The American Legacy Foundation</i>		7008-TEXAS A&M		1,444	1,444
Innovations in Applied Public Health Research	93.061			24,623	24,623
Laboratory Leadership, Workforce Training and Management Development, Improving Public Health Laboratory	93.065				
<i>Pass-Through from Association of Public Health Laboratories</i>		56400-200-620-13-02	(2,487)		(2,487)
Public Health Emergency Preparedness	93.069			165,664	165,664
<i>Pass-Through from Texas A&M Research Foundation</i>		1 U90 TP0000408-01	4,110		4,110
Total - CFDA 93.069			4,110	165,664	169,774
Environmental Public Health and Emergency Response	93.070			691	691
Medicare Enrollment Assistance Program	93.071			47,407	47,407
Birth Defects and Developmental Disabilities - Prevention and Surveillance	93.073				
<i>Pass-Through from Mass Dept of Public Health</i>		INTF3122J25W401380 34		1,033	1,033
<i>Pass-Through from Mass Dept of Public Health</i>		INTF3122J25W401380 34 2		6,250	6,250
Total - CFDA 93.073			0	7,283	7,283
Family Smoking Prevention and Tobacco Control Act Regulatory Research	93.077		270,343	3,629,266	3,899,609
<i>Pass-Through from Baylor College of Medicine</i>		3P30CA125123-08		31,131	31,131
<i>Pass-Through from University of Minnesota</i>		5 U54 DA031659 04		568,431	568,431

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from University of Pittsburgh</i>		3U54DA031659-03		233,337	233,337
Total - CFDA 93.077			270,343	4,462,165	4,732,508
Healthy Marriage Promotion and Responsible Fatherhood	93.086			548,510	548,510
<i>Pass-Through from Mathematical Policy Research</i>		06997S03186		(58)	(58)
<i>Pass-Through from University of Central Florida</i>		14246012		98,282	98,282
<i>Pass-Through from University of Central Florida</i>		90FM0039-03-00		19,448	19,448
Total - CFDA 93.086			0	666,182	666,182
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092				
<i>Pass-Through from Bcfs Health and Human Services</i>		90AK0023-01-00		64,497	64,497
<i>Pass-Through from Change Happens</i>		90AK0022		84,445	84,445
<i>Pass-Through from Girls Incorporated of Metropolitan Dallas</i>		90AK0017		8,325	8,325
<i>Pass-Through from Inter Tribal Council of Arizona, Inc.</i>		UTSPH-15-00 90AT0013-04		55,820	55,820
Total - CFDA 93.092			0	213,087	213,087
Food and Drug Administration Research	93.103		31,559	1,431,808	1,463,367
<i>Pass-Through from University of Miami</i>		R01 FD003710		379	379
Total - CFDA 93.103			31,559	1,432,187	1,463,746
Area Health Education Centers Point of Service Maintenance and Enhancement Awards	93.107			94,770	94,770
Maternal and Child Health Federal Consolidated Programs	93.110		42,018	976,039	1,018,057
<i>Pass-Through from Texas Children's Hospital</i>		1D70MC24126-03-00		541	541
<i>Pass-Through from Texas Health Institute</i>		H46MC24095	16,058		16,058
<i>Pass-Through from Texas Health Institute</i>		THI-2012-01	29,428		29,428
Total - CFDA 93.110			87,504	976,580	1,064,084
Adolescent Family Life Research Grants	93.111				
<i>Pass-Through from University of Washington</i>		688851		(1,428)	(1,428)
Environmental Health	93.113		1,392,605	9,163,042	10,555,647
<i>Pass-Through from Alafair Biosciences, Inc.</i>		UTA14-000830		25,067	25,067
<i>Pass-Through from Baylor College of Medicine</i>		5R01ES01968905		18,251	18,251
<i>Pass-Through from Columbia University</i>		5 R01ES016348-03		12,773	12,773
<i>Pass-Through from Icahn School of Medicine at Mount Sinai</i>		5R01ES01776705		53,372	53,372
<i>Pass-Through from Icahn School of Medicine at Mount Sinai</i>		5R01ES02145203		193,757	193,757
<i>Pass-Through from Lake Superior State University</i>		20122201201		(41)	(41)
<i>Pass-Through from Michigan State University</i>		5 R01 ES017777 03		11,206	11,206
<i>Pass-Through from MSS Services, Inc.</i>		NIH-TEXAM-001		4,318	4,318
<i>Pass-Through from Omega Optics</i>		UTA13-000912		152,158	152,158
<i>Pass-Through from Radikal Therapeutics Incorporated</i>		3U01ES02115402S1		57,916	57,916
<i>Pass-Through from University of Alabama - Birmingham</i>		000350461-004/5U01ES		6,722	6,722
<i>Pass-Through from Trustees of Indiana University</i>		1R01AI110637		74,607	74,607
<i>Pass-Through from Tulane University</i>		5U19ES020677-05		32,833	32,833
<i>Pass-Through from University of Arkansas for Medical Science</i>		5R21ES02304602		67,349	67,349
<i>Pass-Through from University of North Carolina</i>		5034647		134,656	134,656
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5031826		4,497	4,497
<i>Pass-Through from University of Rochester</i>		5R01ES01725004		19,877	19,877
<i>Pass-Through from Vanderbilt University</i>		VUMC 40571		24,707	24,707
<i>Pass-Through from Winthrop University</i>		5R01ES02311603		12,141	12,141
Total - CFDA 93.113			1,392,605	10,069,208	11,461,813

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
Oral Diseases and Disorders Research	93.121		1,562,499	10,043,733	11,606,232
<i>Pass-Through from Baylor College of Medicine</i>		5600922761		32,024	32,024
<i>Pass-Through from Dartmouth Medical School</i>		5 R01 DE022772 02		113,167	113,167
<i>Pass-Through from Harvard School of Dental Medicine</i>		5R01DE023061-02		79,890	79,890
<i>Pass-Through from Icahn School of Medicine at Mount Sinai</i>		2U54DK08390906		187,395	187,395
<i>Pass-Through from Medical Modeling, LLC</i>		1 R41 DE016171-01		4,446	4,446
<i>Pass-Through from Meharry Medical College</i>		110630HX142		6,789	6,789
<i>Pass-Through from Methodist Hospital Research Institute</i>		29070010-0004		6,047	6,047
<i>Pass-Through from New York University</i>		1R34DE023264-01A1		4,751	4,751
<i>Pass-Through from North Carolina State University</i>		2012-0840-02		36,946	36,946
<i>Pass-Through from Post Oak Pharmaceuticals</i>		PA-13-235		49,976	49,976
<i>Pass-Through from President and Fellows of Harvard College</i>		5R01DE021051-05		156,074	156,074
<i>Pass-Through from Primus Consulting</i>		1301110		56,600	56,600
<i>Pass-Through from Research Foundation of Suny</i>		1073219-150810		22,552	22,552
<i>Pass-Through from Texas A&M Health Science Center</i>		S152335/M1503079/R01		762	762
<i>Pass-Through from University of Alabama - Birmingham</i>		000412838-005/1U19DE		577,283	577,283
<i>Pass-Through from University of California - Davis</i>		5R01DE015038-07		47,143	47,143
<i>Pass-Through from University of California - Los Angeles</i>		5 U01 DE017593 09		144,304	144,304
<i>Pass-Through from University of Massachusetts Lowell</i>		R01DE021084		158,867	158,867
<i>Pass-Through from University of Massachusetts Lowell</i>		S51110000022697		101,043	101,043
<i>Pass-Through from University of Utah</i>		R01 DE023414 01		71,301	71,301
Total - CFDA 93.121			1,562,499	11,901,093	13,463,592
Emergency Medical Services for Children	93.127				
<i>Pass-Through from Baylor College of Medicine</i>		5H34MC26199-02-00		20,173	20,173
<i>Pass-Through from Medical College of Wisconsin</i>		5H34MC026201-02-00		13,387	13,387
Total - CFDA 93.127			0	33,560	33,560
Grants to Increase Organ Donations	93.134				
<i>Pass-Through from Rutgers, the State University of New Jersey</i>		R38OT26376-01-02		(4,953)	(4,953)
Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135		110,008	953,705	1,063,713
<i>Pass-Through from University of Arizona</i>		238879		93,843	93,843
<i>Pass-Through from University of North Carolina</i>		5100248		46,781	46,781
Total - CFDA 93.135			110,008	1,094,329	1,204,337
Injury Prevention and Control Research and State and Community Based Programs	93.136			305,399	305,399
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		2013-05440-03		45,852	45,852
<i>Pass-Through from University of Utah</i>		10028739-01 / 1U01CE022188-01		989	989
<i>Pass-Through from University of Utah</i>		10037451-01 / 5U01CE022188-03		270,104	270,104
Total - CFDA 93.136			0	622,344	622,344
NIEHS Hazardous Waste Worker Health and Safety Training	93.142		160,892	171,020	331,912
NIEHS Superfund Hazardous Substances Basic Research and Education	93.143				
<i>Pass-Through from Columbia University</i>		3(GG006726-51)		15,130	15,130
<i>Pass-Through from Michigan State University</i>		RC103776AM		136,848	136,848
<i>Pass-Through from University of North Carolina</i>		5100277		180,718	180,718
Total - CFDA 93.143			0	332,696	332,696

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
AIDS Education and Training Centers <i>Pass-Through from Dallas County Hospital District</i>	93.145	74460		95,299	95,299
Coordinated Services and Access to Research for Women, Infants, Children, and Youth <i>Pass-Through from Tarrant County Public Health Department</i>	93.153	H12HA24819	21,509		21,509
Human Genome Research <i>Pass-Through from Baylor College of Medicine</i>	93.172	5U54HG003273-12	20,239	293,889	314,128
<i>Pass-Through from Brigham and Women's Hospital</i>		5 U41 HG007497 02		643,834	643,834
<i>Pass-Through from Duke University</i>		2033753	36,201	117,916	117,916
<i>Pass-Through from Johns Hopkins University</i>		2001505187//5U54HG 006542-04		51,025	51,025
<i>Pass-Through from Stanford University</i>		5 R01 HG005855 06		75,251	75,251
<i>Pass-Through from University of Washington</i>		762802		38,527	38,527
<i>Pass-Through from University of Washington</i>		764390		17,492	17,492
<i>Pass-Through from University of North Carolina</i>		5-33581		1,679	1,679
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		1U01HG007416-01 / 5-33726		40,391	40,391
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5U01HG004803-04		(1)	(1)
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5U01HG007416-02		76,446	76,446
<i>Pass-Through from University of Southern California</i>		159433/1R01HG00601 5		12,074	12,074
<i>Pass-Through from University of Southern California</i>		47821890/R21HG0067 61		453	453
<i>Pass-Through from Xigen, LLC</i>		PA-11-335		29,881	29,881
Total - CFDA 93.172			56,440	1,398,857	1,455,297
Research Related to Deafness and Communication Disorders <i>Pass-Through from Case Western Reserve University</i>	93.173	5 R01 DC010816-02	384,816	6,261,100	6,645,916
<i>Pass-Through from Feinstein Institute for Medical Research</i>		5 U01 DC007946 05		460	460
<i>Pass-Through from McGill University</i>		5R01DC00578809		725	725
<i>Pass-Through from Medical Nanotechnologies, Inc.</i>		1R41ES018002-01		(12,298)	(12,298)
<i>Pass-Through from Mgh Institute of Health Professions</i>		300255		1,818	1,818
<i>Pass-Through from Northwestern University</i>		SP0003688/DC006243		120,121	120,121
<i>Pass-Through from Ohio University</i>		UT16312		3,386	3,386
<i>Pass-Through from Silicon Audio Labs, Inc.</i>		UTA14-000283		169,576	169,576
<i>Pass-Through from Silicon Audio Labs, Inc.</i>		UTA15-000768		23,935	23,935
<i>Pass-Through from University of Oklahoma</i>		2011-45		3,325	3,325
<i>Pass-Through from University of Southern California</i>		64907779		36,671	36,671
<i>Pass-Through from University of Wisconsin - Madison</i>		483K615		84,934	84,934
<i>Pass-Through from Vanderbilt University</i>		5T35DC008763-09		25,767	25,767
<i>Pass-Through from Vulintus, LLC</i>		R43DC013467		7,371	7,371
<i>Pass-Through from Washington University - St. Louis</i>		WU14-97-4		9,464	9,464
Total - CFDA 93.173			384,816	6,787,100	7,171,916
Disabilities Prevention	93.184			16,067	16,067
Telehealth Programs	93.211		(988)	10,549	9,561
Research and Training in Complementary and Integrative <i>Pass-Through from Mount Sinai School of Medicine</i>	93.213	0254-3205-4609	339,871	2,358,184	2,698,055
<i>Pass-Through from Ohio State University</i>		R01AT006552	57,560	102	102
Total - CFDA 93.213			397,431	411,848	469,408
Development and Coordination of Rural Health Services	93.223			22,116	22,116

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from University of Iowa</i>		W000711924		10,000	10,000
Total - CFDA 93.223			0	32,116	32,116
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care Centers)	93.224				
<i>Pass-Through from Harris County Hospital District</i>		2 G92OA00151-03		90	90
National Research Service Awards Health Services Research Training	93.225		933	(280)	653
Research on Healthcare Costs, Quality and Outcomes	93.226		439,248	3,899,717	4,338,965
<i>Pass-Through from Baylor College of Medicine</i>		1R21HS023602-01		10,288	10,288
<i>Pass-Through from Baylor College of Medicine</i>		5R01HS022087-02		59,077	59,077
<i>Pass-Through from Baylor College of Medicine</i>		CART 102026343 PO 5601051434		12,677	12,677
<i>Pass-Through from National Marrow Donor Program</i>		HSH250201200018C	45,261	89,252	134,513
<i>Pass-Through from Northwestern University</i>		5 R01 HS020263 04		175,939	175,939
<i>Pass-Through from Rand Corporation</i>		R03HS022944		11,410	11,410
<i>Pass-Through from University of Washington</i>		5R01HS021233-03		65,341	65,341
<i>Pass-Through from Veterans Medical Research Foundation</i>		08512-309442		27,253	27,253
Total - CFDA 93.226			484,509	4,350,954	4,835,463
National Center on Sleep Disorders Research	93.233			33,913	33,913
Affordable Care Act (ACA) Abstinence Education Program	93.235			34,070	34,070
Policy Research and Evaluation Grants	93.239				
<i>Pass-Through from Center for Poverty Research - UC Davis</i>		201120402-10	5,686	569	6,255
<i>Pass-Through from University of California - Davis</i>		201120402-14		29,438	29,438
Total - CFDA 93.239			5,686	30,007	35,693
Mental Health Research Grants	93.242		1,404,943	23,966,272	25,371,215
<i>Pass-Through from American Psychological Association</i>		R25MH83635		866	866
<i>Pass-Through from Baylor College of Medicine</i>		5R01MH053932-14		12,106	12,106
<i>Pass-Through from Beth Israel Deaconess Medical Center</i>		R01 MH078113		12,820	12,820
<i>Pass-Through from Biomedical Development Corporation</i>		STTR/R41MH091997		25	25
<i>Pass-Through from Biomedical Development Corporation</i>		STTR/R42MH091997		21,578	21,578
<i>Pass-Through from Board of Regents of the University of Wisconsin System</i>		R21MH104198		39,730	39,730
<i>Pass-Through from Brandeis University</i>		5R01MH086518-05		20,517	20,517
<i>Pass-Through from Children's Hospital of Philadelphia</i>		5R01MH09253501		7,270	7,270
<i>Pass-Through from Cold Spring Harbor Lab</i>		55520112		137,868	137,868
<i>Pass-Through from Columbia University</i>		5R01MH08110704		548	548
<i>Pass-Through from Duke University Medical Center</i>		R01MH081234		29,541	29,541
<i>Pass-Through from Gradient Biomodeling, LLC</i>		1R43MH101892-01		30,734	30,734
<i>Pass-Through from Hartford Hospital</i>		A07077M08A00728		(5,007)	(5,007)
<i>Pass-Through from Johns Hopkins University</i>		5R01MH093665-03		85,455	85,455
<i>Pass-Through from Johns Hopkins University</i>		P01MH070306		3,682	3,682
<i>Pass-Through from Johns Hopkins University</i>		R01MH087233		5,952	5,952
<i>Pass-Through from Microbrightfield, Inc.</i>		R44MH105091		15,580	15,580
<i>Pass-Through from Mount Sinai School of Medicine</i>		5P50MH096890-02		(3,780)	(3,780)
<i>Pass-Through from Mount Sinai School of Medicine</i>		5P50MH096890-03		94,269	94,269
<i>Pass-Through from Mount Sinai School of Medicine</i>		5-P50-MH096890-04		95,972	95,972
<i>Pass-Through from New York University</i>		F6909-02 PO UW831303		15,866	15,866
<i>Pass-Through from Oregon Health Sciences University</i>		1002650 TEXHOU		34,936	34,936

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Oregon Research Institute</i>		R01 MH086582		4,690	4,690
<i>Pass-Through from Oregon Research Institute</i>		R01MH097720		165,542	165,542
<i>Pass-Through from Polaris Health Directions, Inc.</i>		5 R42 MH078432 04		2	2
<i>Pass-Through from Progenitec, Inc.</i>		R41MH106303		39,014	39,014
<i>Pass-Through from Psycotech, Ltd.</i>		2014-01		87,325	87,325
<i>Pass-Through from Purdue University</i>		1R21MH096927-02		42,826	42,826
<i>Pass-Through from Research Foundation of Suny</i>		47509/1073358		(30,566)	(30,566)
<i>Pass-Through from Research Foundation of Suny</i>		47509/3R01MH080050		197,516	197,516
		-0			
<i>Pass-Through from University of Arizona</i>		182986		32,198	32,198
<i>Pass-Through from Trinity University</i>		26-		2,522	2,522
		1342512/R01MH0944			
<i>Pass-Through from University of California - San Diego</i>		57306453		28,154	28,154
<i>Pass-Through from University of California - San Francisco</i>		1R01MH102171-01		86,138	86,138
<i>Pass-Through from University of California - San Francisco</i>		5R01MH096690-03		80,848	80,848
<i>Pass-Through from University of California - San Francisco</i>		5R01MH102171-02		68,871	68,871
<i>Pass-Through from University of California - San Francisco</i>		7495c 1r01mh0966902		174,322	174,322
<i>Pass-Through from University of Iowa</i>		1R01MH104363-01		35,779	35,779
<i>Pass-Through from University of Iowa</i>		W000692218		8,971	8,971
<i>Pass-Through from University of Maryland - Baltimore</i>		7654 1 R21MH100700-1	3,933		3,933
<i>Pass-Through from University of Miami</i>		66911R		211,592	211,592
<i>Pass-Through from University of Missouri</i>		C00040362-1		190,437	190,437
<i>Pass-Through from University of Pennsylvania</i>		1R01MH10413401		23,326	23,326
<i>Pass-Through from University of Pittsburgh</i>		0030253(123481-2)		14,847	14,847
<i>Pass-Through from University of Pittsburgh</i>		1R01MH079082-01A1		122	122
<i>Pass-Through from University of South Florida</i>		HHSN26720080001		663	663
<i>Pass-Through from University of Southern California</i>		R01MH085548		2,985	2,985
<i>Pass-Through from University of Wisconsin - Milwaukee</i>		143405528		20,584	20,584
<i>Pass-Through from Virginia Commonwealth University</i>		5R01MH101054-02		17,857	17,857
<i>Pass-Through from Virginia Commonwealth University</i>		PT108765-SC104624		17,241	17,241
<i>Pass-Through from Virginia Polytechnic Institute and State University</i>		7 R01 MH087692-03		9,957	9,957
<i>Pass-Through from Virtually Better, Inc.</i>		106757		(7,630)	(7,630)
<i>Pass-Through from Wake Forest University Health Sciences</i>		1R01MH092932		7,876	7,876
<i>Pass-Through from Yale University</i>		8000002369		14,783	14,783
<i>Pass-Through from Yale University</i>		M13A11613 (A09173)		314,367	314,367
Total - CFDA 93.242			1,408,876	26,485,959	27,894,835
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		124,078	1,773,582	1,897,660
<i>Pass-Through from Research Foundation - City University of New York - Hunter College</i>		7F044-F		4,402	4,402
<i>Pass-Through from The University of Georgia</i>		5R01MH08548505		8,106	8,106
Total - CFDA 93.243			124,078	1,786,090	1,910,168
Advanced Nursing Education Grant Program	93.247			6,630	6,630
Infant Adoption Awareness Training	93.254				
<i>Pass-Through from Adoption Exchange Association</i>		UTA13-001162		48,612	48,612
Occupational Safety and Health Program	93.262		831,601	1,722,294	2,553,895
<i>Pass-Through from Colorado State University</i>		5U54OH008085-11		12,248	12,248
<i>Pass-Through from Colorado State University</i>		5U54OH008085-12		139,743	139,743
<i>Pass-Through from Research Foundation of Suny</i>		R928493; PTAEO 1120872/2/69530		25,846	25,846
<i>Pass-Through from Stony Brook University</i>		GN0006416		60,588	60,588
<i>Pass-Through from University of Iowa</i>		42-6004813		2,729	2,729

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from University of Iowa</i>		W000651120		17,289	17,289
<i>Pass-Through from University of N Texas Health Sci Center at Ft</i>		RF0076-2015-0115		3,642	3,642
<i>Pass-Through from Virginia Polytechnic Institute and State University</i>		451115-19892		28,691	28,691
Total - CFDA 93.262			831,601	2,013,070	2,844,671
Alcohol Research Programs	93.273		581,436	10,613,306	11,194,742
<i>Pass-Through from Alcohol Research Group</i>		1015639 5		31,073	31,073
<i>Pass-Through from Arizona State University</i>		14-370		27,153	27,153
<i>Pass-Through from Arizona State University</i>		14-401		42,409	42,409
<i>Pass-Through from Cleveland Clinic Foundation</i>		5U01AA021893-02		(17,575)	(17,575)
<i>Pass-Through from Cleveland Clinic Foundation</i>		U01 AA021893-03		325,055	325,055
<i>Pass-Through from Emory University</i>		T087105		(899)	(899)
<i>Pass-Through from Medications Discovery Texas, Inc.</i>		R24AA022049		17,133	17,133
<i>Pass-Through from Oregon Health Sciences University</i>		1007173 UTDallas		8,749	8,749
<i>Pass-Through from Pacific Institute for Research and Eval.</i>		765		38,998	38,998
<i>Pass-Through from Regents of the University of California - UCLA</i>		0350 G RA814		12,847	12,847
<i>Pass-Through from San Diego State University Research Foundation</i>		53253L P1660 7806 211 4		137,079	137,079
<i>Pass-Through from San Diego State University Research Foundation</i>		5U24AA014811-11- (53253L P1660 7809 211)		72,463	72,463
<i>Pass-Through from Scripps Research Institute</i>		5-50971		59,999	59,999
<i>Pass-Through from Stanford University</i>		6038314-52262-A		73,825	73,825
<i>Pass-Through from Suny Downstate Medical Center</i>		100-1009189-69157		115,568	115,568
<i>Pass-Through from University of Washington</i>		674621		(346)	(346)
<i>Pass-Through from University of Washington</i>		748387		17,512	17,512
<i>Pass-Through from University of Cal - San Francisco</i>		8051sc 03		57,765	57,765
<i>Pass-Through from University of Cal - San Francisco</i>		8051SC (NIH GRANT P50 AA017072)		196,629	196,629
<i>Pass-Through from University of California - San Diego</i>		41299381-001		98,281	98,281
<i>Pass-Through from University of North Carolina</i>		5100058- (5U01- AA021908-02)		85,661	85,661
<i>Pass-Through from University of Oklahoma Health Science Center</i>		RS20131943- 02/R01AA0		235,818	235,818
<i>Pass-Through from University of Oklahoma Health Science Center</i>		UTHSCSA/1R01AA01 9691		3,454	3,454
<i>Pass-Through from University of Virginia</i>		5 R01 AA019720 05		277,463	277,463
Total - CFDA 93.273			581,436	12,529,420	13,110,856
Drug Abuse and Addiction Research Programs	93.279		1,527,332	19,667,250	21,194,582
<i>Pass-Through from Butler Hospital</i>		9155-8308		72,327	72,327
<i>Pass-Through from Columbia University, City of New York</i>		1R21DA03682601A1		60,830	60,830
<i>Pass-Through from Columbia University, City of New York</i>		5R01DA02746005		184,961	184,961
<i>Pass-Through from Cuny Research Foundation</i>		41896-A		23,797	23,797
<i>Pass-Through from Emory University</i>		T372392		20,151	20,151
<i>Pass-Through from Fordham University</i>		5R25DA031608	4,939	10,085	15,024
<i>Pass-Through from Fordham University</i>		FORD0005		8,190	8,190
<i>Pass-Through from Louisiana State University</i>		73734		28,927	28,927
<i>Pass-Through from Massachusetts General Hospital - East</i>		218378		14,915	14,915
<i>Pass-Through from Mclean Hospital</i>		5R01DA032708-03		8,287	8,287
<i>Pass-Through from Medical College of Wisconsin</i>		5R01DA020350-10		3,351	3,351
<i>Pass-Through from Michigan State University</i>		RC100146UTEP		5,995	5,995
<i>Pass-Through from Miriam Hospital</i>		R01DA030778		78,962	78,962
<i>Pass-Through from Mount Sinai School of Medicine</i>		2 P01 DA008227-		110,268	110,268
<i>Pass-Through from Mount Sinai School of Medicine</i>		5-P01-DA008337-23		188,702	188,702

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from National Development and Research Institutes, Inc.</i>		PO 000452	52,597	349,422	402,019
<i>Pass-Through from Radiant Creative Group, LLC</i>		1 R41 DA035012 01		54,125	54,125
<i>Pass-Through from Southern Methodist University</i>		G000986-7520		(360)	(360)
<i>Pass-Through from Stanford University</i>		60043335-51013- B/R01		12,986	12,986
<i>Pass-Through from Syracuse University</i>		27294-03137-S01		22,841	22,841
<i>Pass-Through from Temple University</i>		5 R01 DA025566-03	107,875		107,875
<i>Pass-Through from Temple University of the Commonwealth System</i>		R01DA035926		434,593	434,593
<i>Pass-Through from University of Georgia</i>		RR3 76-025/4940496		10,026	10,026
<i>Pass-Through from University of Georgia</i>		RR376-411/4945346		15,499	15,499
<i>Pass-Through from Tietronix Software, Inc.</i>		HHSN27120400044C		2,948	2,948
<i>Pass-Through from University of California - San Diego</i>		5R01DA026452		86,428	86,428
<i>Pass-Through from University of Chicago</i>		FP054395-A		17,648	17,648
<i>Pass-Through from University of Minnesota</i>		N001676201		137,276	137,276
<i>Pass-Through from University of Pennsylvania</i>		5 U01 CA020830 10		158,920	158,920
<i>Pass-Through from University of Pennsylvania</i>		562251(7R01DA02984 0)	49,163		49,163
<i>Pass-Through from Virginia Commonwealth University</i>		5U54DA03899902		96,917	96,917
<i>Pass-Through from Virginia Polytechnic Institute and State University</i>		5 R01 DA011723 12		(5,641)	(5,641)
<i>Pass-Through from Wayne State University</i>		WSU14136		25,070	25,070
Total - CFDA 93.279			1,741,906	21,905,696	23,647,602
Mental Health Research Career/Scientist Development Awards	93.281			(1,004)	(1,004)
Mental Health National Research Service Awards for Research Training	93.282			111,097	111,097
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283		20,795	(12,259)	8,536
<i>Pass-Through from American Thrombosis and Hemostasis Netwk</i>		5U01DD000761-02		3,051	3,051
<i>Pass-Through from Association of Schools of Public Health</i>		H056-03/03		3	3
<i>Pass-Through from Centers for Disease Control</i>		2014-044022	968		968
<i>Pass-Through from City of Houston Health and Human Services</i>		REG 65-10		1,337	1,337
<i>Pass-Through from Positive Motion, LLC</i>		PA-11-097		9,249	9,249
<i>Pass-Through from Positive Motion, LLC</i>		PA-12-088		118,765	118,765
<i>Pass-Through from The Children's Assessment Center</i>		US6/CCU617918-01-4		(8,304)	(8,304)
<i>Pass-Through from University of South Carolina</i>		15-2772 11520-FB44		137,813	137,813
Total - CFDA 93.283			21,763	249,655	271,418
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		520,063	6,246,265	6,766,328
<i>Pass-Through from Boston University</i>		4500001329		(2)	(2)
<i>Pass-Through from Boston University</i>		Yr. 3 4500001623	48,500	87,554	136,054
<i>Pass-Through from Kitware, Inc.</i>		K000688-00-S05		43,263	43,263
<i>Pass-Through from Pennsylvania State University</i>		4873-UTA-DHHS-2575		28,167	28,167
<i>Pass-Through from Purdue University</i>		7R01EB00838803		(397)	(397)
<i>Pass-Through from Rice University</i>		1 R21 EB015022 01		225	225
<i>Pass-Through from Rice University</i>		R21 EB017384		34,125	34,125
<i>Pass-Through from Rice University</i>		R21CA187316		34,222	34,222
<i>Pass-Through from Sri International</i>		1R01EB01424401		70,736	70,736
<i>Pass-Through from Tel Aviv Sourasky Medical Center</i>		1 R01 EB017206 01		35,532	35,532
Total - CFDA 93.286			568,563	6,579,690	7,148,253
Teenage Pregnancy Prevention Program	93.297		919,325	2,112,581	3,031,906

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
Minority Health and Health Disparities Research	93.307		225,530	8,863,882	9,089,412
<i>Pass-Through from Cornell University Medical College</i>		MD007652		51,595	51,595
<i>Pass-Through from Hampton University</i>		1U54MD00862101		822	822
<i>Pass-Through from Loma Linda University</i>		2110075-UTEP		(32)	(32)
<i>Pass-Through from Meharry Medical College</i>		080807VMR156 S1		11,033	11,033
<i>Pass-Through from Morehouse School of Medicine</i>		U54 MDOOBI 49	20,000	17,960	37,960
<i>Pass-Through from University of Alabama - Birmingham</i>		5 U24 MD006970 05		149,110	149,110
<i>Pass-Through from University of Hawaii</i>		KA150008		7,285	7,285
<i>Pass-Through from University of Minnesota</i>		1 U24 MD006970 02		153	153
Total - CFDA 93.307			245,530	9,101,808	9,347,338
Trans-NIH Research Support	93.310		261,597	6,581,828	6,843,425
<i>Pass-Through from Baylor College of Medicine</i>		101837292		46,318	46,318
<i>Pass-Through from Baylor College of Medicine</i>		101989128		90,561	90,561
<i>Pass-Through from Baylor College of Medicine</i>		1UH2TR000961-01		(748)	(748)
<i>Pass-Through from Baylor College of Medicine</i>		4UH2TR000961-02		31,220	31,220
<i>Pass-Through from Boston College</i>		1U54MD009479	433,296		433,296
<i>Pass-Through from Mayo Clinic</i>		5R01GM102282-02S1		40,680	40,680
<i>Pass-Through from Oregon Health Sciences University</i>		1 U54 HG008100 01		38,814	38,814
<i>Pass-Through from Profusa, Inc.</i>		10102012		290,141	290,141
<i>Pass-Through from Temple University</i>		255929-UTAD		93,670	93,670
<i>Pass-Through from University of Cape Town</i>		5U01HG007459-02		28,511	28,511
<i>Pass-Through from University of Minnesota</i>		U54MD009479	32,473		32,473
<i>Pass-Through from Weill Cornell Medical College</i>		13121665		(93)	(93)
<i>Pass-Through from Weill Cornell Medical College</i>		14101467 4 PO#		149,636	149,636
<i>Pass-Through from Weill Cornell Medical College</i>		4100268068			
<i>Pass-Through from Weill Cornell Medical College</i>		14101467 (Credit)		52,935	52,935
Total - CFDA 93.310			727,366	7,443,473	8,170,839
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314				
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		2014-03049-01		26,099	26,099
National Center for Advancing Translational Sciences	93.350		180,420	20,261,358	20,441,778
<i>Pass-Through from Dartmouth College</i>		3UL1TR001086-02S2		96,278	96,278
<i>Pass-Through from Ncats: National Center Adv Trnslationl Sciences</i>		ul1tr001105	10,088		10,088
<i>Pass-Through from University of Pittsburgh</i>		3UL1TR000005-09S1		389,835	389,835
Total - CFDA 93.350			190,508	20,747,471	20,937,979
Research Infrastructure Programs	93.351		141,089	9,770,093	9,911,182
<i>Pass-Through from Texas Biomedical Research Institute</i>		14-02500.055		4,734	4,734
<i>Pass-Through from Texas Biomedical Research Institute</i>		14-03500.170		17,978	17,978
<i>Pass-Through from Texas Biomedical Research Institute</i>		14-03500.172		12,750	12,750
<i>Pass-Through from University of Oregon</i>		8000001721		146,245	146,245
<i>Pass-Through from University of Oregon</i>		8000002227		74,005	74,005
<i>Pass-Through from University of Puerto Rico Medical Science</i>		8U42OD011128-15		4,602	4,602
<i>Pass-Through from University of Southern California</i>		51983171		112	112
Total - CFDA 93.351			141,089	10,030,519	10,171,608
Biomedical Advanced Research and Development Authority (BARDA), Biodefense Medical Countermeasure Development	93.360		2,613,010	46,428,123	49,041,133
<i>Pass-Through from Duke University</i>		HHSO100201300009C		672	672
Total - CFDA 93.360			2,613,010	46,428,795	49,041,805

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
Nursing Research	93.361		251,647	2,210,198	2,461,845
<i>Pass-Through from Baylor College of Medicine</i>		56010897791R21NR01 4149-01A1 REV		37,898	37,898
<i>Pass-Through from Baylor College of Medicine</i>		5R01NR01479202		73,984	73,984
<i>Pass-Through from Dana-Farber Cancer Institute, Inc.</i>		5R01NR009692-07		3,507	3,507
<i>Pass-Through from Dnu Kent State University (FFT)</i>		443169-UNT		72,676	72,676
<i>Pass-Through from Florida International University</i>		1R01NR013378		8,204	8,204
<i>Pass-Through from University of Pittsburgh</i>		5R01NR013170-03		92,611	92,611
Total - CFDA 93.361			251,647	2,499,078	2,750,725
National Center for Research Resources	93.389		387,626	1,530,298	1,917,924
<i>Pass-Through from Charles R Drew University of Medicine</i>		13-14-MB- G007RN0A-UTSA- WH		(3,509)	(3,509)
<i>Pass-Through from Constella Group, Inc.</i>		GENELINK 32831 0 012		135	135
Total - CFDA 93.389			387,626	1,526,924	1,914,550
Academic Research Enhancement Award	93.390			116,614	116,614
Cancer Cause and Prevention Research	93.393		2,614,105	21,959,879	24,573,984
<i>Pass-Through from Baylor College of Medicine</i>		5 R01 CA138836 03		2	2
<i>Pass-Through from Baylor College of Medicine</i>		5 R01 CA139020 06		62,405	62,405
<i>Pass-Through from Baylor College of Medicine</i>		5 R01 CA172511 03		141,902	141,902
<i>Pass-Through from Beckman Research Institute</i>		7 R01 CA140245 06		4,723	4,723
<i>Pass-Through from City of Hope National Med Center Beckman Research I</i>		22109.914987.6697PO B005639		2	2
<i>Pass-Through from Dana-Farber Cancer Institute, Inc.</i>		5 R01 CA174206-03		86,494	86,494
<i>Pass-Through from Dartmouth Medical School</i>		5 U19 CA148127 04		(12,950)	(12,950)
<i>Pass-Through from Digital Science Tech</i>		5 R42 CA139822 04		159,538	159,538
<i>Pass-Through from Emory University</i>		2U10EY013272-11A1		3,088	3,088
<i>Pass-Through from Emory University</i>		5U01CA154282-04 / T253673		282,370	282,370
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		0000787064 (5U01CA162077-03)		2,556	2,556
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		1 R01 CA172415 01		24,261	24,261
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		788261/R01CA183570		9,221	9,221
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		811789		72,494	72,494
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		827568		42,797	42,797
<i>Pass-Through from Georgetown University</i>		5 R01 CA137625 05		47,268	47,268
<i>Pass-Through from Georgetown University Medical Center</i>		5 U01 CA152958 05		146,258	146,258
<i>Pass-Through from Group Health Research Institute</i>		5R01CA121125-08		37,856	37,856
<i>Pass-Through from Indiana University</i>		5R01CA136940-05		52,495	52,495
<i>Pass-Through from Johns Hopkins University</i>		5 R01 CA154823 04		10,042	10,042
<i>Pass-Through from Johns Hopkins University</i>		5P01CA134292-05		42,794	42,794
<i>Pass-Through from Johns Hopkins University School of Medcn</i>		5R01CA172380-02		5,198	5,198
<i>Pass-Through from Kaiser Foundation Research Institute</i>		5 R01 CA140377 05		31,451	31,451
<i>Pass-Through from Kaiser Foundation Research Institute</i>		115-9341-UT-S1		27,740	27,740
<i>Pass-Through from Kaiser Foundation Research Institute</i>		1U24CA171524		(5,689)	(5,689)
<i>Pass-Through from Korea Cancer Center Hospital</i>		KIRAMS 50906-2013		3,362	3,362
<i>Pass-Through from Massachusetts General Hospital</i>		1 C06 CA059267 01		(56)	(56)
<i>Pass-Through from Mayo Clinic Arizona</i>		5 P01 CA077839 13		61,263	61,263
<i>Pass-Through from Mayo Clinic Rochester</i>		5 R01 CA154537 02		36,603	36,603
<i>Pass-Through from Mayo Clinic Rochester</i>		5 U01 CA118444 09		51,743	51,743
<i>Pass-Through from Medical College of Wisconsin</i>		5 R01 CA134682 06		4,197	4,197
<i>Pass-Through from Memorial Sloan Kettering Cancer Center</i>		5 R01 CA129639 08		77,693	77,693
<i>Pass-Through from Memorial Sloan Kettering Cancer Center</i>		5 R01 CA151899 05		70,245	70,245

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Ohio State University</i>		60044765/R01CA1932 44		4,863	4,863
<i>Pass-Through from Radiant Creative Group, LLC</i>		5 R42 CA126453 04		159,621	159,621
<i>Pass-Through from Regents of the University of California</i>		1 U10 CA187945 01		45,447	45,447
<i>Pass-Through from Sloan - Kettering Institute for Cancer Research</i>		BD517035/R01CA1791 15		100,066	100,066
<i>Pass-Through from St. Jude Children's Research Hospital</i>		5 R01 CA157838 04		19,311	19,311
<i>Pass-Through from St. Jude Children's Research Hospital</i>		5 U01 GM092666 05		84,418	84,418
<i>Pass-Through from University of Alabama - Birmingham</i>		5 R01 CA131653 04		(3,507)	(3,507)
<i>Pass-Through from University of Arizona</i>		1 R01 CA151708 01 A		(1,547)	(1,547)
<i>Pass-Through from University of Arizona</i>		1R01CA186700-01A1		41,954	41,954
<i>Pass-Through from University of Washington</i>		5R01CA168598-02		6,613	6,613
<i>Pass-Through from University of California - Berkeley</i>		5P01CA09258413		71,894	71,894
<i>Pass-Through from University of California - San Diego</i>		1R01CA177996-01A1		45,065	45,065
<i>Pass-Through from University of California Santa Barbara</i>		1R21CA191133-01		37,311	37,311
<i>Pass-Through from University of Chicago</i>		R03CA184986-02		10,015	10,015
<i>Pass-Through from University of Iowa</i>		5 R01 CA140933 05		62,776	62,776
<i>Pass-Through from University of Louisville Research Foundation</i>		2 R01 CA138688 06 A1		47,226	47,226
<i>Pass-Through from University of Miami</i>		66971E/R01CA155388		21,949	21,949
<i>Pass-Through from University of Michigan</i>		1 R01 CA152192 02		55,363	55,363
<i>Pass-Through from University of Minnesota</i>		41-6007513		3,847	3,847
<i>Pass-Through from University of Minnesota</i>		5 R01 CA157458 03		52,669	52,669
<i>Pass-Through from University of Minnesota</i>		P002323002 2 (SUPPLEMENT)		37,857	37,857
<i>Pass-Through from University of Minnesota</i>		R01CA151284		18,822	18,822
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5 R01 CA098286 09		(30,828)	(30,828)
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5 R01 CA098286 12		32,157	32,157
<i>Pass-Through from University of Oklahoma Health Science Center</i>		RS20140385-05		4,368	4,368
<i>Pass-Through from University of Pennsylvania</i>		5 U01 CA164947 03		28,944	28,944
<i>Pass-Through from University of Rochester</i>		5 R01 CA152093 05		29,134	29,134
<i>Pass-Through from University of Rochester</i>		5 R01 CA157823 03		18,567	18,567
<i>Pass-Through from University of Southern California</i>		1R01CA157577-01A1		17,797	17,797
<i>Pass-Through from University of Southern California</i>		5 R01 CA134786 04		27,216	27,216
<i>Pass-Through from University of Southern California</i>		5 U01 CA136792 03		21,748	21,748
<i>Pass-Through from University of Southern California</i>		H50670		7,551	7,551
<i>Pass-Through from University of Utah</i>		1 R01 CA164138 01		19,685	19,685
<i>Pass-Through from University of Utah</i>		1R21CA179453-01		46,451	46,451
Total - CFDA 93.393			2,614,105	24,684,068	27,298,173
Cancer Detection and Diagnosis Research	93.394		4,044,183	12,064,325	16,108,508
<i>Pass-Through from Baylor College of Medicine</i>		3R01CA166749-02S1		55,244	55,244
<i>Pass-Through from Baylor College of Medicine</i>		5 R01 CA163103 04		54,425	54,425
<i>Pass-Through from Baylor College of Medicine</i>		5R01CA166749-02		143,013	143,013
<i>Pass-Through from Baylor College of Medicine</i>		R01 CA164024 3		40,731	40,731
<i>Pass-Through from Brigham and Women's Hospital</i>		5 U24 CA144025 03		34,556	34,556
<i>Pass-Through from Brookdale Hospital and Medical Center</i>		5 P01 CA082710 13		102,972	102,972
<i>Pass-Through from Brookdale Hospital and Medical Center</i>		P01CA082710	5	139,930	139,935
<i>Pass-Through from Brookdale Hospital and Medical Center</i>		P01-CA82710-11		52,325	52,325
<i>Pass-Through from Brookdale University Hospital - Med Cntr</i>		P01CA082710-11		179,368	179,368
<i>Pass-Through from Brookdale University Hospital - Med Cntr</i>		P01CA82710-13		17,550	17,550
<i>Pass-Through from Ecog - Acrin Cancer Research Group</i>		4490/5U01CA080098- 10		2,288	2,288
<i>Pass-Through from Ecog - Acrin Medical Research Fndtn, Inc.</i>		U24CA114737-08S1		120,696	120,696
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		0000815763/UMICA1 828		45,943	45,943

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		5 U01 CA152746 05		30,517	30,517
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		5 U24 CA086368 15		199,760	199,760
<i>Pass-Through from Ge Global Research Center</i>		1R01CA154433		193,721	193,721
<i>Pass-Through from Institute for Systems Biology</i>		5 U24 CA143835 05		137,773	137,773
<i>Pass-Through from Massachusetts General Hospital</i>		5 R01CA169200 03		162,347	162,347
<i>Pass-Through from Mayo Clinic</i>		U01CA180940 / PO 63726816		24,619	24,619
<i>Pass-Through from Methodist Hospital Research Institute</i>		5 R01 CA180083 02		336,978	336,978
<i>Pass-Through from Methodist Hospital Research Institute</i>		7 R33 CA122864 05		(8,098)	(8,098)
<i>Pass-Through from Mount Sinai Medical Center</i>		1 R21 CA156704 02		(65)	(65)
<i>Pass-Through from Qt Ultrasound (CVUS Clinical Trials)</i>		5R01CA138536-03		84,523	84,523
<i>Pass-Through from Rice University</i>		1 R01 CA185207 01		153,216	153,216
<i>Pass-Through from Rice University</i>		1 R01 CA186132 01		45,179	45,179
<i>Pass-Through from Rice University</i>		1R01CA185207-01		82,583	82,583
<i>Pass-Through from Rice University</i>		5 U01 CA151886 04		89,758	89,758
<i>Pass-Through from Rice University</i>		5 R01 CA103830 10		133,470	133,470
<i>Pass-Through from Roswell Park Cancer Institute</i>		1R21CA162218-02		(3,954)	(3,954)
<i>Pass-Through from Seattle Children's Hospital</i>		10969SUB		27,505	27,505
<i>Pass-Through from Stanford University</i>		5 R01 CA152923 03		218,209	218,209
<i>Pass-Through from The Broad Institute</i>		5U24CA143845-05		12,740	12,740
<i>Pass-Through from University of Alabama - Birmingham</i>		1 R21 CA161633 01 A1		118,216	118,216
<i>Pass-Through from University of Washington</i>		1 R01 CA180949 01		77,556	77,556
<i>Pass-Through from Tomowave Laboratories, Inc.</i>		5 R01 CA167446 03		102,427	102,427
<i>Pass-Through from Tomowave Laboratories, Inc.</i>		R44CA110137		(125)	(125)
<i>Pass-Through from University of California - Irvine</i>		R01CA142989-04		9,127	9,127
<i>Pass-Through from University of California - San Francisco</i>		5U24CA126477		27	27
<i>Pass-Through from University of Maryland - Baltimore</i>		5 U24 CA115091 07		(18,179)	(18,179)
<i>Pass-Through from University of Michigan</i>		2 U01 CA086400 14		2,065	2,065
<i>Pass-Through from University of Michigan</i>		5 U01 CA086400 14		(108,746)	(108,746)
<i>Pass-Through from University of Michigan</i>		5 P01CA085878 11		84,086	84,086
<i>Pass-Through from University of Michigan</i>		5 R01 CA160254 04		66,727	66,727
<i>Pass-Through from University of Nebraska</i>		5 U01 CA111294 10		51,349	51,349
<i>Pass-Through from University of Pittsburgh</i>		5 R01 CA108990 08		(3,108)	(3,108)
<i>Pass-Through from Van Andel Research Institute</i>		5 U01 CA152653 04		15,448	15,448
<i>Pass-Through from Vanderbilt University Medical Center</i>		5 U01 CA114771 06		(15,801)	(15,801)
<i>Pass-Through from Yale University</i>		5R01CA155196-04		62,214	62,214
<i>Pass-Through from YMCA</i>		YWCA-2/041097		51	51
ARRA - Cancer Detection and Diagnosis Research				2,358	2,358
Total - CFDA 93.394			4,044,188	15,419,839	19,464,027
Cancer Treatment Research	93.395		2,549,209	25,846,409	28,395,618
<i>Pass-Through from American College of Radiology</i>		1 U24 CA180803 02		950,563	950,563
<i>Pass-Through from American College of Radiology</i>		3U10CA037422-26		38,437	38,437
<i>Pass-Through from American College of Radiology</i>		5 U10 CA021661 27		6,602	6,602
<i>Pass-Through from American College of Radiology</i>		5 U10 CA021661 37		4,619	4,619
<i>Pass-Through from American College of Radiology</i>		5 U10CA21661 - 36		1	1
<i>Pass-Through from American College of Radiology</i>		U10CA021661		14,621	14,621
<i>Pass-Through from American College of Radiology</i>		U10CA21661		154,580	154,580
<i>Pass-Through from American College of Radiology Imaging</i>		U10 CA021661		360	360
<i>Pass-Through from Baylor College of Medicine</i>		1R01CA187202-01		68,765	68,765
<i>Pass-Through from Baylor College of Medicine</i>		5 R01 CA132899 05		(3)	(3)
<i>Pass-Through from Baylor College of Medicine</i>		5R01CA13289903		2,099	2,099
<i>Pass-Through from Baylor University</i>		5R01CA14067404		47,633	47,633
<i>Pass-Through from Brigham and Women's Hospital</i>		1U10CA180821-01		80,766	80,766
<i>Pass-Through from Brigham and Women's Hospital</i>		5 U10 CA076001 17		23,492	23,492
<i>Pass-Through from Brigham and Women's Hospital</i>		5 U10 CA180821 02		118,437	118,437

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Brigham and Women's Hospital</i>		7 U10 CA076001 16		10,302	10,302
<i>Pass-Through from Brigham and Women's Hospital</i>		7 U10 CA076001 16		839	839
<i>Pass-Through from Cbs Therapeutics, Inc.</i>		1R41CA18628801		83,041	83,041
<i>Pass-Through from Cerrx, Inc.</i>		R44CA183316		24,868	24,868
<i>Pass-Through from Children's Hospital of Philadelphia</i>		1 U10 CA180886 01		6,394	6,394
<i>Pass-Through from Children's Hospital of Philadelphia</i>		1U10CA180886-01		7,159	7,159
<i>Pass-Through from Children's Hospital of Philadelphia</i>		5U01CA180884-02		14,215	14,215
<i>Pass-Through from Children's Hospital of Philadelphia</i>		5U10CA180884-02		6,986	6,986
<i>Pass-Through from Children's Hospital of Philadelphia</i>		9500010213/U10CA09 85		10,626	10,626
<i>Pass-Through from Children's Hospital of Philadelphia</i>		9500080215-04C		12,800	12,800
<i>Pass-Through from Children's Hospital of Philadelphia</i>		9500080215-12C/U10CA		8,288	8,288
<i>Pass-Through from Children's Hospital of Philadelphia</i>		9500080215-XX/U10CA		6,534	6,534
<i>Pass-Through from Children's Hospital of Philadelphia</i>		U 10 CA098543		300	300
<i>Pass-Through from Children's Hospital of Philadelphia</i>		U10CA098543	(1)	(1)	(1)
<i>Pass-Through from Children's Hospital of Philadelphia</i>		U10CA180884		40,256	40,256
<i>Pass-Through from Children's Hospital of Philadelphia</i>		U10CA180886		156,495	156,495
<i>Pass-Through from Children's Hospital of Philadelphia</i>		U10CA98543		21,539	21,539
<i>Pass-Through from Christiana Care Health Services</i>		7 R01 CA138986 03		171,431	171,431
<i>Pass-Through from Cincinnati Children's Hospital Medical Center</i>		5R01CA11916206	(45)	(45)	(45)
<i>Pass-Through from Cold Spring Harbor Laboratory</i>		1 U10 CA180944 01		29,037	29,037
<i>Pass-Through from Dana-Farber Cancer Institute, Inc.</i>		5R01CA10637008	(238)	(238)	(238)
<i>Pass-Through from Duke Clinical Research Institute</i>		5U10CA07600115		14,026	14,026
<i>Pass-Through from Duke University Medical Center</i>		3 U10 CA076001 15 S		343	343
<i>Pass-Through from Duke University Medical Center</i>		5 R01 CA100835 09		186	186
<i>Pass-Through from Duquesne University</i>		G1100079/R01CA1428 68		117,603	117,603
<i>Pass-Through from Ecog - Acrin Cancer Research Group</i>		5U10CA0211505		79,456	79,456
<i>Pass-Through from Ecog - Acrin Medical Research Fndtn, Inc.</i>		1 U10 CA180820 01		13,356	13,356
<i>Pass-Through from Ecog - Acrin Medical Research Fndtn, Inc.</i>		U10 CA180820 01-MD2		13,356	13,356
<i>Pass-Through from Ecog - Acrin Medical Research Fndtn, Inc.</i>		U10 CA180820 01- MDA3		60,021	60,021
<i>Pass-Through from Ecog - Acrin Medical Research Fndtn, Inc.</i>		U10CA180820- 01S3MDA5		33,826	33,826
<i>Pass-Through from Foundation for the Children's Oncol Grp</i>		U01CA9745207		21,090	21,090
<i>Pass-Through from Frontier Sci and Tech Research Fndtn</i>		3 U10 CA086802 13 S		33	33
<i>Pass-Through from Frontier Sci and Tech Research Fndtn</i>		5 U10 CA021115 39		5,620	5,620
<i>Pass-Through from Frontier Sci and Tech Research Fndtn</i>		U10CA021115-39		948,462	948,462
<i>Pass-Through from Frontier Science and Technology Research Foundation</i>		ECOG U10CA021115		21,882	21,882
<i>Pass-Through from Gynecologic Oncology Group</i>		5U10CA027469 23		89,910	89,910
<i>Pass-Through from Gynecologic Oncology Group</i>		5U10CA27469		28,213	28,213
<i>Pass-Through from Indiana University</i>		IN-4679194-UTHSC		8,089	8,089
<i>Pass-Through from Introgen Research Institute</i>		1 R43 CA 114924 01		9,778	9,778
<i>Pass-Through from John Wayne Cancer Institute</i>		CA012582		9,125	9,125
<i>Pass-Through from Kiromac, LLC</i>		R41CA180773		40,343	40,343
<i>Pass-Through from Louisiana State University Health Science Center - Shreveport</i>		5 R01 RCA124758A 02		(25,594)	(25,594)
<i>Pass-Through from LSU Agricultural Center</i>		5 R21 CA164408 02		23,339	23,339
<i>Pass-Through from Massachusetts General Hospital</i>		2U19CA021239-35		791,097	791,097
<i>Pass-Through from Massachusetts General Hospital</i>		5 P01 CA021239 33		32,977	32,977
<i>Pass-Through from Massachusetts General Hospital</i>		5 P01 CA163222 03		387,766	387,766
<i>Pass-Through from Mayo Clinic Rochester</i>		5U10CA033601-35	(83)	(83)	(83)
<i>Pass-Through from Mayo Clinic Rochester</i>		RFA-CA-13-012		61,397	61,397
<i>Pass-Through from Medical University of South Carolina</i>		MUSC13- 008/R21CA1585		1,490	1,490
<i>Pass-Through from Memorial Sloan Kettering Cancer Center</i>		HHSN26120100006		29,294	29,294
<i>Pass-Through from Mirna Therapeutics, Inc.</i>		R43CA165450		13,841	13,841

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from National Cancer Institute</i>		2U19CA021239-35		385,570	385,570
<i>Pass-Through from National Childhood Cancer Foundation</i>		2U10CA09854306		39,539	39,539
<i>Pass-Through from National Childhood Cancer Foundation</i>		5 U10 CA098543 09		3,371	3,371
<i>Pass-Through from National Institutes of Health</i>		1R15CA195504-01		15,415	15,415
<i>Pass-Through from National Surgical Adjuvant Breast and Bowel</i>		TFED 36,37,38,39		840	840
<i>Pass-Through from NRG Oncology</i>		1U10CA18086801		6,962	6,962
<i>Pass-Through from NRG Oncology</i>		1U10CA180868-01		15,000	15,000
<i>Pass-Through from NRG Oncology</i>		RTOG-0924		8,269	8,269
<i>Pass-Through from NRG Oncology Foundation, Inc.</i>		1 U10 CA180868 01		4,141	4,141
<i>Pass-Through from NRG Oncology Foundation, Inc.</i>		1 U10 CA180868 02		6,570	6,570
<i>Pass-Through from NRG Oncology Foundation, Inc.</i>		5 U10 CA180868 02		18,820	18,820
<i>Pass-Through from NSABP</i>		5 U10 CA012027 37		733	733
<i>Pass-Through from NSABP</i>		5 U10 CA012027 38		34,973	34,973
<i>Pass-Through from Ocean Nanotech, LLC</i>		1R44CA196025-01		26,461	26,461
<i>Pass-Through from Oregon Health Sciences University</i>		1 U10 CA180888 01		213,805	213,805
<i>Pass-Through from Oregon Health Sciences University</i>		13035474		38,480	38,480
<i>Pass-Through from Oregon Health Sciences University</i>		1UG1CA189974-01		16,859	16,859
<i>Pass-Through from Oregon Health Sciences University</i>		7 U10 CA032102 35		1,178	1,178
<i>Pass-Through from Oregon Health Sciences University</i>		7 U10 CA037429 29		2,053	2,053
<i>Pass-Through from Oregon Health Sciences University</i>		7 U10 CA32102 35		(7,808)	(7,808)
<i>Pass-Through from Oregon Health Sciences University</i>		9009627 UTXHSCSA		42,205	42,205
<i>Pass-Through from Oregon Health Sciences University</i>		SWOG PSA		98,145	98,145
<i>Pass-Through from Oregon Health Sciences University</i>		U10CA180888-35		50,157	50,157
<i>Pass-Through from Oregon Health Sciences University</i>		UG1CA189974-01		15,999	15,999
<i>Pass-Through from PLx Pharma, Inc.</i>		1R41CA171408-01A1		90,034	90,034
<i>Pass-Through from Radiation Oncology Dept</i>		5 U10 CA021661 02		1,828	1,828
<i>Pass-Through from Radiation Oncology Dept</i>		5 U10 CA021661 34		7,355	7,355
<i>Pass-Through from Radiation Oncology Dept</i>		5 U10 CA021661 36		(4,044)	(4,044)
<i>Pass-Through from Radiation Oncology Dept</i>		RTOG0234 01		(2,609)	(2,609)
<i>Pass-Through from Radiation Oncology Dept</i>		RTOG0920 01		(977)	(977)
<i>Pass-Through from Rochester University School of Medicine</i>		5-28483		49,864	49,864
<i>Pass-Through from Southwest Oncology Group</i>		2 U10 CA105409 08		99,403	99,403
<i>Pass-Through from Southwest Oncology Group</i>		5 U10 CA105409 10		13,240	13,240
<i>Pass-Through from Southwest Oncology Group</i>		ECOG E2108 01		2,591	2,591
<i>Pass-Through from Southwest Oncology Group</i>		U10 CA105409		17,225	17,225
<i>Pass-Through from Southwest Oncology Group - U of Michigan</i>		19612		94	94
<i>Pass-Through from Sri International</i>		138-000026		41,399	41,399
<i>Pass-Through from St. Jude Children's Research Hospital</i>		111287200-756998		5,925	5,925
<i>Pass-Through from St. Jude Children's Research Hospital</i>		2 U24 CA55727 19		(3,355)	(3,355)
<i>Pass-Through from St. Jude Children's Research Hospital</i>		5 R01 CA129384 05		(16)	(16)
<i>Pass-Through from St. Jude Children's Research Hospital</i>		5 U24 CA055727 21		399,411	399,411
<i>Pass-Through from Standard Imaging, Inc.</i>		5 R44 CA153824 03		176,805	176,805
<i>Pass-Through from The Research Institute at Nationwide Children's Hospital</i>		HHSN261201000001C		90,289	90,289
<i>Pass-Through from University of Arizona</i>		5 R01 CA138702 05		47,425	47,425
<i>Pass-Through from University of Cincinnati</i>		1R01CA168815-01A1		(146)	(146)
<i>Pass-Through from University of Cincinnati</i>		5R01CA16881502		18,107	18,107
<i>Pass-Through from Tosk, Inc.</i>		R43CA189549	111,728	650,902	762,630
<i>Pass-Through from University of California - Irvine</i>		5R01CA158383-02		3	3
<i>Pass-Through from University of California - San Diego</i>		2 P01 CA081534 13		426,982	426,982
<i>Pass-Through from University of Cincinnati Medical Center</i>		5R01CA16881502		4,485	4,485
<i>Pass-Through from University of Michigan</i>		2 U01 CA032102 34		12,779	12,779
<i>Pass-Through from University of Michigan</i>		2 U10 CA032102 34		41	41
<i>Pass-Through from University of Michigan</i>		2U10 CA03742928		(2,023)	(2,023)
<i>Pass-Through from University of Michigan</i>		2U10CA032102-34		(8,152)	(8,152)
<i>Pass-Through from University of Michigan</i>		5 U10 CA032102 33		57,364	57,364
<i>Pass-Through from University of Michigan</i>		F031896/U10CA32102		(86)	(86)
<i>Pass-Through from University of Michigan</i>		R01CA166033		2,500	2,500

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from University of Oklahoma Health Science Center</i>		5 R01 CA157481 03		9,590	9,590
<i>Pass-Through from University of Pennsylvania</i>		552660		(1,848)	(1,848)
<i>Pass-Through from University of Rochester</i>		1 R01 CA159013 02		86,098	86,098
<i>Pass-Through from University of Virginia</i>		1 R01 CA168712 01		120,193	120,193
<i>Pass-Through from Washington University - St. Louis</i>		3 U24 CA081647-13S2		6,084	6,084
<i>Pass-Through from Washington University - St. Louis</i>		5 U24 CA081647 13		(604)	(604)
<i>Pass-Through from Weill Cornell Medical College</i>		5R01CA10637009		104,144	104,144
Total - CFDA 93.395			2,660,937	34,354,486	37,015,423
Cancer Biology Research	93.396		2,767,495	23,813,210	26,580,705
<i>Pass-Through from Baylor College of Medicine</i>		1 R01 CA181808 01 A1		58,423	58,423
<i>Pass-Through from Baylor College of Medicine</i>		5600468817		22,139	22,139
<i>Pass-Through from Cleveland Clinic Foundation</i>		467SUB/R01CA172443		15,716	15,716
<i>Pass-Through from Emory University</i>		5R01CA17478602		18,229	18,229
<i>Pass-Through from Georgia Institute of Technology</i>		R01 CA163481		49,165	49,165
<i>Pass-Through from H. Lee Moffitt Cancer Center and Research</i>		5U01CA151924-04		144,799	144,799
<i>Pass-Through from Icahn School of Medicine at Mount Sinai</i>		5R01CA13854605		29,997	29,997
<i>Pass-Through from Ohio State University</i>		60039839/R21CA1758 75		31,322	31,322
<i>Pass-Through from Radiation Oncology Dept</i>		RTOG1306		17,699	17,699
<i>Pass-Through from Rice University</i>		1 R01 CA180279 01		148,747	148,747
<i>Pass-Through from Rice University</i>		1 UH2 CA189910 01		29,786	29,786
<i>Pass-Through from Rice University</i>		R21 CA147912		39	39
<i>Pass-Through from Rice University</i>		R22532 R01CA180279		6,532	6,532
<i>Pass-Through from University of Washington</i>		5 U01 CA141539 05		37,265	37,265
<i>Pass-Through from Thomas Jefferson University</i>		5R01CA137494-04		7,769	7,769
<i>Pass-Through from University of Kentucky Research Fndtn</i>		2 R01 CA125454 06		8,215	8,215
<i>Pass-Through from University of Minnesota</i>		5 R01 CA154998 03		13,915	13,915
<i>Pass-Through from University of Pennsylvania</i>		5 R01 CA089202 12		17,322	17,322
<i>Pass-Through from University of Utah</i>		3R01CA121118-06A1		3,413	3,413
<i>Pass-Through from Vanderbilt University</i>		2P01CA040035-18A1		(738)	(738)
<i>Pass-Through from Yale University</i>		5 R01 CA126801 06		7,635	7,635
Total - CFDA 93.396			2,767,495	24,480,599	27,248,094
Cancer Centers Support Grants	93.397		5,064,079	35,085,935	40,150,014
<i>Pass-Through from Beth Israel Deaconess Medical Center</i>		5 P50 CA101942 9		(1,563)	(1,563)
<i>Pass-Through from Case Western Reserve University</i>		5P50CA150964-03		7,239	7,239
<i>Pass-Through from Case Western Reserve University</i>		5P50CA15096404		98,507	98,507
<i>Pass-Through from Health Research, Inc.</i>		5P50CA159981-02		166,696	166,696
<i>Pass-Through from Methodist Hospital Research Institute</i>		5 U54 CA143837 07		113,397	113,397
<i>Pass-Through from Methodist Hospital Research Institute</i>		5 U54 CA143837-05		783	783
<i>Pass-Through from Methodist Hospital Research Institute</i>		7 U54 CA143837 05		2,833	2,833
<i>Pass-Through from Methodist Hospital Research Institute</i>		U54CA143837		(16,594)	(16,594)
<i>Pass-Through from Methodist Hospital Research Institute</i>		U54CA143837-05		4,979	4,979
<i>Pass-Through from Ohio State University</i>		5 P50 CA168505 02		715,825	715,825
<i>Pass-Through from Oregon Health Sciences University</i>		7 U54 CA112970 08		285,356	285,356
<i>Pass-Through from Sarcoma Alliance for Research Through Collaboration</i>		1 U54 CA168512-01		5,513	5,513
<i>Pass-Through from Sarcoma Alliance for Research Through Collaboration</i>		5U54CA168512-03		72,551	72,551
<i>Pass-Through from University of Nebraska</i>		5p50ca12729705		(63)	(63)
<i>Pass-Through from University of New Mexico</i>		3RF82		39,718	39,718

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		3U54CA153602-04S1		10,921	10,921
Total - CFDA 93.397			5,064,079	36,592,033	41,656,112
Cancer Research Manpower	93.398			7,197,059	7,197,059
<i>Pass-Through from Baylor College of Medicine</i>		5 K23 CA158148 03		30,574	30,574
<i>Pass-Through from Baylor College of Medicine</i>		5 R25 CA160078 04		44,029	44,029
<i>Pass-Through from Dana-Farber Cancer Institute, Inc.</i>		1219101		5,322	5,322
<i>Pass-Through from University of Puerto Rico</i>		1 K22 CA166226 01		32,363	32,363
		A1			
<i>Pass-Through from University of Puerto Rico</i>		1 K22 CA166226 01A1		(1,033)	(1,033)
Total - CFDA 93.398			0	7,308,314	7,308,314
Cancer Control	93.399		177,203	2,581,970	2,759,173
<i>Pass-Through from Frontier Sci and Tech Research Fndtn</i>		3U10CA037403-28S1		169	169
<i>Pass-Through from Mayo Clinic Rochester</i>		5 U10 CA149950 03		8	8
<i>Pass-Through from Mayo Clinic Rochester</i>		5 U10 CA149950 03		496	496
<i>Pass-Through from Mayo Clinic Rochester</i>		5U10CA149950-03		1,660	1,660
<i>Pass-Through from National Surgical Adjuvant Breast and Bowel</i>		PFED25UTS01		17,439	17,439
<i>Pass-Through from Nsabp</i>		5 U10 CA037377 22		30,609	30,609
<i>Pass-Through from Nsabp</i>		5 U10 CA037377 27		5	5
<i>Pass-Through from Nsabp</i>		5 U10 CA037377		1,555	1,555
<i>Pass-Through from University of Wisconsin - Madison</i>		5 P50 CA095817 10		18	18
<i>Pass-Through from Washington University - St. Louis</i>		P50CA094056-15		571,420	571,420
Total - CFDA 93.399			177,203	3,205,349	3,382,552
Health Promotion/Disease Prevention Program for American Indians and Alaska Natives	93.443			245,996	245,996
Food Safety and Security Monitoring Project	93.448				
<i>Pass-Through from University of Pittsburgh Medical Center for Health Security</i>		8000002212		39,514	39,514
Ruminant Feed Ban Support Project	93.449			224,999	224,999
ACL Assistive Technology	93.464		22,471	297,312	319,783
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505			40,441	40,441
PPHF National Public Health Improvement Initiative	93.507				
<i>Pass-Through from Centers for Disease Control</i>		2014-045686-001	2,631		2,631
PPHF - Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - financed solely by Prevention and Public Health	93.531		111,992	45,632	157,624
<i>Pass-Through from City of Austin</i>		CTG-ILA-UNI/N13000005		21,282	21,282
<i>Pass-Through from City of Houston Health and Human Services</i>		PO # 4500160060-1		2,661	2,661
Total - CFDA 93.531			111,992	69,575	181,567
Affordable Care Act (ACA) Childhood Obesity Research Demonstration	93.535		762,653	1,539,587	2,302,240
Health Promotion and Disease Prevention Research Centers: PPHF - Affordable Care Act Projects	93.542		8,232	120,596	128,828

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
The Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) authorizes Coordinated Chronic Disease Prevention and Health Promotion Program	93.544			83	83
Temporary Assistance for Needy Families	93.558			620,561	620,561
Community Services Block Grant <i>Pass-Through from City of San Antonio</i>	93.569	4600014588		26,303	26,303
Health Care Innovation Awards (HCIA) <i>Pass-Through from Center for Health Care Services</i>	93.610	UTA12-000922		1,199,242 120,229	1,199,242 120,229
Total - CFDA 93.610			0	1,319,471	1,319,471
Developmental Disabilities Basic Support and Advocacy	93.630		60,000	661,723	721,723
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632			513,628	513,628
Children's Justice Grants to States <i>Pass-Through from Children's Justice Act Program - Texas</i> <i>Pass-Through from Children's Justice Act Program - Texas</i>	93.643	CJA-15-03A CJA-15-04/G- 1401TxCJA1		6,834 127,847	6,834 127,847
<i>Pass-Through from Texas Center for the Judiciary</i> <i>Pass-Through from Texas Center for the Judiciary</i>		CJA-14-09 CJA-14- 10/G1301TxCJA	1,657	2,514 1,000	4,171 1,000
Total - CFDA 93.643			1,657	138,195	139,852
Social Services Research and Demonstration <i>Pass-Through from Northwestern University</i>	93.647	SP0029295- PROJ0008248		52,902	52,902
Adoption Opportunities	93.652		76,042	112	76,154
Trans-NIH Recovery Act Research Support <i>Pass-Through from John Wayne Cancer Institute</i> <i>Pass-Through from University of Alabama - Birmingham</i>	93.701	5 P01 CA029605 29 ARRA-000348386- 002/R		(104,721) (654) (713)	(104,721) (654) (713)
<i>Pass-Through from UC Davis School of Med. Office of Research</i> <i>Pass-Through from University of Pittsburgh</i>		0900229-01/CA131386 ARRA-0006782		(6,138) (926)	(6,138) (926)
ARRA - Trans-NIH Recovery Act Research Support <i>Pass-Through from Advanced Targeting Systems</i> <i>Pass-Through from Emmes Corporation</i> <i>Pass-Through from National Childhood Cancer Foundation</i> <i>Pass-Through from Oklahoma Medical Research Foundation</i> <i>Pass-Through from University of California - San Diego</i> <i>Pass-Through from University of Pittsburgh</i> <i>Pass-Through from University of Pittsburgh</i> <i>Pass-Through from Washington University - St. Louis</i>		1RC3CA150822 1 U01 NS026835-01A1 5U54A108297302 5RC2AR05895902 1RC2AG03653501 3U01DK07214605S2 5RC1HL10242902 3U01NS04280406S1		241,109 153,512 8,741 6,459 1 39,806 1,373 1,064 15,829	241,109 153,512 8,741 6,459 1 39,806 1,373 1,064 15,829
Total - CFDA 93.701			0	354,742	354,742
Recovery Act 6 Comparative Effectiveness Research - AHRQ <i>Pass-Through from Vanderbilt University Medical Center</i> ARRA - Recovery Act 6 Comparative Effectiveness Research - AHRQ	93.715	5 R01 HS019356 02		5 (13,024)	5 (13,024)

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from New York University School of Medicine</i>		1R01HS01921801		(3,153)	(3,153)
Total - CFDA 93.715			0	(16,172)	(16,172)
ARRA - Health Information Technology Professionals in Health Care <i>Pass-Through from Westat, Inc.</i>	93.721	HHSP23320095655W C		1,051	1,051
ARRA - Strategic Health IT Advanced Research Projects (SHARP)	93.728		58,888	599,905	658,793
Mental and Behavioral Health Education and Training Grants	93.732			327,602	327,602
Elder Abuse Prevention Interventions Program	93.747			347,723	347,723
Children's Health Insurance Program <i>Pass-Through from University of Alabama - Birmingham</i>	93.767	000508280-001/ C50119074		15,981	15,981
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779		27,675	39,824	67,499
Cardiovascular Diseases Research <i>Pass-Through from Adient Medical, Inc.</i>	93.837	1R44HL127734-01	7,392,180	31,472,479	38,864,659
<i>Pass-Through from Baylor College of Medicine</i>		0102043818		100,401	100,401
<i>Pass-Through from Baylor College of Medicine</i>		101548679	10,852	36,375	36,375
<i>Pass-Through from Baylor College of Medicine</i>		101828048		82,073	92,925
<i>Pass-Through from Baylor College of Medicine</i>		1R21HL121630-01A1		74,142	74,142
<i>Pass-Through from Baylor College of Medicine</i>		5600481502		10,527	10,527
<i>Pass-Through from Baylor College of Medicine</i>		5U01HL084890- 05/SC#100844739		(3,590)	(3,590)
<i>Pass-Through from Baylor College of Medicine</i>		HHSN268201100006C		37	37
<i>Pass-Through from Boston Children's Hospital</i>		1R34HL10875801		342,435	342,435
<i>Pass-Through from Brigham and Women's Hospital</i>		5R01HL117713-02		390	390
<i>Pass-Through from Children's Hospital of Philadelphia</i>		5U01HL098153		6,525	6,525
<i>Pass-Through from Cincinnati Children's Hospital Medical Center</i>		5R34 HL108752-02		135,485	135,485
<i>Pass-Through from Cleveland Clinic Lerner College</i>		5 R01 HL103552 04		7,879	7,879
<i>Pass-Through from Colorado State University</i>		G-48909- 1/R01HL12277		61,113	61,113
<i>Pass-Through from Duke Clinical Research Institute</i>		1R01HL10585301		17,454	17,454
<i>Pass-Through from George Washington University</i>		14-S13 GW 35569/1CCLS20916F		860	860
<i>Pass-Through from George Washington University Med Center</i>		7 R01 HL105502 03		85,926	85,926
<i>Pass-Through from Georgia Regents University</i>		28660-1		20,579	20,579
<i>Pass-Through from Georgia Technology</i>		RE121-G1		16,002	16,002
<i>Pass-Through from Indiana University</i>		IN4688149TAMU		32,912	32,912
<i>Pass-Through from Integris Baptist Medical Center, Inc.</i>		1R21HL115601-01		2,748	2,748
<i>Pass-Through from Johns Hopkins University</i>		2001380853		8,344	8,344
<i>Pass-Through from Kaiser Foundation Research Institute</i>		R01HL122658		33,125	33,125
<i>Pass-Through from Massachusetts General Hospital</i>		1U01HL123336-01		5,692	5,692
<i>Pass-Through from Massachusetts General Hospital</i>		5-U01-HL23336-02		17	17
<i>Pass-Through from Medical College of Wisconsin</i>		5R01HL111392-03		12,231	12,231
<i>Pass-Through from Mount Sinai Medical Center</i>		1R01HL071988-01A1		27,645	27,645
<i>Pass-Through from Mount Sinai School of Medicine</i>		5R01HL073387-10		106	106
<i>Pass-Through from New England Research Institutes</i>		U01 HL68270		45,432	45,432
<i>Pass-Through from New England Research Institutes</i>		U10HL068270		12,678	12,678
<i>Pass-Through from New York Medical College</i>		5P01034300-30		67,678	67,678
<i>Pass-Through from Northern California Institute - Research and Education</i>		1R01HL114563-01A1		127,283	127,283
				16,354	16,354

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Northern California Institute - Research and Education</i>		5R01HL11456302		(5,481)	(5,481)
<i>Pass-Through from Northwestern University</i>		R01HL120725		3,745	3,745
<i>Pass-Through from Ohio State University</i>		60045505		208,186	208,186
<i>Pass-Through from Oregon Health Sciences University</i>		1002681 UTA 1		30,097	30,097
<i>Pass-Through from Oregon Health Sciences University</i>		1002681 UTA 2 (w/Ext)		19,372	19,372
<i>Pass-Through from Radikal Therapeutics Incorporated</i>		M1401042 (NIH 2R44HL108370-02		(5,167)	(5,167)
<i>Pass-Through from Research Foundation of Suny</i>		55684-1091124/R01HLO		(18,099)	(18,099)
<i>Pass-Through from Research Triangle Institute</i>		5-3120212746-50717L		136,048	136,048
<i>Pass-Through from Rti International</i>		1U10HL11999101		11,177	11,177
<i>Pass-Through from Southern Methodist University</i>		1R15HL117224-01		7,488	7,488
<i>Pass-Through from Southern Methodist University</i>		G001255-7500		32,404	32,404
<i>Pass-Through from Texas Biomedical Research Institute</i>		SFBR 06-1498.002		3,579	3,579
<i>Pass-Through from Texas Heart Institute</i>		5U01HL087318-04		1,294	1,294
<i>Pass-Through from University of Alabama - Birmingham</i>		000418799-002		56,688	56,688
<i>Pass-Through from University of Alabama - Birmingham</i>		000506044 SP004-001		179,297	179,297
<i>Pass-Through from University of Alabama - Birmingham</i>		1U01HL120338-01A1		60,730	60,730
<i>Pass-Through from University of Cincinnati</i>		5R01HL118001-02		209,675	209,675
<i>Pass-Through from University of Colorado</i>		5K23HL096895-02/03		1,270	1,270
<i>Pass-Through from University of Washington</i>		2R01HL105756-04		10,181	10,181
<i>Pass-Through from University of Washington</i>		5R01HL103612-04		32,300	32,300
<i>Pass-Through from University of Washington</i>		5R01HL105756-03		26,739	26,739
<i>Pass-Through from University of Washington</i>		5R01HL120393- 02/UWSC7568		59,925	59,925
<i>Pass-Through from University of Washington</i>		5U01HL07786307		452,967	452,967
<i>Pass-Through from University of Washington</i>		5-U01-HL077863-10		1,006	1,006
<i>Pass-Through from University of Washington</i>		5U01HL077863-11		1,471,620	1,471,620
<i>Pass-Through from University of Washington</i>		681784/R01HL093146		126	126
<i>Pass-Through from University of Washington</i>		749145 / R01HL07888- 07		22,898	22,898
<i>Pass-Through from University of Washington</i>		U01HL077863-10		2,677,488	2,677,488
<i>Pass-Through from University of Washington</i>		UWSC7567 PO# BPO4421		21,589	21,589
<i>Pass-Through from Tufts University</i>		HH4023 / 5R01HL085710-08		67,577	67,577
<i>Pass-Through from Tulane University</i>		U01HL38844		168	168
<i>Pass-Through from University of California - San Diego</i>		53851096		73,314	73,314
<i>Pass-Through from University of Colorado - Denver</i>		FY14.616.007 AMD1 HOUSTON		21,817	21,817
<i>Pass-Through from University of Florida</i>		UF13191		12,135	12,135
<i>Pass-Through from University of Florida</i>		UFDSP00010195 (FORMERLY UF13250)		11,220	11,220
<i>Pass-Through from University of Florida</i>		UFDSP00010350		115,495	115,495
<i>Pass-Through from University of Iowa</i>		R18HL116259		850,534	850,534
<i>Pass-Through from University of Maryland</i>		HL099997		6,781	6,781
<i>Pass-Through from University of Maryland - Baltimore</i>		101330A		7,000	7,000
<i>Pass-Through from University of Michigan</i>		3002038921/U01HL09 43		1,237	1,237
<i>Pass-Through from University of Michigan</i>		U01HL094345		9,826	9,826
<i>Pass-Through from University of Minnesota</i>		R01HL116720		128,680	128,680
<i>Pass-Through from University of Mississippi Medical Center</i>		67841-UTH04 / 5U01HL096917-04		25,775	25,775
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		S-33065/R01HL111664		12,086	12,086
<i>Pass-Through from University of Pennsylvania</i>		5UM1HL116886-02		224,870	224,870
<i>Pass-Through from University of Pittsburgh</i>		5R01HL07503804		326	326

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from University of Pittsburgh</i>		5U01HL061744-08		5,629	5,629
<i>Pass-Through from University of Rochester</i>		R01HL123346		165,997	165,997
<i>Pass-Through from University of Rochester</i>		R01HL098332		1,632	1,632
<i>Pass-Through from University of Rochester</i>		R01HL098332 UR #: 5-29746		9,919	9,919
<i>Pass-Through from University of Toledo</i>		U01HL071556		676	676
<i>Pass-Through from University of Utah</i>		R01HL107241		(6,245)	(6,245)
<i>Pass-Through from Vadovations, Inc.</i>		R44HL114246		33,070	33,070
<i>Pass-Through from Vanderbilt University School of Medicine</i>		5U19HL065962-14		32,797	32,797
<i>Pass-Through from Wake Forest University Health Sciences</i>		R01HL111362 WFUHS 116846		438,882	438,882
<i>Pass-Through from Washington State University</i>		WU-14-211MOD-1		27,498	27,498
<i>Pass-Through from Washington University</i>		5R01HL111249-03		60,748	60,748
<i>Pass-Through from Washington University</i>		5R01HL118305-02		164,716	164,716
<i>Pass-Through from Windmill Cardiovascular Systems, Inc.</i>		4R42HL117446-02		61,019	61,019
<i>Pass-Through from Windmill Cardiovascular Systems, Inc.</i>		UTA15-000462		10,661	10,661
<i>Pass-Through from Yale University</i>		R01HL081153		2,219	2,219
Total - CFDA 93.837			7,403,032	41,146,538	48,549,570
Lung Diseases Research	93.838		799,339	5,680,937	6,480,276
<i>Pass-Through from Baylor College of Medicine</i>		5 R01 HL079533 04		236	236
<i>Pass-Through from Boston Children's Hospital</i>		5U01HL0768103		3,780	3,780
<i>Pass-Through from Duke University</i>		203-9807		28,882	28,882
<i>Pass-Through from George Washington University</i>		U01HL098354		23,199	23,199
<i>Pass-Through from Indiana University - Purdue University</i>		IN-4687706-UNT		(207)	(207)
<i>Pass-Through from Indiana University - Purdue University</i>		IN4687713UNTX		(75)	(75)
<i>Pass-Through from National Jewish Health</i>		20072507/R01HL0898 97	9,738	153,182	162,920
<i>Pass-Through from Pulmotect, Inc.</i>		2 R44 HL115903 02		241,322	241,322
<i>Pass-Through from Radikal Therapeutics Incorporated</i>		1R43HL11036401A1		97,307	97,307
<i>Pass-Through from University of California</i>		R01HL089901-05R		(3,650)	(3,650)
<i>Pass-Through from University of California - San Francisco</i>		5U01HL094338-05 6971SC		4,398	4,398
<i>Pass-Through from University of Florida</i>		UFDSP00010180 00097563		41,431	41,431
<i>Pass-Through from University of Minnesota</i>		5 R01 HL094183 03		(14,384)	(14,384)
<i>Pass-Through from University of Pennsylvania</i>		5R01HL113988-03		71,800	71,800
<i>Pass-Through from University of Pennsylvania</i>		5U01HL08662204		6,937	6,937
<i>Pass-Through from University of Pennsylvania</i>		5U01HL08662205		10,127	10,127
<i>Pass-Through from University of Wisconsin - Madison</i>		5-P01-HL088594-07		316,706	316,706
<i>Pass-Through from Vanderbilt University</i>		VUMC40492/R01HL1 111		20,855	20,855
Total - CFDA 93.838			809,077	6,682,783	7,491,860
Blood Diseases and Resources Research	93.839		127,137	3,018,428	3,145,565
<i>Pass-Through from Baylor College of Medicine</i>		5600860138/10175498 1		97,309	97,309
<i>Pass-Through from Blood Center of Wisconsin, Inc.</i>		5R01HL112614-03		4,726	4,726
<i>Pass-Through from Brown University</i>		00000627		56,393	56,393
<i>Pass-Through from Children's Hospital of Philadelphia</i>		U10HL069294		9,689	9,689
<i>Pass-Through from Cincinnati Children's Hospital Medical Center</i>		136444 R01HL095647		318,103	318,103
<i>Pass-Through from Cincinnati Children's Hospital Medical Center</i>		1R01HL095647-05		2,644	2,644
<i>Pass-Through from Cincinnati Children's Hospital Medical Center</i>		5R01HL0956470405		14,581	14,581
<i>Pass-Through from Cincinnati Children's Hospital Medical Center</i>		7R01HL095647-05		911	911
<i>Pass-Through from Emory University</i>		R01HL082808-09		4,671	4,671

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Georgia Regents University</i>		28053-1		34,023	34,023
<i>Pass-Through from Halcyon Biomedical, Inc.</i>		HB-UH-002		19,607	19,607
<i>Pass-Through from National Marrow Donor Program</i>		5 U01 HL069294 14		47,999	47,999
<i>Pass-Through from National Marrow Donor Program</i>		BMTCTN0102		23,012	23,012
<i>Pass-Through from National Marrow Donor Program</i>		R01HL085707		2,615	2,615
<i>Pass-Through from New England Research Institutes</i>		U01HL072268		10,457	10,457
<i>Pass-Through from New Health Sciences, Inc.</i>		HHSN268201300045C		30	30
<i>Pass-Through from St. Jude Children's Research Hospital</i>		5R01HL094396-05		(4,166)	(4,166)
<i>Pass-Through from University of Alabama - Birmingham</i>		HHSN268201300025C		129,859	129,859
<i>Pass-Through from University of Vermont</i>		5R01HL69146-02		69	69
<i>Pass-Through from Virginia Commonwealth University</i>		5P01HL10715205		488,556	488,556
Total - CFDA 93.839			127,137	4,279,516	4,406,653
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		424,519	4,956,433	5,380,952
<i>Pass-Through from Baylor College of Medicine</i>		5 R01 AR063686 02		(6,499)	(6,499)
<i>Pass-Through from Baylor College of Medicine</i>		5R01AR047858-05		7	7
<i>Pass-Through from Baylor College of Medicine</i>		5R01AR062056-04		29,695	29,695
<i>Pass-Through from Biochemanalysis Corporation</i>		5R44AR05499303		114,294	114,294
<i>Pass-Through from Biomedical Development Corporation</i>		1R41AR051618-01		257	257
<i>Pass-Through from Biomedical Development Corporation</i>		R41AG044960		85	85
<i>Pass-Through from Drexel University</i>		232486 / 2R01AR04790		18	18
<i>Pass-Through from Duke University</i>		HHSN272201100025C & SITE 123		(71)	(71)
<i>Pass-Through from Duke University</i>		N01-AI-05419		1,168	1,168
<i>Pass-Through from Feinstein Institute for Medical Research</i>		5 R01 AR044422 13		(739)	(739)
<i>Pass-Through from Penn State Hershey Medical Center</i>		UTXSWAR067392		32,028	32,028
<i>Pass-Through from Progenitec, Inc.</i>		R43AR064650		5,353	5,353
<i>Pass-Through from Rice University</i>		R21821		15,360	15,360
<i>Pass-Through from The University of Tennessee</i>		N01 AR92242		4	4
<i>Pass-Through from Torrey Pines Institute for Molecular Studies</i>		FY20141133UTM1/R0 1AR		20,318	20,318
<i>Pass-Through from Trim - Edicine, Inc.</i>		92613		78,321	78,321
<i>Pass-Through from University of California - San Francisco</i>		5R21AR06247902		13,770	13,770
<i>Pass-Through from University of Missouri at Kansas City</i>		19057/00025154		3,588	3,588
Total - CFDA 93.846			424,519	5,263,390	5,687,909
Diabetes, Digestive, and Kidney Diseases Extramural	93.847		3,525,803	43,016,858	46,542,661
<i>Pass-Through from Academic Pediatric Association</i>		5R25DK096944-03		21,939	21,939
<i>Pass-Through from Agave Biosystems, Inc.</i>		1R41DK096774-01A1		34,462	34,462
<i>Pass-Through from Arizona State University</i>		5R01DK09648804		27,685	27,685
<i>Pass-Through from Arizona State University</i>		R01DK096488		35,395	35,395
<i>Pass-Through from Baylor College of Medicine</i>		2P30-DK056338-11		15,014	15,014
<i>Pass-Through from Baylor College of Medicine</i>		5600887959		24,639	24,639
<i>Pass-Through from Baylor College of Medicine</i>		5P30DK056338-13		116,474	116,474
<i>Pass-Through from Baylor College of Medicine</i>		5R01DK092921 05		180,756	180,756
<i>Pass-Through from Baylor College of Medicine</i>		5U24DK09774802		129,557	129,557
<i>Pass-Through from Baylor College of Medicine</i>		5U24DK097748-02		139,316	139,316
<i>Pass-Through from Case Western Reserve University</i>		5U01DX094157-04		229,261	229,261
<i>Pass-Through from Case Western Reserve University</i>		RES508616		30,616	30,616
<i>Pass-Through from Case Western Reserve University</i>		SUB#RES509470		30,450	30,450
<i>Pass-Through from Case Western Reserve University</i>		U01 DK094157		6,632	6,632
<i>Pass-Through from Children's Hospital of Philadelphia</i>		5U01DK66174-13 961373RSUB		62,613	62,613
<i>Pass-Through from Children's Hospital of Philadelphia</i>		U01DK066174		10,691	10,691

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Cincinnati Children's Hospital Medical Center</i>		1 R01 DK102759 02		4,759	4,759
<i>Pass-Through from Connecticut Children's Medical Center</i>		1U01DK095745-01		2,775	2,775
<i>Pass-Through from Crinetics Pharmaceuticals, Inc.</i>		2R44DK088501-02A1		164,113	164,113
<i>Pass-Through from Duke University Medical Center</i>		5P01DK058398-13		1,608,615	1,608,615
<i>Pass-Through from Ecm Technologies, LLC</i>		SRS REF M1501947		16,527	16,527
<i>Pass-Through from George Washington University</i>		12-D15		241,617	241,617
<i>Pass-Through from George Washington University</i>		1U01DK098246-01		(102)	(102)
<i>Pass-Through from George Washington University</i>		5U01DK098246-02		3,535	3,535
<i>Pass-Through from George Washington University</i>		5-U01-DK098246-03		521,689	521,689
<i>Pass-Through from George Washington University</i>		SG/5U01DK061230-07		770	770
<i>Pass-Through from George Washington University</i>		S-GRD1415- EA33/U01DK		276,438	276,438
<i>Pass-Through from Georgia Health Sciences University</i>		U24DK076169	439,173	1,049,567	1,488,740
<i>Pass-Through from Georgia Regents University</i>		25034-09		52,530	52,530
<i>Pass-Through from Georgia Regents University</i>		25732- 14/3U24DK07616		40,583	40,583
<i>Pass-Through from Georgia Regents University</i>		29073-1/1R01NS088058		15,214	15,214
<i>Pass-Through from Georgia Regents University</i>		3U24DK76169-08S4		59,254	59,254
<i>Pass-Through from Icahn School of Medicine at Mount Sinai</i>		5U54DK08390905		1,065	1,065
<i>Pass-Through from Indiana University</i>		IN4685565UTHSC/R0 1DK		8,117	8,117
<i>Pass-Through from Johns Hopkins University School of Medicine</i>		5U01DK08291606	8,549	56,772	65,321
<i>Pass-Through from Johns Hopkins University School of Medicine</i>		5U01DK082916-07		41,092	41,092
<i>Pass-Through from Joslin Diabetes Center</i>		1UC4DK101108 01 REVI		48,971	48,971
<i>Pass-Through from Joslin Diabetes Center</i>		1-UC4-DK101108-01		72,551	72,551
<i>Pass-Through from Massachusetts General Hospital - East</i>		221580		441	441
<i>Pass-Through from Pennington Biomedical Research Center</i>		DK092587-50338-S01		12,190	12,190
<i>Pass-Through from Pennsylvania State University</i>		5R01DK095078- 02/UTXDK095078		(5,786)	(5,786)
<i>Pass-Through from Profusa, Inc.</i>		B5690		9,072	9,072
<i>Pass-Through from Stanford University</i>		5 R01 DK09224102-02		(10,170)	(10,170)
<i>Pass-Through from Stanford University</i>		60264428-108299-B		54	54
<i>Pass-Through from Texas Biomedical Research Institute</i>		14-4318.002		28,542	28,542
<i>Pass-Through from University of Alabama - Birmingham</i>		R01 DK082548		88,532	88,532
<i>Pass-Through from Tufts Medical Center</i>		5-U01-DK098245-03		30,108	30,108
<i>Pass-Through from Tufts Medical Center</i>		U01DK098245-01		88,152	88,152
<i>Pass-Through from Tulane University</i>		1R01DK104375-01		23,781	23,781
<i>Pass-Through from Twinstar Medical</i>		5R44DK085810-04		25,544	25,544
<i>Pass-Through from University of Arkansas for Medical Science</i>		50022/R21DK097470		22,781	22,781
<i>Pass-Through from University of California - Davis</i>		5 R01 DK091823 03		21,517	21,517
<i>Pass-Through from University of California - Merced</i>		10021598		106,045	106,045
<i>Pass-Through from University of Illinois</i>		2R01DK015556-43		107,057	107,057
<i>Pass-Through from University of Michigan</i>		Subawrd#3003411882		1,727	1,727
<i>Pass-Through from University of Michigan</i>		U54DK083912		3,427	3,427
<i>Pass-Through from University of Missouri - Columbia</i>		C00034110-1		20,917	20,917
<i>Pass-Through from University of Pennsylvania</i>		Subaward# 564083		646	646
<i>Pass-Through from University of Pittsburgh</i>		5U01DK072146-09		64,696	64,696
<i>Pass-Through from University of Pittsburgh</i>		5U01DK072146-10		79,607	79,607
<i>Pass-Through from University of Rochester</i>		1 R01 DK100163 02		8,362	8,362
<i>Pass-Through from University of South Florida</i>		SubAgr.#6119-1295-00		227,971	227,971
<i>Pass-Through from University of Utah</i>		1 R01 DK091374 04		34,007	34,007
<i>Pass-Through from University of Utah</i>		5 R01 DK090046 04		75,076	75,076
<i>Pass-Through from University of Utah</i>		5R01DK09293903		194	194
<i>Pass-Through from University of Utah</i>		5R01DK097007-03		26,459	26,459
<i>Pass-Through from University of Wisconsin - Madison</i>		1R01DK100651-01		60,159	60,159
<i>Pass-Through from Vanderbilt University Medical Center</i>		2U01 DK089523-04		44,062	44,062
<i>Pass-Through from Vanderbilt University Medical Center</i>		5P01DK03822627		(13,837)	(13,837)

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Vanderbilt University Medical Center</i>		5U01DK089570-04		1,506	1,506
<i>Pass-Through from Vanderbilt University Medical Center</i>		U01DK089570-05		162,982	162,982
<i>Pass-Through from Virginia Commonwealth University</i>		1R01DK094818-01A1		93,325	93,325
<i>Pass-Through from Washington University - St. Louis</i>		WU-11-54-MOD-3		39,529	39,529
Total - CFDA 93.847			3,973,525	49,877,485	53,851,010
Digestive Diseases and Nutrition Research	93.848			181,938	181,938
Kidney Diseases, Urology and Hematology Research	93.849				
<i>Pass-Through from Johns Hopkins University</i>		5U01DK066174-05		322	322
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		2,166,322	36,712,512	38,878,834
<i>Pass-Through from Advanced Circulatory Systems, Inc.</i>		W81XWH-12-C-0181		382	382
<i>Pass-Through from Advanced Medical Electronics Corporation</i>		AME14-ROBOTIC ARM-18		29,850	29,850
<i>Pass-Through from Agnes Scott College</i>		1 R01 NS073134 01 A		1,669	1,669
<i>Pass-Through from Albert Einstein College of Medicine</i>		5R21NS085772-02		23,850	23,850
<i>Pass-Through from Amprion, Inc.</i>		5R42NS079060-03		232,180	232,180
<i>Pass-Through from Apt Therapeutics, Inc.</i>		1R43NS088993-01		91,498	91,498
<i>Pass-Through from Athersys, Inc.</i>		5U44NS077511-03		123,269	123,269
<i>Pass-Through from Baylor College of Medicine</i>		102040821-PRA DASH		3,611	3,611
<i>Pass-Through from Baylor College of Medicine</i>		102040821-SUMMER OTT		28,834	28,834
<i>Pass-Through from Baylor College of Medicine</i>		3P01NS038660-10S1		(17,588)	(17,588)
<i>Pass-Through from Beth Israel Deaconess Medical Center</i>		U01NS074425		8,148	8,148
<i>Pass-Through from Boston Children's Hospital</i>		1U54NS092090-01 (CRP TSC)		28,902	28,902
<i>Pass-Through from Boston Children's Hospital</i>		1U54NS092090-01 (TRAINING)		7,208	7,208
<i>Pass-Through from Boston Children's Hospital</i>		5U01NS082320-02		20,082	20,082
<i>Pass-Through from Boston Children's Hospital</i>		5U01NS082320-03		218,377	218,377
<i>Pass-Through from Boston University</i>		4500001872		160,199	160,199
<i>Pass-Through from Burke Cornell Medical Research Institute</i>		JC-001		4,288	4,288
<i>Pass-Through from Children's Hospital of Philadelphia</i>		5R01NS03857213		27,048	27,048
<i>Pass-Through from Cleveland Clinic Foundation</i>		1R01NS070896-01	68,417		68,417
<i>Pass-Through from Columbia University</i>		1U54NS078059-01		4,334	4,334
<i>Pass-Through from Columbia University</i>		5-30224		(14)	(14)
<i>Pass-Through from Columbia University</i>		5U54NS078059-03		334	334
<i>Pass-Through from Emory University</i>		5 R01 NS076775-04		70,016	70,016
<i>Pass-Through from Emory University</i>		5U54NS065701		66	66
<i>Pass-Through from Emory University</i>		T059676, PRIME# 1R21NS081606-01A1 T249977		33,646	33,646
<i>Pass-Through from Emory University</i>		(1R41NS087684)	53,451	4,800	4,800
<i>Pass-Through from Georgia Regents University</i>		23497-1/R01NS050730		39,683	39,683
<i>Pass-Through from Georgia State University</i>		5 R01 NS073134 05		125,651	125,651
<i>Pass-Through from Johns Hopkins University</i>		1U01NS080824-01A1		97,298	97,298
<i>Pass-Through from Johns Hopkins University</i>		2000725876		48,186	48,186
<i>Pass-Through from Johns Hopkins University</i>		5R01NS046309-06, 07		72	72
<i>Pass-Through from Johns Hopkins University</i>		5U01NS062851-03		22,557	22,557
<i>Pass-Through from Johns Hopkins University</i>		5U01NS080824-03		11,818	11,818
<i>Pass-Through from Johns Hopkins University</i>		R01NS076357		1,501,063	1,501,063
<i>Pass-Through from Massachusetts General Hospital</i>		1-U01-NS077323-01		59,338	59,338
<i>Pass-Through from Massachusetts General Hospital</i>		1U01NS079163-01		4,393	4,393
<i>Pass-Through from Massachusetts General Hospital</i>		224002		83,025	83,025
<i>Pass-Through from Massachusetts General Hospital</i>		5U01NS05259205		32,752	32,752

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Mayo Clinic</i>		63860448		25,592	25,592
<i>Pass-Through from Medical University of South Carolina</i>		MUSC12-045		22,435	22,435
<i>Pass-Through from Mount Sinai Medical Center</i>		5U01NS045719-09		36,581	36,581
<i>Pass-Through from Neurodx Development</i>		5R44NS067772		14,295	14,295
<i>Pass-Through from Northwestern University</i>		60035591		223,809	223,809
<i>Pass-Through from Northwestern University</i>		60035591 UTSA		(30,094)	(30,094)
<i>Pass-Through from Northwestern University</i>		U01NS080818		8,438	8,438
<i>Pass-Through from Pharmareview Corp</i>		NIH R41NS090650-01		69,763	69,763
<i>Pass-Through from Research Foundation for Mental Hygiene</i>		1R01NS08120301A1		109,721	109,721
<i>Pass-Through from Rice University</i>		R01NS081854		129,782	129,782
<i>Pass-Through from Rice University</i>		R22261-M		74,813	74,813
<i>Pass-Through from Rti International</i>		U10HD057753	35,345	34,388	69,733
<i>Pass-Through from Rush University Medical Center</i>		U54NS065701		1	1
<i>Pass-Through from Rutgers</i>		R01NS38384		6,148	6,148
<i>Pass-Through from Southern Methodist University</i>		G001347-7500		100,467	100,467
<i>Pass-Through from University of Alabama - Birmingham</i>		000504190-001		26,339	26,339
<i>Pass-Through from University of Alabama - Birmingham</i>		5P20NS080199-03		14,133	14,133
<i>Pass-Through from University of Arizona</i>		234484		61,115	61,115
<i>Pass-Through from University of Cincinnati</i>		006883/1U01NS06976		146,163	146,163
		3			
<i>Pass-Through from University of Cincinnati</i>		2R01NS047603-09		157,488	157,488
<i>Pass-Through from University of Cincinnati</i>		5U01NS052220-07		1	1
<i>Pass-Through from University of Cincinnati</i>		5U01NS06976302		(4,786)	(4,786)
<i>Pass-Through from University of Cincinnati</i>		5-U01-NS069763-05		142,534	142,534
<i>Pass-Through from University of Cincinnati</i>		5U01NS069763-05		169,439	169,439
<i>Pass-Through from University of Cincinnati</i>		R1NS39160		346	346
<i>Pass-Through from University of British Columbia</i>		SPS3-10-10/U01NS0385		7,722	7,722
<i>Pass-Through from University of Cal - San Francisco</i>		8149sc		92,938	92,938
<i>Pass-Through from University of California</i>		P50NS044378-06		4,539	4,539
<i>Pass-Through from University of California - Davis</i>		5R01NS076856-03		43,004	43,004
<i>Pass-Through from University of California - Davis</i>		R21NS087527-01A1		63,352	63,352
<i>Pass-Through from University of California - Los Angeles</i>		1640GRB658/R01NS06		14,356	14,356
		57			
<i>Pass-Through from University of California - San Francisco</i>		1U01NS086090-01		67,297	67,297
<i>Pass-Through from University of California - San Francisco</i>		5 R01 NS06280-03		3,145	3,145
<i>Pass-Through from University of California - San Francisco</i>		5-R01-NS071463-04		13,367	13,367
<i>Pass-Through from University of California - San Francisco</i>		5-U01-NS086090-02		114,707	114,707
<i>Pass-Through from University of California - San Francisco</i>		7898sc		14,347	14,347
<i>Pass-Through from University of California - San Francisco</i>		7898sc 2		212,370	212,370
<i>Pass-Through from University of California - San Francisco</i>		R01NS062820		30,234	30,234
<i>Pass-Through from University of California - San Francisco</i>		R01NS062820-04		7,153	7,153
<i>Pass-Through from University of Florida</i>		UF11071/R01NS07334		724	724
		6			
<i>Pass-Through from University of Maryland</i>		5U01NS069208		39,663	39,663
<i>Pass-Through from University of Maryland - Baltimore</i>		5 R01 NS055126 05		(1)	(1)
<i>Pass-Through from University of Massachusetts Medical School</i>		5R01NS07699103		65,477	65,477
<i>Pass-Through from University of Medicine and Dentistry - New Jersey</i>		1U01NS043975-01		74	74
<i>Pass-Through from University of Medicine and Dentistry of NJ</i>		5R01NS03838406		3,014	3,014
<i>Pass-Through from University of Medicine and Dentistry of NJ</i>		5R01NS05273304		3,765	3,765
<i>Pass-Through from University of Miami School of Medicine</i>		1-R01-NS084288-01A1		5,264	5,264
<i>Pass-Through from University of Michigan</i>		1U0NS062778-01		58,527	58,527
<i>Pass-Through from University of Michigan</i>		5U01NS056975-02		13,046	13,046
<i>Pass-Through from University of Michigan</i>		R01NS071867		9,228	9,228
<i>Pass-Through from University of Michigan</i>		R21NS086144-01		45,024	45,024
<i>Pass-Through from University of Michigan</i>		U01NS040406		30,915	30,915
<i>Pass-Through from University of Michigan</i>		U01NS062091		18,826	18,826

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from University of Michigan</i>		U01NS062835 Total		39,781	39,781
<i>Pass-Through from University of Michigan</i>		U01NS069498		41,517	41,517
<i>Pass-Through from University of North Carolina</i>		5-33024		103,789	103,789
<i>Pass-Through from University of Pennsylvania</i>		565257 PO 3286248		66,680	66,680
<i>Pass-Through from University of Virginia</i>		1U01NS088034-01		24,781	24,781
<i>Pass-Through from University of Virginia</i>		5R01NS037666-07		18,792	18,792
<i>Pass-Through from University of Virginia</i>		5R21NS079986-02		19,872	19,872
<i>Pass-Through from University of Virginia</i>		5-U01-NS069498-04		148,547	148,547
<i>Pass-Through from University of Virginia</i>		U01NS069763		(5,309)	(5,309)
<i>Pass-Through from Vanderbilt University Medical Center</i>		5U54NS06573604		1,000	1,000
<i>Pass-Through from Vulintus, LLC</i>		1301366		(1,227)	(1,227)
<i>Pass-Through from Washington University</i>		5U01NS032228-12		43	43
<i>Pass-Through from Washington University - St. Louis</i>		5R01NS06506906		25,864	25,864
<i>Pass-Through from Washington University - St. Louis</i>		5U01NS04280407		1,315	1,315
<i>Pass-Through from Washington University - St. Louis</i>		5U01NS042804-07		817	817
<i>Pass-Through from Washington University - St. Louis</i>		9-R01-NS090934-19		8,590	8,590
<i>Pass-Through from Wayne State University</i>		5U01NS061264		6,962	6,962
<i>Pass-Through from Yale University School of Medicine</i>		5U01NS04487607		16,270	16,270
Total - CFDA 93.855			2,323,535	42,882,409	45,205,944
Allergy and Infectious Disease Research	93.855		9,325,276	68,591,548	77,916,824
<i>Pass-Through from Ai Biosciences, Inc.</i>		M1401938		23,364	23,364
<i>Pass-Through from Ai Biosciences, Inc.</i>		M1401939		7,131	7,131
<i>Pass-Through from Auritec Pharmaceuticals, Inc.</i>		5R44AI08155204		3,367	3,367
<i>Pass-Through from Baylor College of Medicine</i>		1 U01 AI095050 03		1,124	1,124
<i>Pass-Through from Baylor College of Medicine</i>		102069074		47,058	47,058
<i>Pass-Through from Baylor College of Medicine</i>		13E-13-0045		11,002	11,002
<i>Pass-Through from Baylor College of Medicine</i>		5 P30 AI036211 17		7,859	7,859
<i>Pass-Through from Baylor College of Medicine</i>		5 P30 AI036211 19		33,383	33,383
<i>Pass-Through from Baylor College of Medicine</i>		5P30AI036211-18		28,301	28,301
<i>Pass-Through from Baylor College of Medicine</i>		5P30-AI036211-18 / 101668288		16,000	16,000
<i>Pass-Through from Baylor College of Medicine</i>		5P30AI036211-20REV		249,523	249,523
<i>Pass-Through from Baylor College of Medicine</i>		5P30AI036211- 20REV/ 5600832611		3,861	3,861
<i>Pass-Through from Baylor College of Medicine</i>		5R01AI091816-04		69,814	69,814
<i>Pass-Through from Baylor College of Medicine</i>		5R01AI09877503		116,216	116,216
<i>Pass-Through from Baylor College of Medicine</i>		P30AI036211-19		21,519	21,519
<i>Pass-Through from Benaroya Research Institute at Virginia Mason</i>		1UM1A1109565-02		2,361	2,361
<i>Pass-Through from Benaroya Research Institute at Virginia Mason</i>		ITN055AI		9,378	9,378
<i>Pass-Through from Biologics Resources, LLC</i>		5R01AI10517203		42,174	42,174
<i>Pass-Through from Boston University</i>		5R01AI09615903		16,737	16,737
<i>Pass-Through from Brandeis University</i>		4-01862		71,870	71,870
<i>Pass-Through from Brigham and Women's Hospital</i>		5UM1AI068636-09		107,108	107,108
<i>Pass-Through from Brigham and Women's Hospital, Inc.</i>		5UM1AI06863609		33,497	33,497
<i>Pass-Through from Case Western Reserve University</i>		1P01AI106705-01A1		360,133	360,133
<i>Pass-Through from Catholic University of America</i>		1R01AI1153801		81,940	81,940
<i>Pass-Through from Catholic University of America</i>		5U01AI08208603		293	293
<i>Pass-Through from Chrysalis Biotechnology</i>		5R44AI08613504		176,614	176,614
<i>Pass-Through from Cornell University</i>		14040537		153,801	153,801
<i>Pass-Through from Covalent Bioscience Inc.</i>		1R41AI093261-01		(873)	(873)
<i>Pass-Through from Duke University</i>		2034060		196,466	196,466
<i>Pass-Through from Duke University</i>		2034441		30,685	30,685
<i>Pass-Through from Duke University</i>		5U19AI056363-10		573	573

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Duke University</i>		5U19AI056363-10 REV		28,215	28,215
<i>Pass-Through from Duke University Medical Center</i>		5U19AI05636307		16,823	16,823
<i>Pass-Through from East Carolina University</i>		1R21AI113014-01A1		24,467	24,467
<i>Pass-Through from Emory University</i>		1R21AI103653-02		4,134	4,134
<i>Pass-Through from Etubics Corporation</i>		5R01AI11136402		377,076	377,076
<i>Pass-Through from Family Health International</i>		UM1AI068619		7,647	7,647
<i>Pass-Through from Florida State University</i>		59-1961248		11,486	11,486
<i>Pass-Through from Foundation for Applied Medical Evolution</i>		5R21AI10598502		26,687	26,687
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		2UM1AI068614-08		13,665	13,665
<i>Pass-Through from Fundacao De Desenvolvimento Da Pesquisa</i>		01/2012/P50AI098507		23,955	23,955
<i>Pass-Through from George Washington University</i>		5UM1AI069503- 09/FAIN UM1AI0695		421,321	421,321
<i>Pass-Through from Guild Associates, Inc.</i>		UTA14-000545		55,613	55,613
<i>Pass-Through from Harvard Medical School</i>		149855.5070716.0202		498,675	498,675
<i>Pass-Through from Harvard University</i>		109669-5064867		161,021	161,021
<i>Pass-Through from Harvard University</i>		109669-5064873 (116,089	116,089
		1U19AI107774-01			
<i>Pass-Through from Harvard University</i>		109669-5076477		107,923	107,923
<i>Pass-Through from Hawaii Biotech Incorporated</i>		5R43AI09822902		12,879	12,879
<i>Pass-Through from Icahn School of Medicine at Mount Sinai</i>		1U19AI10966401		826,649	826,649
<i>Pass-Through from Icahn School of Medicine at Mount Sinai</i>		5R01AI05953610		107,588	107,588
<i>Pass-Through from Icahn School of Medicine at Mount Sinai</i>		5R21AI10179402		112,159	112,159
<i>Pass-Through from Icahn School of Medicine at Mount Sinai</i>		5U19AI10994502		990,148	990,148
<i>Pass-Through from Immuno - Mycologiecs, Inc.</i>		ANTIGEN IMMUNOASSAY		4,588	4,588
<i>Pass-Through from Indiana University</i>		EP-391212		(1,205)	(1,205)
<i>Pass-Through from Institute for Clinical Research, Inc.</i>		1U01AI06864101		20,805	20,805
<i>Pass-Through from Institute for Clinical Research, Inc.</i>		M06-HO-024-0704-1 U01-AI06864		1,109	1,109
<i>Pass-Through from Institute for Clinical Research, Inc.</i>		U01-AI068641		65,929	65,929
<i>Pass-Through from Johns Hopkins University</i>		5R01AI10143104		65,044	65,044
<i>Pass-Through from Johns Hopkins University</i>		R21AI102659		26,010	26,010
<i>Pass-Through from Kji Biosciences, LLC</i>		12012014		76,430	76,430
<i>Pass-Through from La Jolla Institute for Allergy and Immunology</i>		20014-88-312		32,355	32,355
<i>Pass-Through from Lucigen Corporation</i>		4R33AI10018204		99,317	99,317
<i>Pass-Through from Lucigen Corporation</i>		5R21AI10018202		(671)	(671)
<i>Pass-Through from Luminex Corp</i>		5R01AI096228-04 YR 4 UTA12-000148		200,789	200,789
<i>Pass-Through from Luminex Corp</i>		UTA12-000226 02 ELLINGTON		57,745	57,745
<i>Pass-Through from Mapp Biopharmaceutical, Inc.</i>		2R44A108274403		91,109	91,109
<i>Pass-Through from Mapp Biopharmaceutical, Inc.</i>		5R01AI11139102		204,575	204,575
<i>Pass-Through from Mayo Clinic Rochester</i>		1 R01 AI0969967 03		450,002	450,002
<i>Pass-Through from Midwestern University/downers Grove</i>		11-1006-7116-5660		21,448	21,448
<i>Pass-Through from Molecular Express, Inc.</i>		1R43AI11213201A1		27,344	27,344
<i>Pass-Through from Mount Sinai School of Medicine</i>		1u19ai10966401		335,005	335,005
<i>Pass-Through from Mount Sinai School of Medicine</i>		5U19AI10966402		216,597	216,597
<i>Pass-Through from Mount Sinai School of Medicine</i>		U19 AI109664-01		52,561	52,561
<i>Pass-Through from National Institute of Infectious Diseases</i>		5R33AI098724-04	109,897	197,004	306,901
<i>Pass-Through from National Institutes of Health</i>		13-081-U01AI107355-1	46,790		46,790
<i>Pass-Through from Norwell Incorporated</i>		5R44AI07163405		615,002	615,002
<i>Pass-Through from Oak Crest Institute of Science</i>		1U19AI11304801		652,801	652,801
<i>Pass-Through from Oak Crest Institute of Science</i>		5R01AI20074403		105,769	105,769
<i>Pass-Through from Ohio State University</i>		60039662 PO RF01353794		49,649	49,649
<i>Pass-Through from Penn State University</i>		5 R01 AI090113 04		24,827	24,827

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Pharmareview Corp</i>		1R41AI117990-01		39,207	39,207
<i>Pass-Through from Pond Life Technologies, LLC</i>		UTA15-000101		29,113	29,113
<i>Pass-Through from Profectus Biosciences Incorporated</i>		5R01AI09881702		33,421	33,421
<i>Pass-Through from Protein Ai</i>		R43AI103983		38,723	38,723
<i>Pass-Through from Protein Potential, LLC</i>		5R01AI09888402		58,494	58,494
<i>Pass-Through from Research Fndtn for Suny</i>		1 R21 AI111129 01		86,211	86,211
<i>Pass-Through from Rice University</i>		R22581		16,521	16,521
<i>Pass-Through from Scripps Research Institute</i>		1U19AI10976201		37,851	37,851
<i>Pass-Through from Scripps Research Institute</i>		5U19AI100627-02		10,258	10,258
<i>Pass-Through from Scripps Research Institute</i>		5U19AI10976202		26,646	26,646
<i>Pass-Through from Scripps Research Institute</i>		PO 5-50599		(45)	(45)
<i>Pass-Through from Seattle Biomedical Research Institute</i>		5R01AI07896203		20	20
<i>Pass-Through from Social and Scientific Systems, Inc.</i>		ACTG A5260S		(2,720)	(2,720)
<i>Pass-Through from Social and Scientific Systems, Inc.</i>		ACTG PROTOCOL A5280/SITE 31473		(100)	(100)
<i>Pass-Through from Social and Scientific Systems, Inc.</i>		PROTOCOL A5257		1,370	1,370
<i>Pass-Through from Southern Research Institute</i>		HHSN27200009		38,372	38,372
<i>Pass-Through from Stanford University</i>		5U01AI10434202		17,014	17,014
<i>Pass-Through from Stellenbosch University</i>		1R01AI116039-01		38,607	38,607
<i>Pass-Through from Texas Biomedical Research Institute</i>		11-4332.002/1R01AI09		7,157	7,157
<i>Pass-Through from Texas Biomedical Research Institute</i>		13-04418.001.001/R56		25,134	25,134
<i>Pass-Through from Texas Biomedical Research Institute</i>		14-04397.002		25,175	25,175
<i>Pass-Through from Texas Biomedical Research Institute</i>		NANDAMU 15-04441.005 / R01		7,845	7,845
<i>Pass-Through from Texas Biomedical Research Institute</i>		15-04514.002 / R01		4,352	4,352
<i>Pass-Through from Texas Biomedical Research Institute</i>		1R21AI096277-01A1		7,343	7,343
<i>Pass-Through from Texas Biomedical Research Institute</i>		BASEMAN/TBRI/NA NDAMU		(7)	(7)
<i>Pass-Through from Texas Biomedical Research Institute</i>		CASALI ADENIJI SUPPO		25,134	25,134
<i>Pass-Through from The University of Tennessee</i>		A15-0933-S002		73,083	73,083
<i>Pass-Through from University of Washington</i>		1R01AI08944105		96,940	96,940
<i>Pass-Through from University of Washington</i>		5R01AI09894303		236,125	236,125
<i>Pass-Through from University of Washington</i>		5R01AI11134102		108,264	108,264
<i>Pass-Through from Translational Genomics Research Institute</i>		C9190		61,895	61,895
<i>Pass-Through from Tufts Medical Center</i>		50009674-SERV / R21AI103905-02		42,854	42,854
<i>Pass-Through from Tufts Medical Center</i>		R21AI11317-01A1		2,722	2,722
<i>Pass-Through from Tufts University</i>		10162013		57,968	57,968
<i>Pass-Through from Tulane University Medical Center</i>		5R01AI10462103		266,999	266,999
<i>Pass-Through from Tulane University Medical Center</i>		HHSN272200900049C		266,501	266,501
<i>Pass-Through from University of California - Los Angeles</i>		5U01AI08210004		(620)	(620)
<i>Pass-Through from University of California - San Diego</i>		54943859 S9000816		493,925	493,925
<i>Pass-Through from University of California - San Francisco</i>		4943SC/1P01AI071713		505	505
<i>Pass-Through from University of Kentucky Research Foundation</i>		3048111493-15-015		15,921	15,921
<i>Pass-Through from University of Louisville Research Foundation</i>		ULRF 13-1119-01		21,722	21,722
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5100614		132,896	132,896
<i>Pass-Through from University of Oklahoma Health Science Center</i>		RS20120975-02		70,156	70,156
<i>Pass-Through from University of Pennsylvania</i>		1-R21-AI105856-01		25,478	25,478
<i>Pass-Through from University of Pennsylvania</i>		5-R21AI-104441-02		289	289
<i>Pass-Through from University of Pittsburgh</i>		5R01AI09543604		82,612	82,612
<i>Pass-Through from University of Pittsburgh</i>		U19AI082623	11,773	1,204,678	1,216,451
<i>Pass-Through from University of Wisconsin - Madison</i>		1R01AI110617-01A1		5,041	5,041
<i>Pass-Through from University of Wisconsin - Madison</i>		1-UM1-AI11427-01		8,149	8,149
<i>Pass-Through from University of Wisconsin - Madison</i>		1UM1AI114271-01		501,114	501,114
<i>Pass-Through from Wake Forest University</i>		5R03AI10167502		(156)	(156)
<i>Pass-Through from Washington State University</i>		122880 G003336		24,911	24,911

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Weill Medical College of Cornell University</i>		5R21AI09422302		(6,273)	(6,273)
<i>Pass-Through from Yale University</i>		1R56AI10540901		11,408	11,408
<i>Pass-Through from Yale University</i>		2R01AI08314605A1		26,053	26,053
Total - CFDA 93.855			9,493,736	82,552,241	92,045,977
Microbiology and Infectious Diseases Research	93.856			47,704	47,704
<i>Pass-Through from Baylor College of Medicine</i>		5P30AI036211-19		15,246	15,246
<i>Pass-Through from Baylor College of Medicine</i>		5R01AI41735-08		(5,476)	(5,476)
<i>Pass-Through from Duke University</i>		5R01AI08952605		16,689	16,689
<i>Pass-Through from Molecular Express, Inc.</i>		ME-127130		69,422	69,422
<i>Pass-Through from Social and Scientific Systems, Inc.</i>		3U01AI46362-05S1		49,363	49,363
<i>Pass-Through from Washington University - St. Louis</i>		1U19AI109725-01		1,057,235	1,057,235
<i>Pass-Through from Washington University School of Medicine</i>		AI109725		599,848	599,848
Total - CFDA 93.856			0	1,850,031	1,850,031
Biomedical Research and Research Training	93.859		2,005,861	58,484,942	60,490,803
<i>Pass-Through from 21st Century Technologies, Inc.</i>		SBIR1401		55,803	55,803
<i>Pass-Through from Am Biotechnologies, LLC</i>		5 R44 GM084552 04		1	1
<i>Pass-Through from Am Biotechnologies, LLC</i>		5 R44 GM086937 03		102,187	102,187
<i>Pass-Through from Arcos, Inc.</i>		1R43GM11231401		61,897	61,897
<i>Pass-Through from Baylor College of Medicine</i>		102048029		12,493	12,493
<i>Pass-Through from Baylor College of Medicine</i>		2 T32 GM008280 21 A		916	916
<i>Pass-Through from Baylor College of Medicine</i>		2T32GM00828026		21,189	21,189
<i>Pass-Through from Baylor College of Medicine</i>		5 P01 GM081627 05		(54)	(54)
<i>Pass-Through from Baylor University</i>		SRS REF M1503028		21,874	21,874
<i>Pass-Through from California Institute of Technology</i>		U54GM094610		22,122	22,122
<i>Pass-Through from Case Western Reserve University</i>		RES509568		4,089	4,089
<i>Pass-Through from Cornell University</i>		66252-10020		42,342	42,342
<i>Pass-Through from Cornell University</i>		68964-10332		41,867	41,867
<i>Pass-Through from Dartmouth College</i>		1280		29,219	29,219
<i>Pass-Through from East Carolina University</i>		A13-0179-S001		8,202	8,202
<i>Pass-Through from Ecm Technologies, LLC</i>		212798-ZHU			
<i>Pass-Through from Ecm Technologies, LLC</i>		M1501965		14,313	14,313
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		5 R01 GM106177 03		14,170	14,170
<i>Pass-Through from Georgia Institute of Technology</i>		RF258-G1		69,991	69,991
<i>Pass-Through from Hunter College</i>		5 R01 GM088530 04		938	938
<i>Pass-Through from Indiana University</i>		PO 853832		42	42
<i>Pass-Through from Institute for Systems Biology</i>		5 R01 GM072855 05		(16,947)	(16,947)
<i>Pass-Through from Iowa State University</i>		4304603A		41,787	41,787
<i>Pass-Through from Johns Hopkins University</i>		5R01GM075305-09		32,143	32,143
<i>Pass-Through from Lynntech Incorporated</i>		SRS #M1500205		38,481	38,481
<i>Pass-Through from Lynntech, Inc.</i>		1R43GM106455-01		799	799
<i>Pass-Through from Mayo Clinic</i>		5R01GM102282-03		219,424	219,424
<i>Pass-Through from Mayo Clinic Rochester</i>		5 UI9 GM061388 15		3,395	3,395
<i>Pass-Through from Michigan State University</i>		RC100326TAM		2,339	2,339
<i>Pass-Through from National Institutes of Health</i>		5K12GM084897-06		5,353	5,353
<i>Pass-Through from New York Structural Biology Center</i>		#NYSBCG01909-3		(22,910)	(22,910)
<i>Pass-Through from Nimbic Systems, Inc.</i>		2R44GM09500505		62,506	62,506
<i>Pass-Through from Northwestern University</i>		60034749 UTEP		84,440	84,440
<i>Pass-Through from Northwestern University Medical School</i>		5P01GM096971-04		355,931	355,931
<i>Pass-Through from Nyu School of Medicine</i>		U54GM094598		133,557	133,557
<i>Pass-Through from Operational Technologies Corporation</i>		R43 GM101712		32,447	32,447
<i>Pass-Through from Pennsylvania State University</i>		B7850		10,198	10,198
<i>Pass-Through from Princeton University</i>		00001985		17,524	17,524

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Probetex, Inc.</i>		R43GM110837-01		31,225	31,225
<i>Pass-Through from Purdue University</i>		1 R01 GM106016 01		(387)	(387)
<i>Pass-Through from Purdue University</i>		1R01GM106016- 01/4102-63957		60,143	60,143
<i>Pass-Through from Research Foundation of the State University of New York</i>		1098763-2-59265		45,287	45,287
<i>Pass-Through from Rice University</i>		5 R01 GM094816 03		(3,056)	(3,056)
<i>Pass-Through from Rice University</i>		5 R01 GM096189 03		4,727	4,727
<i>Pass-Through from Rice University</i>		R22151		93,988	93,988
<i>Pass-Through from Rochal Industries</i>		1R43GM114857-01		2,186	2,186
<i>Pass-Through from Rochal Industries</i>		UTA15-000100		63,355	63,355
<i>Pass-Through from Rockefeller University</i>		5U01GM09825604		143,727	143,727
<i>Pass-Through from Rockefeller University</i>		5U01GMO98256-03		48	48
<i>Pass-Through from Rutgers University</i>		4744		37,078	37,078
<i>Pass-Through from Sanford - Burnham Medical Research Institute</i>		5P01GM09841204		197,241	197,241
<i>Pass-Through from Small Molecule Ppi Mimics</i>		1R41GM108153-01A1		24,516	24,516
<i>Pass-Through from Stanford University</i>		60325810-25996-C 2P01GM066275		161,215	161,215
<i>Pass-Through from University of Arizona</i>		235475		32,454	32,454
<i>Pass-Through from University of Arizona</i>		5R01GM105480-02		145	145
<i>Pass-Through from University of Colorado</i>		1 R01 GM111902 01		54,772	54,772
<i>Pass-Through from the University of Georgia</i>		RR722-156/4940486		50,898	50,898
<i>Pass-Through from University of Washington</i>		5R01GM04272520		1,506	1,506
<i>Pass-Through from Tufts University</i>		HH4008		15,401	15,401
<i>Pass-Through from University at Buffalo - Suny</i>		R926252		30,323	30,323
<i>Pass-Through from University of California - Davis</i>		5R01GM079383-02		160,140	160,140
<i>Pass-Through from University of Florida</i>		U01GM074492		414,490	414,490
<i>Pass-Through from University of Iowa</i>		2-R01-GM035500-28A1		14,423	14,423
<i>Pass-Through from University of Minnesota</i>		41-6007513		3,847	3,847
<i>Pass-Through from University of Minnesota</i>		5R01GM05960414		9,287	9,287
<i>Pass-Through from University of Minnesota</i>		5R01GM09551604		139,879	139,879
<i>Pass-Through from University of New Mexico</i>		5 R01 GM079381 04		(2)	(2)
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5032101/2R01GM0703 35		13,813	13,813
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5P01GM103723-02		272,359	272,359
<i>Pass-Through from University of Notre Dame</i>		202235 02		117,093	117,093
<i>Pass-Through from University of Notre Dame</i>		202235UTA 04 (w/Ext)		8,654	8,654
<i>Pass-Through from University of Oklahoma</i>		1R01GM107490- 01A1NIH		185,293	185,293
<i>Pass-Through from University of Pennsylvania</i>		565220		27,132	27,132
<i>Pass-Through from University of Pittsburgh</i>		R01GM049202		1,911	1,911
<i>Pass-Through from University of Pittsburgh</i>		R01GM114851		116,136	116,136
<i>Pass-Through from University of Pittsburgh</i>		R37GM049202		363,561	363,561
<i>Pass-Through from University of Southern California</i>		48213259		12,342	12,342
<i>Pass-Through from University of Utah</i>		1 R01 GM104390 01		218,687	218,687
<i>Pass-Through from University of Utah</i>		1002753511M/P50GM 082		103,367	103,367
<i>Pass-Through from Upenn</i>		23-1352685		62,616	62,616
<i>Pass-Through from Utah Texas Bridge to Biomedical Studies</i>		10004657-01		108,050	108,050
<i>Pass-Through from Vanderbilt University</i>		R01GM10430602		143,588	143,588
<i>Pass-Through from Vanderbilt University School of Medicine</i>		1R01GM103859-01A1		111,890	111,890
<i>Pass-Through from Washington University</i>		WU-13-255 PO 2917374W		122,859	122,859
<i>Pass-Through from Washington University - St. Louis</i>		5R01GM08059104		52,463	52,463
<i>Pass-Through from Washington University - St. Louis</i>		K12 HD000849		16,802	16,802

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Yale University</i>		M09A10314 (A08324) 9	6,247	(16,054)	(9,807)
<i>Pass-Through from Yale University</i>		M15A119467(A10009) CREDIT		40,181	40,181
<i>Pass-Through from Yale University</i>		M15A119467(A10009) DR MEYERS		176,424	176,424
Total - CFDA 93.859			2,012,108	64,057,033	66,069,141
Child Health and Human Development Extramural Research	93.865		2,601,385	19,172,050	21,773,435
<i>Pass-Through from Auritec Pharmaceuticals, Inc.</i>		2R44HD07563602		27,164	27,164
<i>Pass-Through from Baylor College of Medicine</i>		101318513 5600601479		16,539	16,539
<i>Pass-Through from Boston Biomedical Research Institute</i>		U54HD06084805		(3,680)	(3,680)
<i>Pass-Through from Boston Children's Hospital</i>		5R01HD061336-04		2,507	2,507
<i>Pass-Through from Center for Applied Linguistics</i>		5P01- HD-039530-10		513	513
<i>Pass-Through from Children's Hospital of Philadelphia</i>		P01HD070454		96,861	96,861
<i>Pass-Through from Duke University</i>		1R01HD057956-01 / SITE 121		2,937	2,937
<i>Pass-Through from Emmes Corporation</i>		HHSN267200603425C		9,842	9,842
<i>Pass-Through from Etr Associates</i>		1R03HD077153-01A1		33,644	33,644
<i>Pass-Through from George Washington University</i>		14-UHTX-15		35,191	35,191
<i>Pass-Through from George Washington University</i>		15-UHTX-16		5,184	5,184
<i>Pass-Through from George Washington University</i>		U010HD036801		548,775	548,775
<i>Pass-Through from George Washington University</i>		U10HD036801		1,359	1,359
<i>Pass-Through from George Washington University</i>		U10HD036801/U01- HL098354		489,005	489,005
<i>Pass-Through from George Washington University</i>		U10HD036802		170,238	170,238
<i>Pass-Through from Lurie Children's Hospital of Chicago</i>		R01HD045694		2	2
<i>Pass-Through from Medical College of Wisconsin</i>		5R01HD07578602		116,992	116,992
<i>Pass-Through from Nano3d Biosciences, Inc.</i>		R41HD081795-01		39,087	39,087
<i>Pass-Through from New York University</i>		10-00254 Project#801524 1		100,436	100,436
<i>Pass-Through from Noninvasix Incorporated</i>		1R41HD07656801		(3,311)	(3,311)
<i>Pass-Through from Northwestern University</i>		60032241 UTA A01		32,955	32,955
<i>Pass-Through from Northwestern University</i>		60032241 UTA A03 PUR0815199		67,991	67,991
<i>Pass-Through from Oregon Research Institute</i>		R01HD064870		937	937
<i>Pass-Through from Oregon Research Institute</i>		R01HD071900		100,584	100,584
<i>Pass-Through from PLx Pharma, Inc.</i>		5R44HD061132-03		30,037	30,037
<i>Pass-Through from Radiant Creative Group, LLC</i>		5R42HD074324-03		358,489	358,489
<i>Pass-Through from Rehabilitation Institute of Chicago</i>		107621		28,670	28,670
<i>Pass-Through from Research Triangle Institute</i>		U01HD021373 RFA- HD-04-010		412,458	412,458
<i>Pass-Through from Rhode Island Hospital</i>		R01HD072693		469,517	469,517
<i>Pass-Through from Rice Institute, Inc.</i>		UTA14-001267 Increment 1		19,572	19,572
<i>Pass-Through from Rti International</i>		2U10HD04068911		201,083	201,083
<i>Pass-Through from Rti International</i>		U10HD054241		178,372	178,372
<i>Pass-Through from Seattle Children's Hospital</i>		10885SUB		5,031	5,031
<i>Pass-Through from Sonarmed, Inc.</i>		SONARMED AIRWAY MONITORING SYSTEM		2,626	2,626
<i>Pass-Through from Synthecon, Inc.</i>		R44HD058391		4,363	4,363
<i>Pass-Through from University of Alabama - Birmingham</i>		5R01HD064729-04		3,380	3,380
<i>Pass-Through from University of Alabama</i>		5R01HD06472903		(10,727)	(10,727)
<i>Pass-Through from University of Alabama</i>		5R01HD06472904		18,449	18,449

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from University of California - Irvine</i>		1 R21 HD081319 01		31,237	31,237
<i>Pass-Through from University of Florida</i>		UFJAX00010462 00113476		2,968	2,968
<i>Pass-Through from University of Illinois - Chicago</i>		20120613601001/R01HD		65,176	65,176
<i>Pass-Through from University of Kansas Center for Research</i>		FY2014-025, NIH# 1R03HD073464-01A1		3,879	3,879
<i>Pass-Through from University of Louisiana at Monroe</i>		1R21HD083389-01		31,718	31,718
<i>Pass-Through from University of Maryland - College Park</i>		Z030701		152,382	152,382
<i>Pass-Through from University of Massachusetts Worcester</i>		5R03HD071263-02		1,489	1,489
<i>Pass-Through from University of Michigan</i>		5U01HD04124908		(262)	(262)
<i>Pass-Through from University of Nevada - Reno</i>		11-12 ACCT 1320- 119-15NF		64,326	64,326
<i>Pass-Through from University of New Mexico</i>		5 R01 HD064655 03		5,496	5,496
<i>Pass-Through from University of Utah</i>		R01HD075863		31,340	31,340
<i>Pass-Through from University of Wyoming</i>		1002028A/R01HD0700 96		(5,710)	(5,710)
<i>Pass-Through from University of Wyoming</i>		1002696 - UTHSCSA		2,024	2,024
<i>Pass-Through from Upmc - Magee - Women's Hospital</i>		1 P01 HD075795 01 A1		525,741	525,741
<i>Pass-Through from Vanderbilt University School of Medicine</i>		5U01HD076733-02		63,227	63,227
<i>Pass-Through from Washington University - St. Louis</i>		5K12HD000849-27		31,454	31,454
<i>Pass-Through from Washington University - St. Louis</i>		5K12HD000849-28		23,109	23,109
<i>Pass-Through from Wayne State University</i>		5U10HD021385 / WSU14063-A3		8,640	8,640
<i>Pass-Through from Weill Cornell Medical College</i>		13101462-02 2		(983)	(983)
<i>Pass-Through from Weill Cornell Medical College</i>		14101467		991	991
<i>Pass-Through from Weill Cornell Medical College</i>		14101508-02 PO 4100269007 3		235,588	235,588
Total - CFDA 93.865			2,601,385	24,058,952	26,660,337
Aging Research	93.866		1,170,966	19,107,970	20,278,936
<i>Pass-Through from Albert Einstein College of Medicine</i>		31551H/P01AG017242		55,018	55,018
<i>Pass-Through from Albert Einstein College of Medicine</i>		31598D CORE B/P01AG0	100,762	216,434	317,196
<i>Pass-Through from Amprion, Inc.</i>		1R42AG049562-01		13,059	13,059
<i>Pass-Through from Boston University</i>		2R01AG033193-04		66,320	66,320
<i>Pass-Through from Brigham and Women's Hospital, Inc.</i>		U01AG04827001		165,508	165,508
<i>Pass-Through from Epigen Biosciences, Inc.</i>		1 R41 AG043243-01	125,103		125,103
<i>Pass-Through from Kaiser Foundation Research Institute</i>		U01AG012554		4,471	4,471
<i>Pass-Through from Koronis Biomedical Technologies Corp.</i>		1R41AG049499-01		46,050	46,050
<i>Pass-Through from Leidos Biomedical Research, Inc.</i>		15X082		14,910	14,910
<i>Pass-Through from Mayo Clinic</i>		1P01AG041122- 1/COREB		69,046	69,046
<i>Pass-Through from Mayo Clinic</i>		1P01AG041122- 1PROJ1		7,436	7,436
<i>Pass-Through from Minneapolis Medical Research Foundation</i>		ASPREE/U01AG0298 24		57,008	57,008
<i>Pass-Through from Minneapolis Medical Research Foundation</i>		PARCHMAN		131,341	131,341
<i>Pass-Through from Minneapolis Medical Research Foundation</i>		U01AG029824		82,843	82,843
<i>Pass-Through from Mount Sinai Medical Center</i>		5 R01 AG030141 05		908	908
<i>Pass-Through from Mount Sinai School of Medicine</i>		0254-9893-4609 4		81,343	81,343
<i>Pass-Through from Mount Sinai School of Medicine</i>		0254-9895-4609 5		156,160	156,160
<i>Pass-Through from National Institutes of Health</i>		130409(5P30AG01230 0)	53,416		53,416
<i>Pass-Through from Nia: National Institute on Aging</i>		13-624-UNTHSC/NCE	366,158		366,158
<i>Pass-Through from Regenerative Research Foundation</i>		5012-UTexas		33,201	33,201
<i>Pass-Through from Rush University Medical Center</i>		1R01AG040039-01A1		(2,192)	(2,192)

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Scripps Research Institute</i>		5U19AI10062703		1,977,797	1,977,797
<i>Pass-Through from Southern Illinois University School of</i>		520317		45,766	45,766
<i>Pass-Through from St. Jude Children's Research Hospital</i>		1R01AG047928-01A1		9,796	9,796
<i>Pass-Through from University of Alabama - Birmingham</i>		000380191-SC003		14,492	14,492
<i>Pass-Through from University of Washington</i>		2-U01-AG016976-16		20,549	20,549
<i>Pass-Through from University of Washington</i>		5U01AG01697612		4,276	4,276
<i>Pass-Through from University of Washington</i>		5U01AG016976-15		(97)	(97)
<i>Pass-Through from University of California - San Diego</i>		2U01AG02490406		36,554	36,554
<i>Pass-Through from University of California - San Diego</i>		2-U19-AG010483-22		108,653	108,653
<i>Pass-Through from University of Maryland</i>		1500141		15,185	15,185
<i>Pass-Through from University of Michigan</i>		3003298847		3,303	3,303
<i>Pass-Through from University of Oklahoma Health Science Center</i>		R01AG038747		92,309	92,309
<i>Pass-Through from University of Pittsburgh</i>		1 R21 AG046897-02		25,295	25,295
<i>Pass-Through from University of Toledo</i>		5R01AG045973-02		15,492	15,492
<i>Pass-Through from University Tennessee - Health Science Center</i>		R01AG040146-03		8,090	8,090
Total - CFDA 93.866			1,816,405	22,684,294	24,500,699
Vision Research	93.867		223,603	19,390,892	19,614,495
<i>Pass-Through from Baylor College of Medicine</i>		5 PN2 EY016525 11		737,715	737,715
<i>Pass-Through from Baylor College of Medicine</i>		5R01EY023336-02		34,460	34,460
<i>Pass-Through from Children's Hospital of Philadelphia</i>		961175RSUB/U10EY0 170		2,314	2,314
<i>Pass-Through from Emmes Corporation</i>		HHS-N-260-2007- 00001-C		4,875	4,875
<i>Pass-Through from Emory University</i>		5-U10-EY013272-12		6,487	6,487
<i>Pass-Through from Jaeb Center for Health Research, Inc.</i>		109510		20,602	20,602
<i>Pass-Through from Johns Hopkins University</i>		5R01EY02232203		30,614	30,614
<i>Pass-Through from Ohio State University</i>		60033608-UT		5,061	5,061
<i>Pass-Through from St. Luke's Roosevelt Institute for Health Science</i>		NORDIC - U10EY017281		115	115
<i>Pass-Through from University of Washington</i>		744350		207	207
<i>Pass-Through from University of California - San Diego</i>		PO# 90946294 / 90946294-01		12,563	12,563
<i>Pass-Through from University of Iowa</i>		1 R01 EY024259-01	42,672		42,672
<i>Pass-Through from University of Nebraska - Lincoln</i>		24-6239-0260-002	19,982		19,982
<i>Pass-Through from University of Rochester</i>		5U01EY017387-05		35,268	35,268
<i>Pass-Through from University of Utah</i>		5R01EY002576-38		125,884	125,884
<i>Pass-Through from Vital Art and Science, LLC</i>		5R44EY02001603		(16,428)	(16,428)
Total - CFDA 93.867			286,257	20,390,629	20,676,886
Medical Library Assistance	93.879		93,838	1,805,328	1,899,166
<i>Pass-Through from Brigham and Women's Hospital</i>		1R01LM011966-01		52,071	52,071
<i>Pass-Through from Chemtor, L.P.</i>		8000002251		36,922	36,922
<i>Pass-Through from Chemtor, L.P.</i>		8000002299		64,638	64,638
<i>Pass-Through from Columbia University</i>		1 (GG10058)		47,037	47,037
<i>Pass-Through from Medical University of South Carolina</i>		5R56LM010680-02		115,555	115,555
<i>Pass-Through from National Institutes of Health</i>		GF2667- 1(R01LM011647	35,393		35,393
<i>Pass-Through from Rice University</i>		5 T15 LM007093 23		30,678	30,678
<i>Pass-Through from University of Wisconsin</i>		370K204		177,001	177,001
<i>Pass-Through from Vanderbilt University</i>		VUMC35692-R		39,277	39,277
Total - CFDA 93.879			129,231	2,368,507	2,497,738
Grants for Primary Care Training and Enhancement	93.884			173,232	173,232

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
Health Care and Other Facilities	93.887			527,310	527,310
<i>Pass-Through from Rti International</i>		HHSP2332009565		9,935	9,935
Total - CFDA 93.887			0	537,245	537,245
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912		4,055		4,055
HIV Care Formula Grants	93.917			71,806	71,806
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918				
<i>Pass-Through from Resource Group</i>		15UTP00RWC		27,397	27,397
<i>Pass-Through from Resource Group</i>		16UTP00RWC		14,164	14,164
Total - CFDA 93.918			0	41,561	41,561
Ryan White HIV/AIDS Dental Reimbursement and Community Based Dental Partnership Grants	93.924			47,748	47,748
Healthy Start Initiative	93.926			567,071	567,071
Special Projects of National Significance	93.928				
<i>Pass-Through from Special Health Resources of Texas, Inc.</i>		H97HA15147-01-00		26,464	26,464
HIV Prevention Activities Health Department Based	93.940			375,125	375,125
<i>Pass-Through from Cht Resource Group</i>		HHPMP1101013		770	770
<i>Pass-Through from City of Houston Health and Human Services</i>		U62/CCU606238		280,384	280,384
Total - CFDA 93.940			0	656,279	656,279
HIV Demonstration, Research, Public and Professional Education Projects	93.941			662,322	662,322
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946				
<i>Pass-Through from Emory University</i>		T286199		13,154	13,154
Block Grants for Community Mental Health Services	93.958			754,480	754,480
Prevention and Public Health Fund (PPHF) Public Health Traineeships	93.964			66,904	66,904
PPHF Geriatric Education Centers	93.969			18,523	18,523
<i>Pass-Through from Baylor University</i>		5UB4HP19052-04-00		23,419	23,419
<i>Pass-Through from Health Resources and Service Administration</i>		1UB4HP19052-01	22,994		22,994
Total - CFDA 93.969			22,994	41,942	64,936
International Research and Research Training	93.989		1,000	217,071	218,071
Maternal and Child Health Services Block Grant to the States	93.994			151,973	151,973
Total - U.S. Department of Health and Human Services			67,763,866	767,566,527	835,330,393
Corporation for National and Community Service					
AmeriCorps	94.006				
<i>Pass-Through from Jumpstart</i>		2014567896		(1,610)	(1,610)
Total - CFDA 94.006			0	(1,610)	(1,610)
Total - Corporation for National and Community Service			0	(1,610)	(1,610)

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
Social Security Administration					
Social Security Research and Demonstration <i>Pass-Through from University of Illinois - Chicago</i>	96.007	2012-05469-03-010411		25,750	25,750
Total - CFDA 96.007			0	25,750	25,750
Total - Social Security Administration			0	25,750	25,750
U.S. Department of Homeland Security					
U.S. Department of Homeland Security <i>Pass-Through from Lynntech, Inc.</i>	97.XXX	C5580		6,383	6,383
<i>Pass-Through from Mri Global (Midwest Research Institute)</i>		HSHQDC13CB0009		273,526	273,526
<i>Pass-Through from Northeastern University</i>		505035-78056		32,044	32,044
<i>Pass-Through from University of North Carolina</i>		5-55130 (HSFE-02-13- J-0511)		10,021	10,021
Total - CFDA 97.XXX			0	321,974	321,974
State and Local Homeland Security National Training Program <i>Pass-Through from Louisiana State University</i>	97.005	8000002280	154,902	401,332	556,234
<i>Pass-Through from Louisiana State University</i>		8000002308		12,928	12,928
Total - CFDA 97.005			154,902	450,212	605,114
Hazard Mitigation Grant <i>Pass-Through from Bastrop County</i>	97.039	8000002150		5,890	5,890
<i>Pass-Through from Bastrop County</i>		8000002395		19,544	19,544
Total - CFDA 97.039			0	25,434	25,434
National Dam Safety Program	97.041			8,160	8,160
Assistance to Firefighters Grant <i>Pass-Through from Cfai - Risk, Inc.</i>	97.044	CFAI-Risk-15	162,096	66,440	162,096
<i>Pass-Through from Fema</i>		EMW-2013-FP-00983		200,463	200,463
<i>Pass-Through from Fire Protection Research Foundation</i>		UTA12-000223		115,311	115,311
Total - CFDA 97.044			162,096	382,214	544,310
Centers for Homeland Security <i>Pass-Through from Jackson State University</i>	97.061	2008-ST061-ND0002- 06	729,257	4,397,676	5,126,933
<i>Pass-Through from Purdue University</i>		4112-57702		96,026	96,026
<i>Pass-Through from Rutgers University</i>		2009- ST0061CC100206		114,193	114,193
<i>Pass-Through from University No. Carolina Coastal Hazards Center</i>		5100405		8,818	8,818
<i>Pass-Through from University of Maryland</i>		M1502662		84,686	84,686
<i>Pass-Through from University of North Carolina</i>		5-36317 (2008-ST- 061-ND0001)		14,989	14,989
Total - CFDA 97.061			729,257	4,727,890	5,457,147
Scientific Leadership Awards	97.062			253,935	253,935
Homeland Security Advanced Research Projects Agency	97.065			211,898	211,898
Homeland Security Research, Development, Testing, Evaluation, and Demonstration of Technologies Related to Nuclear Threat Detection	97.077		228,013	763,307	991,320

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Homeland Security (continued)					
Information Analysis Infrastructure Protection (IAIP) and Critical Infrastructure Monitoring and Protection	97.080			192	192
Homeland Security-related Science, Technology, Engineering and Mathematics (HS STEM) Career Development Program	97.104		91,672	24,422	116,094
Homeland Security, Research, Testing, Evaluation, and Demonstration of Technologies	97.108			22,903	22,903
National Nuclear Forensics Expertise Development Program <i>Pass-Through from Medical University of South Carolina</i>	97.130	MUSC13-002		24,451	24,451
				62,569	62,569
Total - CFDA 97.130			0	87,020	87,020
Total - U.S. Department of Homeland Security			1,365,940	7,279,561	8,645,501
U. S. Agency for International Development					
U. S. Agency for International Development <i>Pass-Through from Michigan State University</i> <i>Pass-Through from National Academy of Sciences</i> <i>Pass-Through from West Virginia University</i>	98.XXX	RC103361 PGA-2000003542 13-754-UTA		94,657 13,032 3,103	94,657 13,032 3,103
Total - CFDA 98.XXX			0	110,792	110,792
USAID Foreign Assistance for Programs Overseas <i>Pass-Through from Abt Associates, Inc.</i> <i>Pass-Through from Cardno</i> <i>Pass-Through from College of William and Mary</i> <i>Pass-Through from Colorado State University</i> <i>Pass-Through from Development Alternatives, Inc.</i> <i>Pass-Through from Development Alternatives, Inc.</i> <i>Pass-Through from Development Alternatives, Inc.</i> <i>Pass-Through from Kansas State University</i> <i>Pass-Through from Mercy Corps</i> <i>Pass-Through from Mountain Institute the</i>	98.001	44921 4726-001-CPFF-001 740681-C G-96500-49 5553-04S-017/ TO 002 AID-OAA-C-14-00185 CDI-G-003 S14181 SRS REF# M1501752 575-2014-0001 UTA14-000808 575-2015-0001 PGA-2000003666 201500789-02 AID-OAA-A-13- UF13199/00110392 451198-19094	2,370,302	3,105,201 13,349 19,542 196,384 108,963 (856) 13,538 9,820 159,694 26,663 106,063	5,475,503 13,349 19,542 196,384 108,963 (856) 13,538 9,820 234,279 26,663 106,063
<i>Pass-Through from Mountain Institute the</i> <i>Pass-Through from National Academy of Sciences</i> <i>Pass-Through from Regents of the University of California</i> <i>Pass-Through from Rice University</i> <i>Pass-Through from University of Florida</i> <i>Pass-Through from Virginia Polytechnic Institute and State University</i>			74,585 35,595	8,917 53,621 451,856 21,962 2,243 6,732	8,917 89,216 451,856 21,962 2,243 6,732
Total - CFDA 98.001			2,480,482	4,303,692	6,784,174
John Ogonowski Farmer-to-Farmer Program	98.009		92,867	179,860	272,727
USAID Development Partnerships for University Cooperation and Development <i>Pass-Through from National Academy of Sciences</i> <i>Pass-Through from Tetra Tech, Inc.</i> <i>Pass-Through from the University of Georgia</i>	98.012	PGA-2000003659 1078-TAMU-001 RC299-430/4942356		38,289 137,891 56,732	38,289 137,891 74,745
Total - CFDA 98.012			18,013	232,912	250,925
Total - U. S. Agency for International Development			2,591,362	4,827,256	7,418,618
Total Research and Development Cluster			130,360,543	1,427,261,176	1,557,621,719

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STUDENT FINANCIAL ASSISTANCE CLUSTER					
U.S. Department of Education					
Federal Supplemental Educational Opportunity Grants	84.007			16,360,433	16,360,433
Federal Work-Study Program	84.033			21,911,381	21,911,381
Federal Perkins Loan Program Federal Capital Contributions	84.038			22,053,265	22,053,265
Federal Pell Grant Program	84.063			873,714,017	873,714,017
Federal Direct Student Loans	84.268			3,061,461,990	3,061,461,990
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379			6,063,854	6,063,854
Postsecondary Education Scholarships for Veteran's	84.408			21,424	21,424
Total - U.S. Department of Education			<u>0</u>	<u>4,001,586,364</u>	<u>4,001,586,364</u>
U.S. Department of Health and Human Services					
Nurse Faculty Loan Program (NFLP)	93.264			205,580	205,580
ARRA - Nurse Faculty Loan Program (NFLP)				7,300	7,300
Total - CFDA 93.264			<u>0</u>	<u>212,880</u>	<u>212,880</u>
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342			2,078,847	2,078,847
Nursing Student Loans	93.364			455,403	455,403
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925			3,570,603	3,570,603
Total - U.S. Department of Health and Human Services			<u>0</u>	<u>6,317,733</u>	<u>6,317,733</u>
Total Student Financial Assistance Cluster			<u>0</u>	<u>4,007,904,097</u>	<u>4,007,904,097</u>
AGING CLUSTER					
U.S. Department of Health and Human Services					
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044		21,373,289	642,500	22,015,789
Special Programs for the Aging Title III, Part C Nutrition Services	93.045		30,128,049	1,245,080	31,373,129
Nutrition Services Incentive Program	93.053		8,989,595	1,081,501	10,071,096
Total - U.S. Department of Health and Human Services			<u>60,490,933</u>	<u>2,969,081</u>	<u>63,460,014</u>
Total Aging Cluster			<u>60,490,933</u>	<u>2,969,081</u>	<u>63,460,014</u>
CCDF CLUSTER					
U.S. Department of Health and Human Services					
Child Care and Development Block Grant	93.575		198,045,912	58,158,822	256,204,734

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CCDF CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		217,373,812		217,373,812
<i>Pass-Through from Upper Rio Grande Workforce Development Board</i>		1014CCMC000		6,439	6,439
<i>Pass-Through from Upper Rio Grande Workforce Development Board</i>		1015CCMC000		36,032	36,032
Total - CFDA 93.596			217,373,812	42,471	217,416,283
Total - U.S. Department of Health and Human Services			415,419,724	58,201,293	473,621,017
Total CCDF Cluster			415,419,724	58,201,293	473,621,017
CHILD NUTRITION CLUSTER					
U.S. Department of Agriculture					
School Breakfast Program	10.553		543,939,438	988,337	544,927,775
National School Lunch Program	10.555		1,585,757,348	1,947,145	1,587,704,493
Special Milk Program for Children	10.556		25,412		25,412
Summer Food Service Program for Children	10.559		42,114,624	937,689	43,052,313
Total - U.S. Department of Agriculture			2,171,836,822	3,873,171	2,175,709,993
Total Child Nutrition Cluster			2,171,836,822	3,873,171	2,175,709,993
CLEAN WATER STATE REVOLVING FUND CLUSTER					
Environmental Protection Agency					
Capitalization Grants for Clean Water State Revolving Funds	66.458		64,062,065	3,115,500	67,177,565
Total - CFDA 66.458			64,062,065	3,115,500	67,177,565
Total - Environmental Protection Agency			64,062,065	3,115,500	67,177,565
Total Clean Water State Revolving Fund Cluster			64,062,065	3,115,500	67,177,565
DISABILITY INSURANCE/SSI CLUSTER					
Social Security Administration					
Social Security Disability Insurance	96.001			129,154,044	129,154,044
Total - CFDA 96.001				0	129,154,044
Total - Social Security Administration				0	129,154,044
Total Disability Insurance/SSI Cluster				0	129,154,044

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DRINKING WATER STATE REVOLVING FUND CLUSTER					
Environmental Protection Agency					
Capitalization Grants for Drinking Water State Revolving Funds	66.468		73,851,999	12,505,720	86,357,719
Total - CFDA 66.468			73,851,999	12,505,720	86,357,719
Total - Environmental Protection Agency			73,851,999	12,505,720	86,357,719
Total Drinking Water State Revolving Fund Cluster			73,851,999	12,505,720	86,357,719
ECONOMIC DEVELOPMENT CLUSTER					
U.S. Department of Commerce					
Investments for Public Works and Economic Development Facilities	11.300			676,758	676,758
Economic Adjustment Assistance	11.307		208,309	2,854,691	3,063,000
Total - U.S. Department of Commerce			208,309	3,531,449	3,739,758
Total Economic Development Cluster			208,309	3,531,449	3,739,758
EMPLOYMENT SERVICE CLUSTER					
U.S. Department of Labor					
Employment Service/Wagner-Peyser Funded Activities <i>Pass-Through from Baytech</i>	17.207	108338	9,982,448	38,331,066	48,313,514
<i>Pass-Through from Baytech</i>		BAYTECH		4,101	4,101
Total - CFDA 17.207			9,982,448	119,174	119,174
Total - CFDA 17.207			9,982,448	38,454,341	48,436,789
Disabled Veterans' Outreach Program (DVOP)	17.801			8,448,043	8,448,043
Local Veterans' Employment Representative Program	17.804			5,119,546	5,119,546
Total - U.S. Department of Labor			9,982,448	52,021,930	62,004,378
Total Employment Service Cluster			9,982,448	52,021,930	62,004,378
FEDERAL TRANSIT CLUSTER					
U.S. Department of Transportation					
Federal Transit Capital Investment Grants	20.500		333,210		333,210
Bus and Bus Facilities Formula Program	20.526		3,917,183	288	3,917,471
Total - U.S. Department of Transportation			4,250,393	288	4,250,681
Total Federal Transit Cluster			4,250,393	288	4,250,681

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FISH AND WILDLIFE CLUSTER					
U.S. Department of the Interior					
Sport Fish Restoration Program	15.605		176,461	16,759,268	16,935,729
Wildlife Restoration and Basic Hunter Education	15.611		88,060	29,205,006	29,293,066
Total - U.S. Department of the Interior			<u>264,521</u>	<u>45,964,274</u>	<u>46,228,795</u>
Total Fish and Wildlife Cluster			<u>264,521</u>	<u>45,964,274</u>	<u>46,228,795</u>
FOOD DISTRIBUTION CLUSTER					
U.S. Department of Agriculture					
Commodity Supplemental Food Program	10.565		11,742,985	682	11,743,667
Emergency Food Assistance Program (Administrative Costs)	10.568		6,463,148	18,579	6,481,727
Emergency Food Assistance Program (Food Commodities)	10.569		36,608,878		36,608,878
Total - U.S. Department of Agriculture			<u>54,815,011</u>	<u>19,261</u>	<u>54,834,272</u>
Total Food Distribution Cluster			<u>54,815,011</u>	<u>19,261</u>	<u>54,834,272</u>
FOSTER GRANDPARENT/SENIOR COMPANION CLUSTER					
Corporation for National and Community Service					
Foster Grandparent Program	94.011			1,708,406	1,708,406
Total - CFDA 94.011				<u>0</u>	<u>1,708,406</u>
Total - Corporation for National and Community Service				<u>0</u>	<u>1,708,406</u>
Total Foster Grandparent/Senior Companion Cluster				<u>0</u>	<u>1,708,406</u>
HEALTH CENTERS CLUSTER					
U.S. Department of Health and Human Services					
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care Centers)	93.224			2,741,570	2,741,570
Total - CFDA 93.224				<u>0</u>	<u>2,741,570</u>
Total - U.S. Department of Health and Human Services				<u>0</u>	<u>2,741,570</u>
Total Health Centers Cluster				<u>0</u>	<u>2,741,570</u>

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HIGHWAY PLANNING AND CONSTRUCTION CLUSTER					
U.S. Department of Transportation					
Highway Planning and Construction	20.205		224,334,766	2,733,133,841	2,957,468,607
<i>Pass-Through from Houston Women in Highway Construction</i>		54-3DDIA0024		(8,432)	(8,432)
<i>Pass-Through from North Central Texas Council of Government</i>		S080033 476660-00060 6		26,886	26,886
<i>Pass-Through from Trinity Infrastructure, LLC</i>		6PE 7.21.9.6 000001		4,016	4,016
ARRA - Highway Planning and Construction			1,986,475	21,094,465	23,080,940
Total - CFDA 20.205			226,321,241	2,754,250,776	2,980,572,017
Recreational Trails Program	20.219		1,352,429	1,892,486	3,244,915
Total - U.S. Department of Transportation			227,673,670	2,756,143,262	2,983,816,932
Total Highway Planning and Construction Cluster			227,673,670	2,756,143,262	2,983,816,932
HIGHWAY SAFETY CLUSTER					
U.S. Department of Transportation					
State and Community Highway Safety	20.600		10,439,169	5,365,160	15,804,329
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601		922,321	699,027	1,621,348
Occupant Protection Incentive Grants	20.602			185	185
State Traffic Safety Information System Improvement Grants	20.610			832,655	832,655
National Priority Safety Programs	20.616		5,745,869	13,474,935	19,220,804
<i>Pass-Through from Texans Standing Tall</i>		TST201501		4,735	4,735
Total - CFDA 20.616			5,745,869	13,479,670	19,225,539
Total - U.S. Department of Transportation			17,107,359	20,376,697	37,484,056
Total Highway Safety Cluster			17,107,359	20,376,697	37,484,056
HOUSING VOUCHER CLUSTER					
U.S. Department of Housing and Urban Development					
Section 8 Housing Choice Vouchers	14.871			5,869,778	5,869,778
Total - CFDA 14.871				0	5,869,778
Total - U.S. Department of Housing and Urban Development				0	5,869,778
Total Housing Voucher Cluster				0	5,869,778
MEDICAID CLUSTER					
U.S. Department of Health and Human Services					
State Medicaid Fraud Control Units	93.775			14,331,101	14,331,101

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MEDICAID CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	93.777			40,580,147	40,580,147
Medical Assistance Program	93.778		31,613,843	21,327,398,016	21,359,011,859
Total - U.S. Department of Health and Human Services			31,613,843	21,382,309,264	21,413,923,107
Total Medicaid Cluster			31,613,843	21,382,309,264	21,413,923,107
SCHOOL IMPROVEMENT GRANTS CLUSTER					
U.S. Department of Education					
School Improvement Grants	84.377		13,453,906	2,620,827	16,074,733
ARRA - School Improvement Grants, Recovery Act	84.388		2,494,016		2,494,016
Total - U.S. Department of Education			15,947,922	2,620,827	18,568,749
Total School Improvement Grants Cluster			15,947,922	2,620,827	18,568,749
SNAP CLUSTER					
U.S. Department of Agriculture					
Supplemental Nutrition Assistance Program	10.551			5,256,010,928	5,256,010,928
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		17,622,920	178,336,689	195,959,609
Total - U.S. Department of Agriculture			17,622,920	5,434,347,617	5,451,970,537
Total SNAP Cluster			17,622,920	5,434,347,617	5,451,970,537
SPECIAL EDUCATION (IDEA) CLUSTER					
U.S. Department of Education					
Special Education Grants to States	84.027		944,425,036	43,144,325	987,569,361
<i>Pass-Through from Clear Creek Independent School District</i>		CCISD		28,120	28,120
<i>Pass-Through from Pasadena Independent School District</i>		PASADENA ISD		22,640	22,640
<i>Pass-Through from Pearland Independent School District</i>		PEARLAND ISD		28,120	28,120
<i>Pass-Through from Region 17 Education Service Center</i>		KACKLEY		115,647	115,647
Total - CFDA 84.027			944,425,036	43,338,852	987,763,888
Special Education Preschool Grants	84.173		21,994,722	49,802	22,044,524
Total - U.S. Department of Education			966,419,758	43,388,654	1,009,808,412
Total Special Education (IDEA) Cluster			966,419,758	43,388,654	1,009,808,412

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TANF CLUSTER					
U.S. Department of Health and Human Services					
Temporary Assistance for Needy Families	93.558		103,150,695	488,572,694	591,723,389
Total - CFDA 93.558			103,150,695	488,572,694	591,723,389
Total - U.S. Department of Health and Human Services			103,150,695	488,572,694	591,723,389
Total TANF Cluster			103,150,695	488,572,694	591,723,389
TRANSIT SERVICES PROGRAMS CLUSTER					
U.S. Department of Transportation					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		6,309,019	731,947	7,040,966
Job Access and Reverse Commute Program	20.516		6,842,337	77,131	6,919,468
New Freedom Program	20.521		1,914,313	61,407	1,975,720
Total - U.S. Department of Transportation			15,065,669	870,485	15,936,154
Total Transit Services Programs Cluster			15,065,669	870,485	15,936,154
TRIO CLUSTER					
U.S. Department of Education					
TRIO Student Support Services	84.042			4,415,060	4,415,060
TRIO Talent Search	84.044			5,199,917	5,199,917
TRIO Upward Bound	84.047			10,983,656	10,983,656
TRIO Educational Opportunity Centers	84.066			1,015,552	1,015,552
TRIO McNair Post-Baccalaureate Achievement	84.217			2,031,279	2,031,279
Total - U.S. Department of Education			0	23,645,464	23,645,464
Total TRIO Cluster			0	23,645,464	23,645,464
WIA CLUSTER					
U.S. Department of Labor					
WIA/WIOA Adult Program	17.258		51,140,086	3,468,556	54,608,642
WIA/WIOA Youth Activities	17.259		48,282,833	3,744,093	52,026,926
WIA/WIOA Dislocated Worker Formula Grants	17.278		59,274,133	1,882,838	61,156,971
Total - U.S. Department of Labor			158,697,052	9,095,487	167,792,539
Total WIA Cluster			158,697,052	9,095,487	167,792,539
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 8,437,111,070	42,606,363,012	51,043,474,082

STATE OF TEXAS

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2015

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

The State of Texas Schedule of Expenditures of Federal Awards (Schedule) includes the activity of all federal award programs administered by the primary government except for the federal activity of the Texas A&M Research Foundation (TAMRF), a blended component unit of the Texas A&M University System. TAMRF is excluded from the Schedule and is subject to a separate audit in compliance with OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

The Schedule does not include the federal activity of discrete component units. These entities are legally separate from the state and are responsible for undergoing separate audits as needed to comply with OMB Circular A-133. The federal activity of the following discrete component units is excluded from the Schedule:

OneStar National Service Commission Inc.
Texas Health Insurance Pool
Texas Boll Weevil Eradication Foundation Inc.
Texas State Affordable Housing Corporation
Teacher Retirement System of Texas

(b) Basis of Presentation

The Schedule presents total federal awards expended for each individual federal program during the fiscal year ended Aug. 31, 2015. The information in the Schedule is presented in accordance with the requirements of U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*.

Federal award program titles are reported as presented in the Catalog of Federal Domestic Assistance (CFDA). Federal award program titles not presented in the CFDA are identified by federal agency number followed by (.XXX). Federal award programs include expenditures, pass-throughs to non-state agencies (i.e., payments to subrecipients), non-monetary assistance and loan programs.

(c) Basis of Accounting

The expenditures for each of the federal financial assistance programs are presented in the Schedule on the accounting basis as presented on the fund financial statements. For entities with governmental funds, expenditures are presented on a modified accrual basis. For entities with proprietary or fiduciary funds, expenditures are presented on the accrual basis.

Both the modified accrual and accrual basis of accounting incorporate an estimation approach to determine the amount of expenditures incurred if not yet billed by a vendor. Thus, those federal programs presenting negative amounts on the Schedule are the result of prior year estimates being overstated and/or reimbursements due back to the grantor.

(d) Matching Costs

Matching costs, the nonfederal share of certain program costs, are not included in the Schedule, except for the state's share of unemployment insurance (See Note 4).

STATE OF TEXAS

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2015

(2) Relationship to Federal Financial Reports

The regulations and guidelines governing the preparation of federal financial reports vary by federal agency and among programs administered by the same agency. Accordingly, the amounts reported in the federal financial reports do not necessarily agree with the amounts reported in the accompanying Schedule which is prepared on the basis explained in Note 1(c).

(3) Relations to Revenues in the State of Texas' Fund Financial Statements

The following is a reconciliation of total federal awards expended as reported in the Schedule to federal revenues reported in the fund financial statements.

Federal Revenues

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds, Federal Revenue	\$ 41,869,118,868
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds, Federal Revenue	3,208,269,800
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds, Capital Contributions – Federal	5,307,617
Statement of Changes in Fiduciary Net Position	92,279,398
Total Federal Revenue per Fund Financial Statements	45,174,975,683
Reconciling Items	
Non-Cash Federal Commodities/Vaccines/Surplus Property/Other (Note 6)	616,932,141
Various Loans Processed by Universities and Agencies (Note 5)	3,085,253,727
State Unemployment Funds (Note 4)	2,475,784,380
Programs Not Subject to OMB A-133 Reporting Requirements (Note 8)	(194,041,787)
Other *	(26,373,445)
Blended Component Unit not included in the Schedule of Expenditures of Federal Awards (Note 1(a))	(89,056,617)
Expenditures per Schedule of Expenditures of Federal Awards	\$ 51,043,474,082

* This amount includes deductions of Smith Lever Foundation Appropriation of \$1,157,861; deductions of \$2,326,714 for fixed fee contracts; deductions of \$36,254,131 for vendor transactions; additions of \$11,592,324 for Credit Enhancement for Charter School Facilities; and, additions of \$1,772,805 for other transactions; and \$132 for rounding in the schedule.

STATE OF TEXAS

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2015

(4) Unemployment Insurance Funds

State unemployment tax revenues and the government and non-profit contributions in lieu of state taxes (State UI funds) must be deposited into the Unemployment Trust Fund in the U.S. Treasury. Use of these funds is restricted to pay benefits under the federally approved State Unemployment Law. State UI funds as well as federal funds are reported in the Schedule under CFDA 17.225. The state portion in the amount of \$2.5 billion is a reconciling item in the reconciliation of the Schedule to revenues in the fund financial statements (See Note 3).

(5) Federally Funded Loan/Credit Enhancement Programs

The state participates in various federally funded loan and credit enhancement programs. The programs can be grouped into three broad categories:

- Federally Funded Student Loan Programs
- Other Federally Funded Loan Programs
- Federally Funded Credit Enhancement Program

a) *Federally Funded Student Loan Programs*

The state participates in student loan programs on which the federal government imposes continuing compliance requirements. Additionally, the state participates in other student loan programs that do not require continuing compliance. The charts below summarize activity by the state for federally funded student loan programs:

Student Loan Programs with Continuing Compliance Requirements

CFDA Number	Program Name	Ending Balances as of August 31, 2014	Ending Balances of Prior Year's Loans as of August 31, 2015	New Loans Processed
84.038	Federal Perkins Loan Program (Perkins)	\$ 140,283,642	\$ 116,266,596	\$ 21,004,186
93.108	Health Education Assistance Loan Program (HEAL)	7,333,556	6,091,187	
93.264	Nursing Faculty Loan Program (NFLP)	1,677,267	1,937,887	212,880
93.342	Health Professions Student Loans (HPSL)	19,986,225	17,835,581	2,078,847
93.364	Nursing Student Loans	1,236,886	3,281,806	455,403
93.408	ARRA - Nursing Faculty Loan Program	169,820	184,149	40,421
		<u>\$ 170,687,396</u>	<u>\$ 145,597,206</u>	<u>\$ 23,791,737</u>

Other Student Loan Programs

CFDA Number	Program Name	New Loans Processed
84.268	Federal Direct Student Loans (Direct Loans)	\$ 3,061,461,990
		<u>\$ 3,061,461,990</u>

New student loans processed totaling \$3.1 billion are included in the Schedule and are part of a reconciling item on Note 3.

STATE OF TEXAS

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2015

The Federal Direct Student Loans Program (Direct Loans, CFDA 84.268) do not require universities to disburse funds. The proceeds are disbursed by the federal government for Direct Loans.

The Texas Higher Education Coordinating Board (THECB) participates in the Federal Family Education Loan Program (FFELP, CFDA 84.032L) as a servicer of the loans. During fiscal 2015 THECB received \$61.3 thousand in net interest subsidy payments that are included in the Schedule. As of Aug. 31, 2015, THECB services approximately \$35.3 million of FFELP loans. During fiscal 2015, zero new loans were processed by THECB under the FFELP.

b) Other Federally Funded Loan Programs

Clean Water State Revolving Funds (CWSRF, CFDA 66.458)

The Texas Water Development Board receives capitalization grants to create and maintain Clean Water State Revolving Funds programs (CWSRF, CFDA 66.458). The state can use capitalization grant funds to provide a long-term source of state financing for construction of wastewater treatment facilities and implementation of other water quality management activities.

The CWSRF provides loans at interest rates lower than what can be obtained through commercial markets. Mainstream funds offer a net long-term fixed interest rate of 1.55 percent below market rate for those applicants financing the origination fee. The maximum repayment period for most CWSRF loans is 30 years from completion of construction. Capitalization loans processed for CWSRF for the year ended Aug. 31, 2015, were approximately \$64.1 million and are included in the Schedule. CWSRF outstanding loans, with no continuing audit requirements, at Aug. 31, 2015, were approximately \$2.6 billion.

Drinking Water State Revolving Funds (DWSRF, CFDA 66.468)

The Texas Water Development Board receives capitalization grants to create and maintain Drinking Water State Revolving Funds programs (DWSRF, CFDA 66.468). The state can use capitalization grant funds to establish a revolving loan fund. The revolving loan fund can assist public water systems in financing the costs of infrastructure needed to achieve or maintain compliance with the Safe Drinking Water Act. These compliance requirements ensure the public health objectives of the Safe Drinking Water Act.

The DWSRF can provide loans at interest rates lower than the market or provide other types of financial assistance for qualified communities, local agencies and private entities. Mainstream funds offer a net long-term fixed interest rate of 1.25 percent below market rate for those applicants financing the origination fee. The maximum repayment period for most DWSRF loans is 20 years from the completion of construction. Capitalization loans processed for DWSRF for the year ended Aug. 31, 2015, were approximately \$73.9 million and are included in the Schedule. DWSRF outstanding loans, with no continuing audit requirements, at Aug. 31, 2015, were approximately \$855.4 million.

The chart below summarizes activity by the state for the two revolving loan programs.

CFDA Number	Program Name	New Loans Processed
66.458	Clean Water State Revolving Funds (CWSRF)	\$ 64,062,065
66.468	Drinking Water State Revolving Funds (DWSRF)	73,851,999
	Total New Loans Processed	\$ 137,914,064

STATE OF TEXAS

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2015

c) ***Federally Funded Credit Enhancement Program***

Credit Enhancement for Charter School Facilities (CFDA 84.354)

In 2005, the Texas Public Finance Authority Charter School Finance Corporation formed a consortium with the Texas Education Agency and the Texas Charter School Resource Center to apply for a federal grant to assist charter schools. In November 2006, the consortium received \$10.1 million in federal grants to establish the Texas Credit Enhancement Program (“TCEP”). The \$11.6 million of federal grants received are subject to continuing audit requirements and are included in the Schedule. In addition, approximately \$45.6 thousand of interest earned on the federal grant monies drawn down in fiscal 2015 is also included in the Schedule.

The TCEP provides credit enhancement to eligible charter schools by funding debt service reserve funds for bonds issued on behalf of the schools to finance education facilities. As of Aug. 31, 2015, \$6.2 million of the federal grant funds had been allocated to various charter schools.

(6) **Non-Monetary Assistance**

The state is the recipient of federal financial assistance programs that do not result in cash receipts or disbursements and are therefore not recorded in the state’s fund financial statements. Awards received by the state which includes cash and non-cash amounts are included in the Schedule as follows:

CFDA Number	Program Name	Grant Awards
10.555	National School Lunch Program	\$ 154,833,516
10.565	Commodity Supplemental Food Program	9,176,890
10.569	Emergency Food Assistance Program (Food Commodities)	36,608,878
39.003	Donation of Federal Surplus Personal Property	9,717,776
93.268	Immunization Cooperative Agreements	406,595,081
	Total Grant Awards	<u>\$ 616,932,141</u>

(7) **Rebates from the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)**

During fiscal 2015, the state received cash rebates from infant formula manufacturers in the amount of approximately \$214.2 million on sales of formula to participants in the WIC program (CFDA 10.557), which are netted against total expenditures included in the Schedule. Rebate contracts with infant formula manufacturers are authorized by Code of Federal Regulations, Title 7: Agriculture, Chapter II, Subchapter A, Part 246.16a as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food benefit costs. Applying the rebates received to such costs enabled the state to extend program benefits to more participants than could have been serviced this fiscal year in the absence of the rebate contract.

(8) **Programs Not Subject to OMB A-133 Reporting Requirements**

The fund financial statements include federal funding received from certain programs which are not subject to continuing compliance requirements. For the year ended Aug. 31, 2015, the fund financial statements include \$194.0 million of federal funds which are not subject to the continuing compliance requirements of OMB A-133, and are not included in the Schedule.

STATE OF TEXAS

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2015

Medicare Part D is not subject to OMB Circular A-133. Reimbursements of \$101.3 million were received related to the Medicare Part D program by the administrators of postemployment health care plans. Administrators include the Employees Retirement System of Texas, University of Texas System and Texas A&M University System.

The Build America Bonds are taxable municipal bonds that carry special tax credits and federal subsidies for either the bond issuer or the bondholder. The revenue generated is excluded from the Schedule. The state recognized federal revenues of \$92.7 million related to the program.

(9) Depository Libraries for Government Publications

Several state agencies and universities participate as depository libraries in the Government Printing Office's Depository Libraries for Government Publications program (CFDA 40.001). The state agencies and universities are the legal custodian of government publications, which remain the property of the federal government. The publications are not assigned value by the Government Printing Office.

Schedule of Findings and Questioned Costs

Federal Portion of
Statewide Single Audit Report

For the Year Ended August 31, 2015

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section 1:

Summary of Auditors' Results

Financial Statements

Issued under separate cover. See State Auditor's Office report entitled the *State of Texas Financial Portion of the Statewide Single Audit Report for the Year Ended August 31, 2015* dated February 22, 2016.

Federal Awards

- 1. Internal Control over major programs:
 - a. Material weakness (es) identified? Yes
 - b. Significant deficiency (ies) identified not considered to be material weaknesses? Yes

Major Programs with Material Weaknesses:

CFDA Number	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States
84.181	Special Education – Grants for Infants and Families
93.268	Immunization Cooperative Agreements
93.658	Foster Care – Title IV-E
93.667	Social Services Block Grant
93.767	Children's Health Insurance Program
93.917	HIV Care Formula Grants
93.959	Block Grants for Prevention and Treatment of Substance Abuse
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
97.067	Homeland Security Grant Program
Cluster	Aging
Cluster	Medicaid
Cluster	Special Education (IDEA)
Cluster	TANF

Major Programs with Significant Deficiencies:

CFDA Number	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.560	State Administrative Expenses for Child Nutrition
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
14.239	HOME Investment Partnerships Program
17.225	Unemployment Insurance
84.010	Title I Grants to Local Educational Agencies
84.032L	Federal Family Education Loans
84.048	Career and Technical Education – Basic Grants to States
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States
84.287	Twenty-First Century Community Learning Centers
84.365	English Language Acquisition State Grants
84.367	Improving Teacher Quality State Grants
93.268	Immunization Cooperative Agreements

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CFDA Number	Name of Federal Program or Cluster
93.767	Children’s Health Insurance Program
93.917	HIV Care Formula Grants
93.959	Block Grants for Prevention and Treatment of Substance Abuse
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
97.042	Emergency Management Performance Grants
97.067	Homeland Security Grant Program
Cluster	Aging
Cluster	Food Distribution
Cluster	Highway Planning and Construction
Cluster	Highway Safety
Cluster	Medicaid
Cluster	Research and Development (with ARRA)
Cluster	SNAP
Cluster	Special Education (IDEA)
Cluster	Student Financial Assistance
Cluster	TANF
Cluster	WIA

2. Type of auditors’ report issued on compliance for major programs? See below

Qualified

CFDA Number	Name of Federal Program or Cluster
14.228	Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii
93.917	HIV Care Formula Grants
Cluster	Medicaid
Cluster	TANF

Unmodified:

CFDA Number	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.560	State Administrative Expenses for Child Nutrition
14.239	HOME Investment Partnerships Program
17.225	Unemployment Insurance
84.002	Adult Education - Basic Grants to States
84.010	Title I Grants to Local Educational Agencies
84.032L	Federal Family Education Loans
84.048	Career and Technical Education – Basic Grants to States
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States
84.181	Special Education – Grants for Infants and Families
84.287	Twenty-First Century Community Learning Centers
84.365	English Language Acquisition State Grants
84.367	Improving Teacher Quality State Grants
93.268	Immunization Cooperative Agreements
93.658	Foster Care Title IV-E
93.667	Social Services Block Grant

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CFDA Number	Name of Federal Program or Cluster
93.767	Children’s Health Insurance Program
93.959	Block Grants for Prevention and Treatment of Substance Abuse
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
97.042	Emergency Management Performance Grants
97.067	Homeland Security Grant Program
Cluster	Aging
Cluster	Food Distribution
Cluster	Highway Planning and Construction
Cluster	Highway Safety
Cluster	Research and Development (with ARRA)
Cluster	SNAP
Cluster	Special Education (IDEA)
Cluster	Student Financial Assistance
Cluster	WIA

3. Any audit findings disclosed that are required to be reported in accordance with *OMB Circular A-133*, Section 510(a)? Yes
4. Dollar threshold used to distinguish between Type A and Type B programs: \$76,877,448
5. Auditee qualified as low-risk auditee? No
6. Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.560	State Administrative Expenses for Child Nutrition
14.228	Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii
14.239	HOME Investment Partnerships Program
17.225	Unemployment Insurance
84.002	Adult Education - Basic Grants to States
84.010	Title I Grants to Local Educational Agencies
84.032L	Federal Family Education Loans
84.048	Career and Technical Education – Basic Grants to States
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84.367	Improving Teacher Quality State Grants
93.268	Immunization Cooperative Agreements
93.658	Foster Care Title IV-E
93.667	Social Services Block Grant
93.767	Children’s Health Insurance Program
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93.959	Block Grants for Prevention and Treatment of Substance Abuse
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
97.042	Emergency Management Performance Grants
97.067	Homeland Security Grant Program
Cluster	Aging

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CFDA Number	Name of Federal Program or Cluster
Cluster	Food Distribution
Cluster	Highway Planning and Construction
Cluster	Highway Safety
Cluster	Medicaid
Cluster	Research and Development (with ARRA)
Cluster	SNAP
Cluster	Special Education (IDEA)
Cluster	Student Financial Assistance
Cluster	TANF
Cluster	WIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section 2:

Financial Statement Findings

Issued under separate cover. See State Auditor's Office report entitled the *State of Texas Financial Portion of the Statewide Single Audit Report for the Year Ended August 31, 2015* dated February 22, 2016.

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Section 3a:

Federal Award Findings and Questioned Costs – KPMG

This section identifies significant deficiencies, material weaknesses, and instances of non-compliance, including questioned costs, as required to be reported by *Office of Management and Budget Circular A-133*, Section .510(a). This section is organized by state agency.

Department of Aging and Disability Services
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Reference No. 2015-001

Matching, Level of Effort, Earmarking Reporting

Aging Cluster

Award year – October 1, 2013 to September 30, 2014

Award number – 14AATXT3SS

Type of finding – Significant Deficiency and Non-Compliance

Per the OMB A-133 Circular, Subpart C, Section 300(A), the auditee shall prepare financial statements that reflect its financial position, results of operations or changes in net assets, and, where appropriate, cash flows for the fiscal year audited. The financial statements shall be for the same organizational unit and fiscal year that is chosen to meet the requirements of this part. However, organization-wide financial statements may also include departments, agencies, and other organizational units that have separate audits in accordance with §__.500(a) and prepare separate financial statements. The Department of Aging and Disability Services (DADS) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)).

Questioned Cost:	\$0
U.S. Department of Health and Human Services	

For one of eight SF-425 reports sampled, the report reviewer did not identify that internal check figures located within the preparatory supporting documentation indicated a variance. This occurred on the September 30, 2014 SF-425 report for the Title III – 14AATXT3SS grant. The result is an understatement of \$488,870 for the total recipient share of expenditures. Per review of the March 31, 2015 SF-425 report, the \$488,870 was corrected as the report is cumulative in nature. Therefore there are no questioned costs. In addition the review of the SF-425 report and the supporting documentation is utilized as a control to monitor matching, maintenance of effort, and earmarking requirements. No questioned costs were noted for matching, maintenance of effort, and earmarking procedures performed.

Recommendation:

The Department of Aging and Disability Services should enhance their respective policies and procedures over review controls to ensure that review is being conducted at the appropriate level of precision to identify preparation errors.

Views of Responsible Officials and Corrective Action Plan:

The Department of Aging and Disability Services will enhance the respective policies and procedures over review controls to ensure future reviews are conducted at the appropriate level of precision to identify preparation errors.

Implementation Date: April 30, 2016

Responsible Person: Blanche Callaway

Reference No. 2015-002

Special Tests and Provisions – Provider Eligibility

Medicaid Cluster

Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2014

Award numbers – 1505TX5MAP, 1505TX5ADM, 1405TX5MAP, and 1405TX5ADM

Type of finding – Significant Deficiency

Per 42 CFR Section 431.107, in order to receive Medicaid payments, providers of medical services must be licensed in accordance with federal, state, and local laws and regulations to participate in the Medicaid program. Per 42 CFR Section 455.106(a), before the Medicaid agency enters into or renews a provider agreement, the provider must disclose to the Medicaid agency the identity of any person who: (1) has ownership or control interest in the provider, or is an agent or managing employee of the provider, and (2) has been convicted of a criminal offense related to that person’s involvement in any program under Medicare, Medicaid, or the Title XX services program since the inception of those programs. Additionally, per 42 CFR Section 455.103, a State plan must provide that the requirements of 455.106 are met. Per review of the State plan, a search should be conducted to ensure that the provider is not included on the Medicaid exclusion list. The Department of Aging and Disability Services (DADS) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)).

Questioned Cost:	\$0
U.S. Department of Health and Human Services	

DADS Regulatory Services Division, Licensing and Credentialing Section is responsible for ensuring current licensure information is obtained and maintained on file. Procedures are in place to send out reminders and gather information from all licensees prior to license expiration. While there are policies and procedures in place related to licensing requirements, DADS does not have a formal control in place to ensure that licensing files are complete and contain all necessary information for licensure. An informal quality control process is in place where various managers perform reviews of files but this process is not documented and is not consistently applied. No compliance exceptions noted.

Recommendation:

DADS should formalize its controls over the completeness and accuracy of licensing files to include formal management review at a minimum on a sample basis. These controls should be robust enough to ensure that the licensing files contain the necessary information to ensure that all documentation required to be provided by licensees is included in the licensing files.

Views of Responsible Officials and Corrective Action Plan:

Management generally concurs with these findings. DADS Licensing and Credentialing will develop a formal audit program and corresponding policy to ensure the completeness and accuracy of licensing files to include management review on a random sample basis. These audits will be performed quarterly.

Implementation Date: April 1, 2016

Responsible Persons: Bobby D. Schmidt and Annie Aguirre

Department of Agriculture

Reference No. 2015-003

Allowable Costs/Cost Principles

Cash Management

Period of Availability of Federal Funds

Procurement and Suspension and Debarment

Subrecipient Monitoring

CFDA 10.560 State Administrative Expenses for Child Nutrition

Award year – October 1, 2014 to September 30, 2016

Award number – 6TX300312

Type of finding – Significant Deficiency and Non-Compliance

The Texas Department of Agriculture (TDA) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)). TDA utilizes Contracts, Awards Management, and Procurement System (CAMPS) for procurement of vendors and approval of the associated payments on the resulting contracts including subrecipients. TDA utilizes Personnel, Accounting, Timekeeping, Human Resource System (PATHS) to process time and effort reporting required under OMB A-87 section H – Support of Salaries and Wages. TDA does not have formalized program change management controls and is not consistently enforcing the TDA policy around software configuration management for the CAMPS and PATHS applications. During fiscal year 2015, change management procedures (i.e., new modules, programs fixes, updates and changes) were executed and changes implemented without formally documenting the testing and approval procedures performed. An application update was applied to CAMPS in June 2015, for which a verbal approval was received; however, there was no formal documentation provided. In addition, two changes sampled for the PATHS application lacked the proper approval required prior to migration to production. The change management process should include formal requests for change, user acceptance testing, and approval for deployment to production. Without a change management policy that enforces proper segregation of duties and requires documentation of approval and testing steps, the risk of unauthorized changes to systems is increased.

Questioned Cost:	\$80,000
U.S. Department of Agriculture	

For the PATHS application, two TDA developers have inappropriate administrative access to the production environment. One developer has administrative access to both the application and the database. The other developer has administrative access to the database. In addition, during fiscal year 2015, developers were responsible for migrating program changes to the production environment. Access to migrate changes to the production environment should be restricted appropriately and based on job function to help ensure adequate internal controls are in place and appropriate segregation of duties exist. Developers with access to migrate changes to production systems increases the risk of unauthorized changes to applications and data. In general, developers should not have access to migrate changes to the production environment and should not have access privileges above read-only in the application.

In fiscal year 2015, eight terminated users had access to the CAMPS application after termination. Further, three of those IDs had last logon dates which occurred after termination. An effective mechanism should be in place to ensure that access is appropriately revoked when an employee is terminated. Without an effective termination control, the risk of unauthorized access to programs and data is increased.

Currently, PATHS and CAMPS password policies are not set in accordance to policy for the production applications, databases, and servers. Appropriate password policies should be established and setup on the network and key applications. The inconsistent application of password policies across all systems introduces the risk of unauthorized access to programs and data.

TDA performs a semi-annual review of the CAMPS application users to review access and identify terminated users. However, the review does not formally document the specific changes identified as a result of the review. While a review of PATHS application users is currently conducted on a semi-annual basis, there is not a formal review that takes into consideration appropriateness of access. The review only addresses whether terminated users have access to the application. A periodic review of active users and user access rights to identify and remove inappropriate access

should be performed. An ineffectively designed review introduces the risk of unauthorized access to programs and data.

No questioned costs were noted with regard to allowable costs/cost principles, cash management, and period of performance.

Procurement

The open market solicitation procedure is authorized by Texas Government Code §§2155.062(a)(3) and 2156.061. For procurements of commodities or services greater than \$5,000 but less than \$25,000, follow the procedures below:

- Access the Centralized Master Bidders List (CMBL) and attempt to locate at least three vendors that provide the required good or service, two of which must be Historically Underutilized Business (HUB) vendors. If unable to locate at least two HUB vendors using the CMBL, note this in the procurement file.
- Tabulate the bids and select the vendors who provide the best value to the state. Keep a record of all responses.

Additionally, under the Texas Government Code, Chapter 2155, subchapter A General provisions, Section 2155.005(a), a bidder offering to sell goods or services to the state shall certify on each bid submitted that neither the bidder, nor the person represented by the bidder nor any person acting for the represented person has:

1. Violated the antitrust laws codified by Chapter 15, Business & Commerce Code, or the federal antitrust laws; or
2. Directly or indirectly communicated the bid to a competitor or other person engaged in the same line of business.

Further, the State of Texas Procurement Manual on the Texas Comptroller of Public Accounts procurement website in Section 2.15, notes that sole source procurements are defined as a product or service only available for purchase through the specific identified vendor. These vendors are usually the manufacturer. The procurement file should include a justification as a “Memorandum to File”, signed by the Agency Head or designee as provided in the Procurement Plan, to support the sole source decision.

Audit procedures involved a review of 20 of approximately 100 procurement files for fiscal year 2015. Approximately \$6.3 million of vendor type expenses were incurred in fiscal year 2015. From those 20 files, the following three items were noted:

- In one instance, TDA signed the vendor contract, instead of the standard TDA contract, resulting in the anti-trust clause being excluded from the signed agreement. Further, there was no certification from the vendor stating that they are in compliance with anti-trust laws. Approximately \$11,500 was paid to this vendor during fiscal year 2015.
- In the second instance, the contract with the vendor was originally for one year and below \$5,000. When the vendor’s contract was extended, TDA failed to consider that the extension would result in the procured amount being greater than \$5,000; thus TDA did not appropriately obtain additional bids or document a sole source justification when the procured amount exceeded \$5,000. In addition, when the contract was extended it did not include the anti-trust clause standard to TDA contracts over \$5,000. Approximately \$9,500 was paid to this vendor during fiscal year 2015.
- For the third instance, a current sole source justification was not documented, rather the documentation from the prior year was rolled forward. Approximately \$59,000 was paid to this vendor during fiscal year 2015.

TDA has a review control to verify that all required elements of procurement have been completed prior to authorizing the purchase order. However, the exceptions noted above are currently not considered in the review process.

Recommendation:

When granting developer access to the production environment, the access request should be documented and approved, and the access should be temporary and monitored. In addition, TDA should implement the current software configuration management policy for all updates and changes made to the CAMPS and PATHS applications to ensure changes are authorized, tested, and approved prior to implementing the change to production. Also, developers should

not have the capability to deploy changes to the production environment. This task should be completed by an unrelated party to the request change, such as a systems administrator.

Regarding logical access issues, TDA should consistently enforce the password policy at all layers of the CAMPS and PATHS systems. Regarding terminated users with CAMPS application access, TDA should immediately remove a user's access upon termination. In addition, user reviews should be conducted periodically for the PATHS and CAMPS applications and go beyond addressing terminated users in order to ensure user's access is appropriate and segregation of duties is enforced for the application, database and operating system layers. The reviews should include formal documentation of the appropriateness of access along with detailed change requests, if applicable.

TDA should enhance the existing procurement review control to be more precise with regard to contract extensions, sole sources, and use of non-TDA contracts.

Views of Responsible Officials and Corrective Action Plan:

Information Technology

TDA agrees that the access and change processes need better documentation of appropriate authorization. Regarding removal of access to the purchasing system, CAMPS has proprietary programming limitations. CAMPS was purchased in 2012, and was already in place when this administration took office. While not optimal, TDA has developed alternative measures to address the system's limitations, including but not limited to deleting access at the network level.

TDA is in the process of implementing the following: 1) Updating procedures to ensure formalized change management and user access controls are in place; 2) Establishing network groups that limit developer access to the production environments; and 3) Review CAMPS/PATHS password and user access policies for necessary updates.

Implementation Date: February 1, 2016

Responsible Person: Butch Grote

Procurement

TDA agrees that the procurement review control can be improved. In 2015 TDA's Purchasing staff began updating templates to reduce the risk that a required contract clause is inadvertently missed. TDA has been updating purchasing policies and procedures, and had already drafted checklists for essential contract clauses and file contents.

Regarding completing a second purchase with the same vendor when the second purchase causes the aggregate value of both purchases to exceed the spot bid amount, Purchasing does have a review process that looks at all of the circumstances at the time of the second purchase (or in this case extension). At the time of the first purchase, programs have not always projected the full extent of their need in a particular fiscal year. A second purchase from the same vendor will not always trigger competition, but it does trigger review. For example, in this situation purchasing staff denied the program's request to renew the 2015 training contract for 2016, and required a competitive process based on amount spent in 2015. TDA agrees with the importance of reviewing small value purchases in aggregate, and is in the process of developing additional tools for procurement planning and strategy in the program areas.

Implementation Date: April 30, 2016

Responsible Person: April Bacon

Reference No. 2015-004

Allowable Costs/Cost Principles

CFDA 10.560 State Administrative Expenses for Child Nutrition

Award year – October 1, 2014 to September 30, 2016

Award number – 6TX300312

Type of finding – Significant Deficiency and Non-Compliance

Texas Department of Agriculture (TDA) currently utilizes an indirect cost rate proposal to recapture allowable federal reimbursements. TDA outsources the preparation of the proposal to a third party vendor. TDA expended approximately \$4.7 million of indirect costs of the approximately \$27 million State Administrative Expenses in 2015. TDA’s indirect cost rate proposal for fiscal year 2015 was based on actual expenses incurred during fiscal year 2013.

Questioned Cost:	\$0
U.S. Department of Agriculture	

The indirect cost rate proposal (ICRP) provides the documentation prepared by a State/local department or agency, to substantiate its request for the establishment of an indirect cost rate. The indirect costs include: (1) costs originating in the department or agency carrying out Federal awards, and (2) costs of central governmental services distributed through the State/local-wide central service CAP that are not otherwise treated as direct costs. The ICRPs are based on the most current financial data and are used to either establish predetermined, fixed, or provisional indirect cost rates or to finalize provisional rates (for rate definitions refer to A-87, Attachment E, paragraph B). TDA shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)).

During audit procedures, TDA was unable to provide reconciliations of the detail populations behind certain numbers provided to the vendor and used by the vendor to develop in the indirect cost plan. With the assistance of the vendor, TDA determined that the summary information in the indirect cost plan did not agree with the supporting data TDA had supplied to the vendor. Upon revision, the indirect cost rate did not significantly change. TDA did not have a review control at the correct precision level to verify that the vendor’s summary schedules did not agreed to this supporting documentation. Also, audit procedures involved a review of 40 samples of the underlying costs for actual expenses incurred during fiscal year 2013 as this was used for the indirect cost rate proposal for fiscal year 2015. From those 40 samples, one non-payroll sample could not be appropriately supported by an invoice. No questioned costs, as the missing invoice is from the general revenue pool of indirect cost expenses and was not drawn from the Federal government.

Recommendation:

TDA should revise their policies for the review of the indirect cost plan to ensure correct precision. Supporting documentation should also be maintained.

Views of Responsible Officials and Corrective Action Plan:

The current cost plan was developed under the prior administration. TDA agrees with the recommendation by KPMG. TDA will revise its procedures on Indirect Cost Rate Plan (ICRP) proposal data verification to provide a more comprehensive review of the ICRP documentation prepared by the vendor to ensure the vendor’s documents tie to the detailed data provided by TDA to the vendor. TDA will strengthen its procedures regarding proper retention of the supporting documents. TDA will take this finding into consideration for any future cost plan analyses.

Implementation Date: *April 30, 2016*

Responsible Persons: *Rebecca Sanchez and Jerry Icaro*

Reference No. 2015-005

Subrecipient Monitoring

Food Distribution Cluster

Award year – October 1, 2014 to September 30, 2015

Award numbers – 6TX430816 and 6TX810877

Type of finding – Significant Deficiency and Non-Compliance

The Texas Department of Agriculture (TDA) passed through approximately 99% of the Food Distribution Cluster funding to subrecipients, approximately \$55 million in fiscal year 2015. Included in the Food Distribution Cluster are the Commodity Supplemental Food Program (CSFP) and the Emergency Food Assistance Program (TEFAP). TDA is required by OMB Circular A-133, Section .400, to monitor subrecipients to ensure compliance with Federal rules and regulations, as well as the provisions of the contracts or grant agreements. This monitoring includes, but is not limited to: determining subrecipient eligibility, Data Universal Numbering System (DUNS) number identification, award identification, during-the-award monitoring, and close-out and sanctions activities. According to OMB Circular A-133, TDA must assure that subrecipients expending Federal funds in excess of \$500,000 have an OMB Circular A-133 Single Audit performed and provide a copy of the auditor’s report to TDA within nine months of the subrecipient’s fiscal year end. TDA is to review the report and issue a management decision within six months, if applicable.

Questioned Cost:	\$0
U.S. Department of Agriculture	

In both CSFP and TEFAP, a State agency must conduct oversight, including on-site reviews, of the recipient agencies to obtain reasonable assurance that they are operating the program(s) in compliance with program requirements (7 CFR sections 247.34 and 251.10(e)). For CSFP, a State agency must perform on-site reviews of all local agencies with which it has agreements, and of all storage facilities utilized by those local agencies, at least once every 2 years (7 CFR section 247.34). For TEFAP, at a minimum, the State agency’s annual review coverage must include 25 percent of the Eligible Recipient Agencies (ERAs) that operate TEFAP as a subrecipient of the State agency and one-tenth or 20 (whichever is less) of the ERAs that operate TEFAP as subrecipients of other ERAs in the State. Review scheduling must enable State agency staff to observe regulatory identified activities, such as the distribution of U.S. Department of Agriculture (USDA) foods to households, meal service, and eligibility determinations (7 CFR section 251.10(e)). TDA shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)).

TDA currently utilizes standard contracts for services which include the required federal communications and has a process in place to collect and review A-133 reports. TDA also has a monitoring process which complies with the above requirement for frequency.

There are a total of 16 TEFAP subrecipients or Eligible Recipient Agencies (ERAs) at TDA, of which six are also CSFP. Audit procedures involved a review of 11 subrecipients (six TEFAP and five CSFP) of 16 subrecipients’ files for fiscal year 2015. From those 11 files, the following items were noted:

- The audit program guides (APG) are not detailed enough to address minimum sample sizes for eligible program participants and allowable costs (invoices and payroll). In addition the APGs procedures are not detailed enough for reviewers to consistently look for the same attributes for either eligibility or allowability.
- Per discussion with TDAs Coordinator for Commodity Operations, the actual sample size practice is often less than five items being reviewed for either eligibility or allowability.
- Additionally, the documentation in the monitoring files is lacking sufficient detail of the eligibility and allowability compliance requirements that were tested.

The work performed above is not sufficient for TDA to reach a reasonable conclusion regarding allowable costs, earmarking and eligibility.

Recommendation:

TDA should enhance the APG utilized for 2016 and future years to be more robust to address sample size rationale and enhanced documentation of the criteria utilized to determine eligibility and allowability of activities. In addition, the APG should be modified to include open ended questions about procedures performed while on-site instead of yes/no questions.

Views of Responsible Officials and Corrective Action Plan:

TDA understands and agrees that audit program guides must be sufficient in detail to assess and verify the compliance of contracting entities participating in CSFP and TEFAP. Although actions were taken to strengthen the TEFAP processes and documents, CSFP had not been revised. TDA will implement the following corrective actions for both CSFP and TEFAP:

Food and Nutrition will work with Internal Audit to develop a risk-based approach using best audit practices and federal criteria to define and document that the sample for each TEFAP and CSFP compliance review sufficiently meets federal regulations and evaluation criteria.

This will also ensure CSFP and TEFAP compliance review procedures are revised to include appropriate detail to verify and validate program participant eligibility, and ensure contracting entity compliance with federal regulations regarding costs and allowable expenses. In addition, written procedures will be developed to ensure sample sizes are sufficient to determine the accuracy of eligibility as well as allowable costs. These procedures will ensure each sample selected for review is consistently and thoroughly reviewed. Processes and templates will be developed to ensure thorough and complete documentation of all audit actions on a consistent basis.

Implementation Date: June 1, 2016

Responsible Person: Matt McElhane

Department of Assistive and Rehabilitative Services

Reference No. 2015-006

Eligibility

Special Tests and Provisions – Completion of IPEs

(Prior Audit Issues – 2014-003)

CFDA 84.126 – Rehabilitation Services–Vocational Rehabilitation Grants to States

Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2014

Award numbers – H126A150064, H126A150065, H126A140064, and H126A140065

Type of finding – Significant Deficiency and Non-Compliance

Eligibility

An individual is eligible for Vocational Rehabilitation (VR) services if the individual (a) has a physical or mental impairment that, for the individual, constitutes or results in a substantial impediment to employment; (b) can benefit in terms of an employment outcome from VR services; and (c) requires VR services to prepare for, secure, retain, or regain employment (Section 102(a)(1) of the Act (29 USC 722(a)(1))).

Questioned Cost:	\$0
U.S. Department of Education	

The State VR Agency must determine whether an individual is eligible for VR services within a reasonable period of time, not to exceed 60 days, after the individual has submitted an application for the services unless (Section 102(a)(6) of the Act (29 USC 722(a)(6)):

- a. Exceptional and unforeseen circumstances beyond the control of the State VR agency preclude making an eligibility determination within 60 days and the State agency and the individual agree to a specific extension of time; or
- b. The State VR Agency is exploring an individual’s abilities, capabilities, and capacity to perform in work situations through trial work experiences in order to determine the eligibility of the individual or the existence of clear and convincing evidence that the individual is incapable of benefiting in terms of an employment outcome from VR services.

At the Department of Assistive and Rehabilitative Services (DARS), a Comprehensive Assessment is performed in order to determine whether an individual requires VR services to prepare for, secure, retain, or regain employment. The determination of whether an individual can benefit from an employment outcome is determined by the VR counselor and is built into an Individualized Plan for Employment (IPE) subsequent to the Comprehensive Assessment. During fiscal year 2015, DARS had a process in place to randomly select Division for Rehabilitation Services (DRS) and Division for Blind Services (DBS) files for an independent review of the eligibility decision. DARS elected to expand this independent review process into more of a quality assurance validation by developing risk assessments for file selection procedures and standardizing between the two divisions the attributes reviewed. For example the 60 day eligibility provision and the 90 day IPE provision are included in the revised quality assurance process. In addition DARS has “trigger reports” run weekly to monitor the 60 and 90 day provisions during fiscal year 2015; however, the reports were not effectively monitored.

There are two divisions that receive federal awards for VR services: (1) DRS and (2) DBS. For each division, we sampled a total of 40 cases and noted the following exceptions. All individuals were determined to be eligible for services so there are no questioned costs.

DRS:

- For one of 40 files sampled, eligibility for the individual was determined after 60 days from the date the application was submitted for the services. There was no documentation in the case file indicating why an extension was not requested.
- For two of 40 files sampled, documentation of the required on-going assessment was not in the files for cases exceeding five years in the program.

DBS:

- For four of 40 files sampled, eligibility for the individual was determined after 60 days from the date the application was submitted for the services. There was no documentation in the case file indicating why an extension was not requested.
- For four of 40 files sampled, documentation of the required on-going assessment was not in the files for cases exceeding five years in the program.

Completion of IPEs

When an IPE is required for the provision of VR services under Section 103 (a) of the Act, it must be done as soon as possible, but not later than 90 days after the date of the determination of eligibility by the State VR agency, unless the State VR agency, and the eligible individual agree to an extension of that deadline to a specific date by which the IPE must be completed (Section 102(b)(3)(F) of the Act (29 USC 722(b)(3)(F))).

For each division, we sampled a total of 40 cases and noted the following exceptions. All individuals were determined to be eligible for services, so there are no questioned costs.

DRS:

- For three of 40 files sampled, IPE's were not filed within 90 days and specific documentation regarding the reason for the extension was not included.

DBS:

- For nine of 40 files sampled, IPE's were not filed within 90 days and specific documentation regarding the reason for the extension was not included.

Recommendation:

DRS and DBS should continue to finalize the quality assurance verification process to include the use of a risk assessment for selecting files to review and standardized review criteria. In addition, procedures should be put in place to utilize the 60 and 90 day trigger reports to monitor compliance with the respective provisions.

Views of Responsible Officials and Corrective Action Plan:

DRS and DBS agree with the recommendations. In March 2015, DRS and DBS released DBS/DRS Joint Guidance Memorandum 15-05 that notified staff of corrective actions, including trigger reports, to help staff manage compliance with the 60-day eligibility requirement. In November 2015, DRS and DBS released DBS/DRS Joint Guidance Memorandum 16-01 that notified staff of policies and expectations related to the timely development of an IPE as required by the Workforce Innovation and Opportunity Act, including tools for monitoring and ensuring compliance and an example of documentation required for an acceptable extension of time for completion of an IPE. DBS and DRS management have made it a priority for staff to address cases that are out of compliance. Both divisions will continue to enhance quality assurance verification and risk assessment processes in accordance with KPMG recommendations.

Implementation Date: March 1, 2016

Responsible Persons: Carline Geiger and David Norman for DRS; Dawn Rehbein for DBS

Reference No. 2015-007

Reporting

CFDA 84.126 – Rehabilitation Services–Vocational Rehabilitation Grants to States

Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2014

Award numbers – H126A150064, H126A150065, H126A140064, and H126A140065

Type of finding – Significant Deficiency and Non-Compliance

Per the OMB A-133 Circular, Subpart C, Section 300(A), the auditee shall prepare financial statements that reflect its financial position, results of operations or changes in net assets, and, where appropriate, cash flows for the fiscal year audited. The financial statements shall be for the same organizational unit and fiscal year that is chosen to meet the requirements of this part. However, organization-wide financial statements may also include departments, agencies, and other organizational units that have separate audits in accordance with §__.500(a) and prepare separate financial statements. The Department of Assistive and Rehabilitative Services (DARS) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)).

Questioned Cost:	\$0
U.S. Department of Education	

For one of three SF-425 reports tested, the report reviewer did not identify that September 2014 subrogation receipts of \$30,289 were inappropriately included in the March 31, 2015 SF-425 report (i.e. overstating the March report). The review was not at the appropriate level of precision to identify the discrepancy. Per review of the September 30, 2015 SF-425 report, the \$30,289 was corrected as the report in cumulative in nature. Therefore there are no questioned costs.

Recommendation:

The Department of Assistive and Rehabilitative Services (DARS) should enhance their respective policies and procedures over review controls to ensure that review is being conducted at the appropriate level of precision to identify preparation errors.

Views of Responsible Officials and Corrective Action Plan:

During KPMG’s audit of CFDA 84.126 – Rehabilitation Service – Vocational Rehabilitation Grants, DARS staff was made aware of program income, in particularly \$30,289 of subrogation receipts for September 2014, which was inappropriately reported in the 2015 Semi-Annual SF-425 rather than the 2014 Semi-Annual SF-425 for the period ending March 31, 2015 for the Division for Rehabilitation Services (DRS) program. This oversight resulted in the FY15 March 31, 2015 SF-425 being overstated and consequently understating the FY14 March 31, 2015 SF-425. The over/under statement was addressed on the next SF-425 report for the period ending September 30, 2015.

To address future reports, accounting staff has enhanced its policies and procedures in the review controls. First, an additional checklist item has been added to the review checklist used when reviewing future SF-425 reports. The checklist list now requires the reviewer to verify if any subrogation receipts were received in September and to verify that the receipts have been properly recorded to the correct fiscal year. Secondly, the Work Program Procedures have been revised to include the procedures required to verify applicable program income. A query is now required to be run for program income. The query includes SSAVR and subrogation receipts and assists preparers to determine what adjustments are required, if any, for any September receipts for the Basic Support – DRS grants. With these enhanced review controls in place and additional training of staff, the risk of recording the receipts in inappropriate periods should be eliminated.

Implementation Date: *January 2016*

Responsible Person: *LeeRoy Lopez*

Department of Family and Protective Services

Reference No. 2015-008

Eligibility

TANF Cluster

Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2014

Award numbers – 1502TXTANF, 1502TXTAN3, 1402TXTANF3, and 1402TXTANF

Type of finding – Significant Deficiency

Per the TANF State Plan, the Texas Department of Family and Protective Services (DFPS) provides any service for which the State previously was authorized to use IV-A or IV-F funds under prior law, as in effect on September 30, 1995, as clarified by the State's 1997 plan amendment. This includes the TANF Emergency Assistance (EA) program. DFPS shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)). Per the Texas Administrative Code, Title 40, Part 19, Chapter 700, Subchapter Z, Rule §700.2703,

Questioned Cost:	\$0
U.S. Department of Health and Human Services	

- (a) The Department of Family and Protective Services (DFPS) or its authorized designee determines eligibility of a child and/or his family for Title IV-A Emergency Services if all of the following criteria are met:
- (1) An emergency exists, as defined in subsection (b) of this section.
 - (2) The family applies for care and services available in emergency situations, or DFPS or its authorized designee applies on behalf of a child whose parents are unavailable or unwilling to apply.
 - (3) The child has lived with a relative at some time within the six-month period prior to application.
 - (4) The emergency arose for a reason other than an adult family member's refusal to accept employment without good cause.
 - (5) The applicant, child, or family declares annual income of less than \$63,000.
- (b) An emergency exists when DFPS:
- (1) Determines that a child is at risk; or
 - (2) Has removed a child from the child's home and placed the child in its care; or
 - (3) Determines that a child formerly in its care is at risk of being returned to that care.

There are no automated controls in DFPS's eligibility system, Information Management Protecting Adults and Children in Texas (IMPACT). Also there are no formalized manual controls regarding the required documentation to be gathered or procedures to be performed by the case worker to support income being used in the eligibility determination. The process of gathering information related to EA eligibility is done in conjunction with the case investigation process and is not monitored independently. Information including the reason for an emergency and income levels is determined based on the caseworker's interviews with the family and child. This information is input into IMPACT to determine eligibility. Only information the caseworker considers necessary to support the conclusions regarding eligibility is included in IMPACT as case notes. Additionally, there is no formal training provided to case workers regarding the required documentation. No compliance exceptions noted.

Recommendation:

DFPS should formalize its policies related to the documentation of TANF EA eligibility and the review of the eligibility determination once it has been performed. Additionally, training should be enhanced to ensure caseworkers and supervisors are aware of these formalized requirements and are trained to comply with them.

Views of Responsible Officials and Corrective Action Plan:

DFPS will formalize policies regarding the TANF EA eligibility process including the required documentation to be gathered or procedures to be performed by the investigative or alternative response worker to support the family income criteria decision made on the EA eligibility determination page. It is very likely that this corrective action plan will be accomplished utilizing a phased-in approach because handbook policy revisions, training curriculum development/ deployment, and information technology solutions will require significant agency resources and; thus, must be prioritized. During the initial phase of the plan, CPS will develop and disseminate to supervisors and workers a document referred to internally as a "meeting in a box" which outlines the immediate steps staff should take to begin recording pertinent family income information in IMPACT.

Implementation Date: August 31, 2016 for Phase I

Responsible Person: Angela Goodwin

General Land Office

Reference No. 2015-009

Subrecipient Monitoring

Special Tests and Provisions – Wage Rate Requirements

(Prior Audit Issue 2014-005, 2013-009)

CFDA 14.228 – Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii

Award year – N/A for disaster-funds

Award numbers – B-06-DG-48-0002, B-08-DI-48-0001, B-08-DN-48-0001, and B-12-DT-48-0001

Type of finding – Material Weakness and Material Non-Compliance

General Land Office (GLO) passed through approximately 78% of the Community Development Block Grants (CDBG) Disaster Funds to subrecipients, approximately \$426 million in fiscal year 2015. GLO is required by OMB Circular A-133, Section .400, to monitor subrecipients to ensure compliance with Federal rules and regulations, as well as the provisions of the contracts or grant agreements. This monitoring includes, but is not limited to: determining subrecipient eligibility, Data Universal Numbering System (DUNS) number identification, award identification, during-the-award monitoring, and close-out and sanctions activities. According to OMB Circular A-133, GLO must assure that subrecipients expending Federal funds in excess of \$500,000 have an OMB Circular A-133 Single Audit performed and provide a copy of the auditor’s report to GLO within nine months of the subrecipient’s fiscal year end. GLO is to review the report and issue a management decision within six months, if applicable. GLO shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)).

Questioned Cost:	\$0
U.S. Department of Housing and Urban Development	

In 2015, GLO’s subrecipient monitoring procedures included the use of a standard contract for services, the provision of technical assistance to subrecipients, and the collection and review of A-133 reports. Most of the monitoring activities were conducted by the Quality Assurance and Process Improvement (QA&PI) section of the Finance Division of the Disaster Recovery Division (DR Division). More specifically,

- GLO established a risk assessment process in 2015.
- GLO created limited review audit programs to execute for monitoring such as wage requirements, procurement, Homeowner Opportunity Program (HOP), environmental, program income, application and eligibility for assistance, and cash draws which include allowable costs.
- In addition, the requests for non-housing reimbursement are accompanied by contractor invoices to support the reimbursement request and reviewed by a program accounting personnel prior to payment.
- In February 2015, QA&PI began a monthly sampling process of all housing reimbursements where support is reviewed to determine allowability after the payment has been made. GLO currently pays housing reimbursement requests prior to any monitoring for allowability.
- Texas Recovery System (TRecs), the GLO system of record for CDBG transactions and supporting documentation, continued to be deployed to different types of CDBG transactions throughout the fiscal year. As of year-end, only the multi-family housing transactions were processed outside TRecs.

Audit procedures involved a review of 20 subrecipients’ files for fiscal year 2015. There were approximately 150 subrecipients for fiscal year 2015. Approximately 60% of the projects are housing which represents seven of the subrecipients and the remaining 40% are non-housing projects. From those 20 files, the following items were noted:

- The risk assessment was utilized to perform the monitoring reviews as noted in the bullet below. However GLO has not fully developed the monitoring approach as to a micro-risk assessment or sampling approach to be executed. GLO’s micro-risk assessment process is how they determine which limited review to execute. For example in 2015, GLO monitored some of the higher risk subrecipients but did not execute a micro-risk analysis to determine which area(s) to focus monitoring efforts.

- There were approximately 91 subrecipient reviews, 36 of which were solely procurement reviews, conducted during fiscal year 2015. All 91 reviews included only one of the limited review types noted above.

Coverage provided by monitoring was insufficient to address the risk of potential issues at the subrecipient level.

In addition, access to migrate changes to the production environment should be restricted appropriately and based on job function to help ensure adequate internal controls are in place and appropriate segregation of duties exist. Developers with access to migrate changes to production systems introduce the risk of unauthorized changes to applications and data. In general, developers should not have access to migrate changes to the production environment and should not have access privileges above read-only in the application. Change management process should include formal requests for change, user acceptance testing, and approval for deployment to production. For the T-RecS application, GLO does not have formalized information technology (IT) general controls in place for program change management and is not consistently enforcing the GLO policy regarding logical access to program and data. During fiscal year 2015, change management procedures (i.e., new modules, programs fixes and changes) were executed without formally documenting the testing and approval procedures performed prior to implementing the change into the production environment. Additionally, developers are given unmonitored access to the production environment through a temporary password when application issues arise or to implement programs fixes and changes. Database and operating system password configuration for complexity, minimum length, or maximum age are not enforced. Only account lockout after five invalid attempts is enforced for the database and operating system passwords. Application password configuration for complexity or maximum age are not enforced. Only account lockout after five invalid attempts and minimum length are enforced for the application passwords. Finally, while a review of T-RecS application users was performed annually, there is not a formalized review of server or database users. The review of the T-RecS application users does not take into consideration appropriate segregation of duties restricting developers from the production environment.

Recommendation:

GLO should continue to work on a formalized micro-risk assessment plan for 2016. This should include an enhanced risk assessment process that includes programmatic and financial considerations, frequency of the monitoring reviews, and guidelines for follow-up. Consideration should be given to the estimated number of high, moderate, and low risk subrecipients to be reviewed within each year and the type of review to be performed. GLO should execute the resulting monitoring plan.

GLO should formalize and implement a change management policy to ensure that changes to the system are authorized, tested, and approved prior to implementing the change. When temporarily granting developers access to the production environment, the access request should be documented and approved. In addition, the temporary access should be monitored. Regarding logical access issues, GLO should enforce the password policy for the T-RecS application and supporting database and operating systems. In addition, user reviews should be conducted for the application, database and operating system layer to help ensure user's access and the level of their access is appropriate and segregation of duties is enforced.

Views of Responsible Officials and Corrective Action Plan - Monitoring Plan:

The GLO implemented our Comprehensive Monitoring Plan (CMP) on September 1, 2014 which resulted in a 94% increase in reported monitoring activities performed over nine areas of subrecipient program requirements as compared to the previous year. The CMP utilizes a risk assessment over compliance, financial and programmatic risk factors to categorize subrecipients into high, moderate, and low risk levels. The CMP also outlines the allocation of monitoring activities to subrecipients based on the product of their risk level and funding received. While the CMP included a micro risk assessment component (questionnaires completed by the Program Grant Managers identifying the impact of specific subrecipient risk factors), the GLO generally agrees with the finding above that this component was not substantial enough to constitute a formal micro risk assessment plan for fiscal year 2014-2015. Therefore, on September 1, 2015 the GLO enhanced the CMP by incorporating a micro risk assessment process over past and present financial, program, and monitoring results to identify the quantity and type of monitoring activities to be performed in response to the subrecipients' risks identified for fiscal year 2015-2016. The GLO's CMP inclusive of the risk assessment and micro risk assessment methodologies provides a reasonable basis for the allocation of

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monitoring activities throughout the CDBG program while also establishing guidelines to ensure identified noncompliance is resolved.

Implementation Date: September 1, 2015

Responsible Person: Martin Rivera, Jr.

Views of Responsible Officials and Corrective Action Plan – T-RecS:

- 1. In September of 2015, the GLO implemented a process change that limits the access of developers to the T-RecS production environment. Production access is controlled by the GLO Office of Information Security and is granted to developers when needed to promote bug fixes and system enhancements. An access log that includes the date, time, and trouble ticket or change request reference (See item no. 3) is maintained. The documentation tracks back to reference the detail of the change and notes user testing and management approval. In addition to this process change the GLO continues to closely monitor the evolution of the OnBase product in the hopes that future enhancements provide more robust features for code promotion.
2. The GLO concurs. Enterprise Technology Solutions will develop and implement a password policy for contractor access on servers that aligns with established guidelines no later than March 1, 2016.
3. A change management policy was implemented in September of 2015. The process is controlled by a module that was added to the T-RecS application. This module is accessed via the user interface within T-RecS. It collects specific details of the change being requested plus additional supporting documentation. A workflow within T-RecS includes an approval process, development, testing, policy and SOP updates, communication to users, and ends with promotion to the production environment. The Change Request module and the Trouble Ticketing module allow staff to document instances when a change (for defect or enhancement) is required. These modules follow the same methodology, where each TT or TCR has a unique identifier which is tied to any access to prod by developers (See item no. 1).

Implementation Date: September 2015 (Change Management & Production Access)
March 2016 (Vendor Password Policy for Server Access)

Responsible Person: Cory Wilburn

Reference No. 2015-010

Procurement and Suspension and Debarment

CFDA 14.228 – Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii

Award year – N/A for disaster-funds

Award numbers – B-06-DG-48-0002, B-08-DI-48-0001, B-08-DN-48-0001, and B-12-DT-48-0001

Type of finding – Significant Deficiency and Non-Compliance

Texas Building and Procurement Commission (TBPC) established the use of Texas Multiple Award Schedule Contracts (TXMAS) which are derived from competitively awarded contracts by federal or state government entities (Texas Government Code 2155.502). The TXMAS Program adapts existing competitively awarded government contracts to the procurement needs of the State of Texas. To be considered for the TXMAS Program, an existing contract must be:

Table with 2 columns: Questioned Cost (\$71,000) and U.S. Department of Housing and Urban Development

- Awarded by the federal government or any other governmental entity in any state.
Awarded using a competitive process.
Adaptable to the laws of the state of Texas

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Prior to purchasing the product or service from a TXMAS contract, the Texas Government Code 2155.502 requires the following procurement procedures for items over \$5,000 that have been determined to not be able to be purchased through other sources.

- Research the on-line catalog pricing and/or obtain a price quote from as many TXMAS contractors as necessary to provide best value to the state. Document all price quotes in the procurement file. If the TXMAS contractor's website is not shown on the TXMAS Contracts Web Page, the contractor must include a copy of the TXMAS contract award notice with its price quote.
- For all TXMAS purchase orders that exceed \$25,000, the agency must post the Award Notice on the ESB (Electronic State Business Daily).
- A TXMAS contractor is not required to accept orders below the minimum order limit shown on its contract page. Orders between the minimum and maximum order limits listed on the contract page are subject to TXMAS catalog pricing. For orders above the maximum limit, the purchaser is entitled to negotiate lower prices than those listed in the TXMAS catalog.
- For proprietary TXMAS procurements (i.e. sole source), if the proprietary product or service is available through a TXMAS contract, prepare documentation (letter or memo to the file) justifying the proprietary purchase in accordance with Government Code 2155.067 and obtain the authorized signature of the appropriate agency's personnel as identified in the agency's procurement plan. Retain this document in the procurement file.

Audit procedures involved a review of 18 of approximately 123 procurement files for fiscal year 2015. From those 18 files, one procurement sample had no additional bids or quotes obtained from additional vendors outside of the awarded contractor from TXMAS. The personnel at General Land Office (GLO) processing the contract were unaware that additional bids/quotes were necessary even when selecting a vendor from TXMAS; therefore, review of multiple bids is not included in the reviewer checklist. Approximately \$71,000 was paid to this vendor during fiscal year 2015.

For fiscal year 2015, approximately \$110 million was spent on vendor type expenses.

Recommendation:

GLO should change their procurement review checklist to incorporate the TXMAS contract requirements to obtain multiple bids.

Views of Responsible Officials and Corrective Action Plan:

The GLO generally agrees and has resolved this issue with new procurement guidance issued January 29, 2015. The Disaster Recovery (DR) Program is currently designing an internal review to determine if other contracts were executed utilizing the same limited selection process.

Implementation Date: January 29, 2015

Responsible Person: Anthony Vargas

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Reference No. 2015-011

Reporting

CFDA 14.228 – Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii

Award year – N/A for disaster-funds

Award numbers – B-06-DG-48-0002, B-08-DI-48-0001, B-08-DN-48-0001, and B-12-DT-48-0001

Type of finding – Significant Deficiency and Non-Compliance

Pursuant to Section 3 of the Housing and Urban Development (HUD) Act of 1968 (Form HUD 60002), General Land Office (GLO) was required to submit the annual summary report for the 2013 and 2014 reporting periods on October 30, 2015 using the Section 3 Performance Evaluation and Registry System (SPEARS). Each recipient that administers covered public and Indian housing assistance, regardless of the amount expended, and each recipient that administers covered housing and community development assistance in excess of \$200,000 in a program year, must submit HUD 60002 information using the Section 3 Summary Reporting System (24 CFR sections 135.3(a)(1) and 135.90). GLO shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)).

Questioned Cost:	\$0
U.S. Department of Housing and Urban Development	

In 2012, the Section 3 Summary Reporting System was disabled due to fatal technical errors and lapses in information security. As a result, GLO was unable to submit Section 3 summary reports for the 2013 and 2014 reporting periods. As previously communicated by HUD, no recipients were penalized for failing to submit Form HUD 60002 to HUD while the reporting system was disabled, and grantees were encouraged to maintain Section 3 records to facilitate the submission of reports when the system was re-launched. The Section 3 program requires that recipients of certain HUD financial assistance, to the greatest extent possible, provide job training, employment, and contract opportunities for low- or very-low income residents in connection with projects and activities in their neighborhoods.

GLO submitted the 2013 and 2014 annual summary reports in accordance with the above guidelines. Audit procedures involved a review of key line items, as designated per the compliance supplement, of the 2013 and 2014 HUD 60002, Section 3 Summary Report. The supporting data used to populate each key item was verified. The D3 line item in the 2014 report noted the number of section 3 businesses reported 36 when the correct amount to be reported per the supporting data was 30. This was the result of a data summary error in the preparation of the report. The preparer reconciles the supporting data to the report and GLO does not currently have any review of the report preparation prior to submission.

Recommendation:

GLO should add a management review control so that someone other than the preparer is reviewing the HUD 60002, Section 3 Summary Report prior to the submission of the report at a level of precision that would detect errors.

Views of Responsible Officials and Corrective Action Plan:

This issue has been resolved. Management generally agrees with the recommendation above and has revised the policies and procedures to affect a review of the HUD 60002 by management at the functional level effective December 11, 2015.

Implementation Date: December 11, 2015

Responsible Person: Brandon Clark

Health and Human Services Commission

Reference No. 2015-012

Eligibility

Medicaid Cluster

Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2014

Award numbers – 1505TX5MAP, 1505TX5ADM, 1505TXIMPL, 1505TXINCT, 1505TXBIPP, 1405TX5MAP, and 1405TX5ADM

Type of finding – Material Weakness and Material Non-Compliance

The Health and Human Services Commission (HHSC) utilizes the Texas Integrated Eligibility Reporting System (TIERS) for determining eligibility for Medicaid, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Children’s Health Insurance Program (CHIP) and the Refugee and Entrant Assistance Program. Eligibility for the following programs is considered to be deemed (i.e., the applicant is automatically eligible) during the time period they are also eligible for TANF, Medicaid, and/or Supplemental Nutrition Assistance Program (SNAP).

Questioned Cost: \$33,400

U.S. Department of Health and
Human Services

Additional Federal Programs	Deemed Program
Child Nutrition Cluster	TANF and SNAP
CFDA 93.563 – Child Support Enforcement	TANF and Medicaid
CFDA 93.568 – Low-Income Home Energy Assistance	SNAP
CFDA 10.557 – Supplemental Nutrition Program for Women, Infants, and Children	SNAP and Medicaid
Child Care Cluster	TANF

Individuals are also deemed eligible, through an interface, for Medicaid based on information received from the Social Security Administration (SSA). Texas Administrative Code, Title I, Part 15, Chapter 358, Subchapter A, Rule §358.107 , Supplemental Security Income (SSI) eligible notes the following: In accordance with 42 CFR §435.120, this mandatory coverage group covers a person who is aged, blind, or disabled and is receiving SSI or deemed to be receiving SSI. The Social Security Administration (SSA) determines eligibility for SSI. If SSA determines that a person is eligible for SSI, HHSC accepts SSA's determination as an automatic determination of eligibility for Medicaid. SSA is approximately 60% of the Texas non-MAGI eligibility population. SSA recipients are not required to be recertified by Texas as all information is interfaced with Texas from SSA. In addition, SSA recipients are not included in the Texas quality assurance process since the federal government determines eligibility. HHSC shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)).

Audit procedures included review of certain general and application level controls designed for TIERS, along with review of selected case files. A total of 90 Medicaid files were selected for test work of which 58 were deemed eligible due to information provided by SSA. A confirmation was sent to SSA to ensure these individuals were eligible for Medicaid and based on the responses received it was noted that two of the covered individuals were no longer eligible. Upon further investigation by HHSC it was noted that HHSC had been notified by SSA through the interface between HHSC and SSA to terminate the benefits but the cases were still improperly receiving Medicaid due to data exceptions that occurred during TIERS mass update. HHSC is not working the exceptions reports that result from the interface. One case was denied by SSA in April 2014 and the other was denied by SSA in May 2013. These exceptions had not been addressed by HHSC. As both of these individuals participated in managed care, questioned costs are noted in the amount of insurance premiums paid on their behalf of approximately \$33,400.

Additionally, over 800 case worker supervisors in TIERS have the ability to initiate a case, run the TIERS eligibility determination, override the results of the eligibility determination, and dispose the case. A process is not currently in place to monitor the use of these overrides. A query of cases processed in TIERS during fiscal year 2015 indicated

that there were only three times during the year that a case was overridden from “denied” to “sustained” or from a lower eligible amount to a higher eligible amount. These three cases were all Medicaid cases.

Recommendation:

HHSC should put controls in place to ensure that exception reports are generated and monitored for SSA and other changes that fail in mass update. Additionally, HHSC should evaluate the need for supervisors to have override authority in TIERS and if it is determined to be necessary, controls should be put in place to monitor these overrides.

Views of Responsible Officials and Corrective Action Plan – HHSC Information Technology:

Exception reports are already generated from the SSA interface process for both batch and mass update exceptions. Batch exceptions are formally defined in business rules and requirements and occur when 'mismatched' data is received from SSA that cannot automatically be applied to TIERS Data Collection. SDX mass update exceptions occur when information has been loaded to Data Collection but is not automatically applied in the eligibility process due to a system error, system design, or a business requirement.

As per the current design, SDX batch exceptions and mass update exceptions are written to the weekly SDX exception report for manual user review and processing. The SDX exception report was created based on discussions with business customers. Currently, staff within HHSC-IT Social Services Applications, Business Support area monitor and address certain exceptions.

The IT Business Support Area filters the SDX Exception Report by categories. The categories are Business, Applications and General (formerly Operations) and within those categories, exceptions are further grouped by minor, average and critical; definitions below. The Business Support staff processes the Business Category/Average exceptions. These exceptions involve staff taking actions to make corrections to individual demographics, merge/separate duplicate IDs, certify/deny SSI Medicaid, or to process abandoned cases.

Explanation of Categories/Severity:

Category:

- **“Business”** – *The exception requires action from a non-technical staff and will most likely impact client benefits. Also refers to exceptions where a record could not be processed due to missing information (e.g. missing payee) or when invalid data is encountered that needs to be corrected (e.g. blank DOB).*
- **“Application”** – *The exception requires analysis by a developer and most likely indicates a problem with the code.*
- **“General”** – *The exception requires action by a batch operator, and consist typically of environment problems and misconfigured jobs. Some examples: DB connectivity issues, missing job parameters, disk space issues, etc.*

Severity: Minor/Average/Critical

- **“Minor”** – *The exception has not caused a record to abort processing, however a problem was encountered. The majority of these exceptions will be informational in nature and will describe a condition that may not necessarily be considered a problem but may warrant a closer look.*
- **“Average”** – *The majority of exceptions will be considered “Average”. One of these will occur when the exception has prevented a particular record or unit of work from processing; or the record has been processed but incorrect results were obtained. They will not normally cause the job to abort.*

HHSC IT Corrective Action Plan:

- *Review the existing backlog of exceptions, develop plan for becoming current, and work with leadership to allocate resources as appropriate.*

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- *Revisit exception processing to determine if further enhancements could be implemented to improve match criteria and reduce the number of new exceptions being generated.*
- *Consider replacing the current manual SSA exception report and instead utilizing Task List Manager tasks for staff to take action.*
- *Consider implementing a quarterly reconciliation process with SDX.*

Implementation Dates:

- *Develop plan for clearing existing backlog – plan to be developed by May 1, 2016.*
- *Identify possible enhancements and transition by December 31, 2016.*
- *Determination on SSA exception report and quarterly reconciliation process by December 31, 2016*

Responsible Person: *Mary Catherine Bailey*

Views of Responsible Officials and Corrective Action Plan – Office of Social Services:

Second Level Reviews for Overrides - HHSC is planning modifications in the TIERS system to require a Second Level Review (SLR) for cases with an overridden eligibility status or benefit amount. This modification will require the SLR be performed by a different user than the user running eligibility or disposing the eligibility determination. This modification is scheduled for implementation in September 2016.

Implementation Date: *September 2016*

Responsible Person: *Kirsten Jumper*

Reference No. 2015-013

Eligibility

Special Tests and Provisions – ADP System for SNAP

SNAP Cluster

Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2015

Award numbers – 6TX400405 and 6TX400105

TANF Cluster

Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2014

Award numbers – 1502TXTAN3, 1502TXTANF, 1402TXTANF3, and 1402TXTANF

Type of finding – Significant Deficiency

The Health and Human Services Commission (HHSC) utilizes the Texas Integrated Eligibility Reporting System (TIERS) for determining eligibility for Medicaid, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Children’s Health Insurance Program (CHIP) and the Refugee and Entrant Assistance Program. Eligibility for the following programs is considered to be deemed (i.e., the applicant is automatically eligible) during the time period they are also eligible for TANF, Medicaid, and/or Supplemental Nutrition Assistance Program (SNAP). HHSC shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)).

Questioned Cost:	\$0
U.S. Department of Health and Human Services U. S. Department of Agriculture	

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<u>Additional Federal Programs</u>	<u>Deemed Program</u>
Child Nutrition Cluster	TANF and SNAP
CFDA 93.563 – Child Support Enforcement	TANF and Medicaid
CFDA 93.568 – Low-Income Home Energy Assistance	SNAP
CFDA 10.557 – Supplemental Nutrition Program for Women, Infants, and Children	SNAP and Medicaid
Child Care Cluster	TANF

Over 800 hundred case worker supervisors in TIERS have the ability to initiate a case, run the TIERS eligibility determination, override the results of the eligibility determination, and dispose the case. A process is not currently in place to monitor the use of these overrides. A query of cases processed in TIERS during fiscal year 2015 indicated that there were no files overridden from “denied” to “sustained” or from a lower eligible amount to a higher eligible amount for the programs noted above.

Recommendation:

HHSC should evaluate the need for supervisors to have override authority in TIERS and if it is determined to be necessary, controls should be put in place to monitor these overrides.

Views of Responsible Officials and Corrective Action Plan:

HHSC is planning modifications in the TIERS system to require a Second Level Review (SLR) for cases with an overridden eligibility status or benefit amount. This modification will require the SLR be performed by a different user than the user running eligibility or disposing the eligibility determination. This modification is scheduled for implementation in September 2016.

Implementation Date: September 2016

Responsible Person: Kirsten Jumper

Reference No. 2015-014

Allowable Costs/Cost Principles

(Prior Audit Issues – 2014-010)

CFDA 93.767 – Children’s Health Insurance Program

Award years – October 1, 2014 to September 30, 2016, October 1, 2013 to September 30, 2015, and October 1, 2012 to September 30, 2014

Award numbers – 1505TX5021, 1505TX1081, 1405TX5021, and 1305TX5021

Medicaid Cluster

Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2014

Award numbers – 1505TX5MAP, 1505TX5ADM, 1505TXIMPL, 1505TXINCT, 1505TXBIPP, 1405TX5MAP, and 1405TX5ADM

Type of finding – Significant Deficiency

Health and Human Services Commission (HHSC) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)). All non-Federal entities shall follow Federal laws and implementing regulations applicable to procurements, as noted in Federal agency implementation of the A-102 Common Rule and OMB Circular A-110.

Questioned Cost:	\$0
U.S. Department of Health and Human Services	

Per Section 1115 of the Social Security Act, a State may obtain a waiver of statutory requirements in order to develop a system that more effectively addresses the health care needs of its population. A waiver may involve the use of a program of managed care for selected elements of the client population, or allow the use of program funds to serve specified populations that would be otherwise ineligible. Managed care providers must be eligible to participate in the program at the time services are rendered, payments to managed care plans should only be for eligible clients for the proper period, and the capitation payment should be properly calculated. Medicaid service payments (e.g., hospital and doctor charges) should not be made for services that are covered by managed care. States should ensure that capitated payments to providers are discontinued when a beneficiary is no longer enrolled for services.

The Texas Health and Human Services Commission (HHSC) has a managed care program through a section 1115 waiver. Managed care payments totaled over \$16 billion in fiscal year 2015, approximately 85% of all Texas-covered individuals. During fiscal year 2015, HHSC utilized MAXIMUS' MAXeb system as the enrollment broker for both Medicaid and Children's Health Insurance Program (CHIP). In addition to the claims processed through the managed care program, HHSC contracts with third party servicers to adjudicate fee-for-service claims. Xerox State Healthcare, LLC (Xerox) is HHSC's pharmacy claims rebate administrator (PCRA) and administers the fee-for-service portion of the vendor drug claims for the Medicaid Cluster and the Children's Health Insurance Program (CHIP). HHSC utilizes Xerox's OS+ application to construct drug coverage rules related to the payment of pharmacy services.

Access to migrate changes to the production environment should be restricted appropriately and based on job function to help ensure adequate internal controls are in place and appropriate segregation of duties exist. Developers with access to migrate changes to production systems introduce the risk of unauthorized changes to applications and data. In general, developers should not have access to migrate changes to the production environment and should not have access privileges above read-only in the application. Change management process should include formal requests for change, user acceptance testing, and approval for deployment to production.

During test work over access and change management controls, it was noted that a developer has access to production in the OS+ application. Per review of an audit log, the access to the production environment was to facilitate testing over approved changes.

Also, the following was noted with regard to the MAXeb system:

- Administrative access to the MAXeb system is granted to 129 users. While access appears to be authorized, the total number of administrators is excessive.
- A review of user access was performed during fiscal year 2015, however, the review was not performed timely. The review extended over the entire fiscal year and used user access data for the entirety of the review that was first generated in the early portion of the fiscal year.
- A formal change management process was in place for fiscal year 2015, however, explicit approval to deploy application code changes to production was not obtained as part of the standard change management process. This resulted in 19 of 40 changes sampled not having explicit evidence of approval prior to deployment. Also, MAXIMUS did not retain sufficient evidence of testing in a non-production environment for three of those 19 changes, as well as one additional sample item for a total of 20.

No compliance exceptions were noted with regard to CHIP and Medicaid Cluster allowable costs.

Recommendation:

Developer access to the production application should be restricted to a read-only role. If update or modification access is required, their activity should be logged and monitored. Inappropriate or excess administrative functions on any production system results in the risk of unauthorized changes to applications and data. Periodic access reviews of existing user accounts on all applications and databases should be performed timely to verify access is appropriate or if modifications should be made. Further, system changes should be documented in accordance with HHSC policy to demonstrate authorization, testing, and approval prior to implementing the change.

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Views of Responsible Officials and Corrective Action Plan – Medicaid and CHIP Division-Program Support and HHSC IT:

HHSC required MAXIMUS to update their annual Security Management Plan to include conducting quarterly audits of users' access to the MAXeb systems. The updated plan was submitted to HHSC on September 30, 2015.

In addition, HHSC is requiring MAXIMUS to submit a quarterly deliverable that will require MAXIMUS to report on the quarterly access reviews of user accounts in MAXeb to ensure current access and privilege are appropriate or if modifications are needed. HHSC will periodically review a list of employees MAXIMUS has provided access or excluded from access to user accounts. MAXIMUS has implemented this quarterly deliverable and HHSC will receive the first quarterly deliverable in April 2016.

HHSC is also requiring MAXIMUS to engage several stakeholders before deploying system change into production. Selected individuals at MAXIMUS have authority to create a ticket for code promotion. Currently, there are no members on the development team that have the privileges to create a ticket for code promotion, nor do they have privileges to make any application changes to the production infrastructure. At this time, only the system administration team has access to make any application changes. Effective October 12, 2015, for the system administration team to deploy the code, they must have written approval from management.

A summary of the security protocols as of October 12, 2015 are listed below:

- All changes to production follow a defined set of protocols.
- All changes initiated by the business owners are deployed only with their written approval.
- All system related changes must be approved by system director or assigned project manager.
- All releases to the production environment are assigned a release number and each change is documented in JIRA tool, made available by MAXIMUS corporate shared services.
- Designees from the Medicaid/CHIP Division (MCD) and IT Enrollment Broker Oversight teams will be included in an email announcing the production releases related to the system maintenance.
- All changes to the system as a result of State Action Request (SAR), would require approval from MCD and IT Enrollment Broker Oversight at the onset of the project, once project timelines are defined.

Implementation Date: April 30, 2016

Responsible Persons: Geraldine Taylor and Gina Marie Muniz

Views of Responsible Officials and Corrective Action Plan – Medicaid and CHIP Division-Vendor Drug:

HHSC will review with Xerox quarterly the level of access, for all Xerox employees, to the OS+ production environment and require modifications as determined appropriate.

Implementation Date: April 1, 2016

Responsible Person: Albert Perry

HEALTH AND HUMAN SERVICES COMMISSION

Reference No. 2015-015

Program Income

(Prior Audit Issue – 2014-011)

Medicaid Cluster

Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2014

Award numbers – 1505TX5MAP, 1505TX5ADM, 1505TXIMPL, 1505TXINCT, 1505TXBIPP, 1405TX5MAP, and 1405TX5ADM

Type of finding – Significant Deficiency and Non-Compliance

Title XIX, Section 1927 of the Social Security Act, allows states to receive the same rebates for drug purchases as other payers. Drug manufacturers are required to provide a listing to Centers for Medicare and Medicaid Services (CMS) of all covered outpatient drugs, and, on a quarterly basis, are required to provide their average manufacturer's price and their best prices for each covered outpatient drug. Based on this data, CMS calculates a unit rebate amount for each drug, which it then provides to states. No later than 60 days after the end of the quarter, the State Medicaid agency must provide drug utilization data to manufacturers. Within 37 days of receipt of the utilization data from the state, the manufacturers are required to pay the rebate or provide the state with written notice of disputed items not paid because of discrepancies found. The Health and Human Services Commission (HHSC) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)).

Questioned Cost:	\$0
U.S. Department of Health and Human Services	

The Health and Human Services Commission (HHSC) contracts with Xerox State Healthcare, LLC (Xerox), the pharmacy claims and rebate administrator (PCRA) to administer the Vendor Drug Rebate Program for the Medicaid Cluster. In order to identify potential drug rebates for drugs that were administered in a clinician's office and billed on a medical claim, Xerox has an electronic interface with the Texas Medicaid & Healthcare Partnership (TMHP). Xerox receives processed fee-for-service medical claims and processed managed care medical encounter data in order to administer one of the Vendor Drug rebate programs -- rebates for clinician-administered drugs. HHSC utilizes the Xerox DRAMS application to validate and bill drug manufacturers for rebates and the OS+ application to construct drug coverage rules related to payment for pharmacy services. The weekly medical claims/encounters interface from TMHP to Xerox generates exceptions which are not uploaded to DRAMS and therefore not invoiced to rebate. The exceptions are sent to TMHP each week; however, these exceptions are not investigated or resolved. This results in claims with potential drug rebates not being processed by Xerox.

In addition, edit checks have been implemented by TMHP to verify that the Healthcare Common Procedure Coding System (HCPCS) code and National Drug Code (NDC) provided for a Medicaid clinician-administered drug claim are logically matched. However, these checks were not being performed for 517 out of 597 HCPCS procedure codes for clinician-administered drug claims with dates of service until January 1, 2015. This resulted in claims with potential drug rebates not being processed by Xerox.

When rebates are not paid timely, HHSC has policies in place regarding sending out dunning notices. TMHP is required to send out dunning notices at 45, 75, and 105 days. A grace period of five days is provided at each interval. Of the 59 rebates tested for compliance with these policies, three late notices were noted. For two rebates, a 45-day dunning notice was not sent out to the manufacturer due to an error in recording the proper mailing date in the system. For another rebate, a letter was sent out two days late due to employees being on vacation.

Vendor drug rebates for clinician-administered drugs collected in fiscal year 2015 for Medicaid totaled approximately \$58.9 million.

Recommendation:

HHSC, through Xerox and TMHP, should implement procedures to investigate and resolve records that were not processed through the weekly interface.

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Views of Responsible Officials and Corrective Action Plan:

As of November 2015, HHSC has completed multiple efforts to significantly reduce the number of claims paid by TMHP and MCOs that are ineligible for a federal rebate because of a missing or invalid NDC. These efforts have addressed the root issues and have significantly reduced the number of reported exceptions.

HHSC will implement procedures to investigate and resolve reported exception records that were not processed through the weekly interface. Modifications will be made to either/both the Xerox and TMHP systems, as needed.

Implementation Date: October 1, 2016

Responsible Person: Albert Perry

Reference No. 2015-016

Reporting

SNAP Cluster

Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2015

Award numbers – 6TX400405 and 6TX400105

Type of finding – Significant Deficiency and Non-Compliance

States are required to submit the FNS-46 – SNAP Issuance Reconciliation Report (OMB No. 0584-0080). This monthly report is used to account for benefits issued during a report month for each issuance reconciliation point. The FNS-46 reports the reconciliation of SNAP benefits actually issued with the State’s Master Issuance File. The Master Issuance File contains records on all households eligible to receive benefits (such as a listing of the households and the benefits each is authorized to receive). Actual issuances may be recorded in the Record for Issuance (RFI) or alternative filing system. The RFI is created from the Master Issuance File and shows the amount of benefits the household is eligible to receive and the actual amount issued. Generally, one FNS-46 covers the entire State. However, if a State concurrently operates more than one type of issuance system (e.g., over-the-counter issuance, mail issuance, etc.), its FNS-46 report(s) must separately identify the amount of benefits issued under each system. The Health and Human Services Commission (HHSC) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)).

Questioned Cost:	\$0
U.S. Department of Agriculture	

HHSC submits the monthly FNS-46 report. Four of these monthly reports were selected for testwork in the current year. Of the four selected for testwork, errors were noted in two of the reports. For one of the reports, returns of approximately \$147,900 was over reported on lines 7b resulting in line 15 being understated by the same amount due to information from the wrong month being inadvertently used to populate the report. For the other report, the amount of unadjusted debits in line 16 remarks did not agree to support due to a typographical error of \$1 million understatement. Revisions to both of these reports were submitted to FNS after the errors were discovered. Review controls did not detect the errors noted.

Recommendation:

HHSC should strengthen review controls over reports to ensure they are at an adequate precision level to detect inaccuracies in reports.

HEALTH AND HUMAN SERVICES COMMISSION

Views of Responsible Officials and Corrective Action Plan:

HHSC Federal Reporting Team recognizes the issue and has created a "Check List and Review Sign-off" that has been implemented into their current business process.

Implementation Date: June 20, 2015

Responsible Persons: Trinity Raines and Diane Jackson

Reference No. 2015-017

Reporting

CFDA 93.767 – Children’s Health Insurance Program

Award years – October 1, 2014 to September 30, 2016, October 1, 2013 to September 30, 2015, and October 1, 2012 to September 30, 2014

Award numbers – 1505TX5021, 1505TX1081, 1405TX5021, and 1305TX5021

Medicaid Cluster

Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2014

Award numbers – 1505TX5MAP, 1505TX5ADM, 1505TXIMPL, 1505TXINCT, 1505TXBIPP, 1405TX5MAP, and 1405TX5ADM

Type of finding – Significant Deficiency and Non-Compliance

The Health and Human Services Commission (HHSC) is required by OMB Circular A-133 and A-102 to submit a CMS-64, Quarterly Medicaid Statement of Expenditures for the Medical Assistance Program (OMB No. 0938-0067). Form CMS-64 is a statement of expenditures for which states are entitled to Federal reimbursement under Title XIX. The amounts reported on the CMS-64 and its attachments must be actual expenditures for which all supporting documentation, in readily reviewable form, has been compiled and is available immediately at the time the claim is filed. The Texas CMS-64 report filed by HHSC is consolidated based on information from various agencies. HHSC shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)).

Questioned Cost:	\$0
U.S. Department of Health and Human Services	

The reports for the quarters ending March 31, 2015 and September 30, 2015 were selected for test work. Entry and formula errors were noted on supporting schedules for the reports. On the March 31, 2015 report, a difference of approximately \$5,000 was noted between two supporting schedules. On the September 30, 2015 report, two differences were noted between supporting schedules in the amounts of approximately \$900 and \$4.6 million. The \$900 difference had been noted by HHSC to be corrected in the next quarter prior to testwork. Review controls did not detect the other errors noted.

Recommendation:

The review process on the CMS-64 reports should be enhanced to ensure the controls in place are sufficient to detect inaccuracies.

Views of Responsible Officials and Corrective Action Plan:

HHSC Federal Reporting Team recognizes the issue and has created an additional reconciliation to their current business process. The reconciliation is a manual compare between the CMS64 manual calculation and the monthly files provided by TMHP. The reconciliation between the two data sources will identify any out of balance conditions including any formula errors.

HEALTH AND HUMAN SERVICES COMMISSION

HHSC Accounting leadership is analyzing current review business process for possible improvement.

Implementation Dates: Reconciliation - December 15, 2015 and Analysis - March 1, 2016

Responsible Persons: Trinity Raines and Diane Jackson

Reference No. 2015-018

Special Tests and Provisions – EBT Card Security

(Prior Audit Issue – 2014-009, 2013-019 and 13-11)

SNAP Cluster

Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2015

Award numbers – 6TX400405 and 6TX400105

Type of finding – Significant Deficiency and Non-Compliance

The State is required to maintain adequate security over, and documentation/records for, Electronic Benefits Transfer (EBT) cards (7 CFR section 274.12(h)(3)) to prevent their: theft, embezzlement, loss, damage, destruction, unauthorized transfer, negotiation, or use (7 CFR sections 274.7(b) and 274.11(c)). The Health and Human Services Commission (HHSC) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)).

Questioned Cost:	\$0
U.S. Department of Agriculture	

HHSC maintains segregation of duties between case worker access to dispose cases in the eligibility systems and EBT clerk access to the EBT card issuance system to issue cards. In January 2013, HHSC reviewed the access and implemented a new policy requiring advance approval of access to both systems. For offices where such approval is granted, HHSC regional managers review monthly reports to determine if such employees have disposed cases in the eligibility system and issued EBT cards. Based on a review of all access to both systems, ten employees were noted to have access to both dispose cases in the eligibility system and to issue cards in the EBT card issuance system of which three were being monitored as of August 31, 2015. Of those ten, two were HHSC – Office of Inspector General (OIG) personnel.

Monitoring of security over issuance documents in the regional offices is performed by the EBT Regional Coordinator. This monitoring is required every three years. As part of the monitoring process, the EBT Regional Coordinator reviews controls over cards in the regional offices including performing a physical inventory between cards issued and remaining and verifying that voided cards are disabled and included on the voided card log. Of a sample of 40 monitoring reviews performed during fiscal year 2015, four took place after the three year deadline to perform reviews. For three of the four reviews performed after the deadline, the accepted management responses were not available for review.

Recommendation:

HHSC should ensure proper segregation of duties exist between eligibility and EBT systems such that no person has access to both systems unless approved. For those employees with approval, HHSC should continue to monitor their activity to determine the employee did not dispose cases in the eligibility systems and issue EBT cards. The ability to add access should be modified such that the HHSC approval process is adhered to. Additionally, HHSC should put controls in place to ensure that EBT Regional Coordinator monitoring reviews are performed on a timely basis in accordance with HHSC policies and procedures.

HEALTH AND HUMAN SERVICES COMMISSION

Views of Responsible Officials and Corrective Action Plan:

System Access – Eligibility Operations will enhance controls in this area by implementing an approval process to ensure only individuals with a defined business need have concurrent access to both systems. Compliance with this process will be evaluated through monitoring of access approvals and quarterly reviews of cases actions of individuals with dual access. This will also include a review of timely access termination requests and actions.

Monitoring Requirement – Eligibility operations completed an internal review of the monitoring process to standardize the process and implement an annual review of all issuance sites with oversight and monitoring conducted by state office to ensure compliance. All instances of non-compliance occurred within the same region. The region has been placed on a formal corrective action plan to complete all required on-site reviews by June 30, 2016.

Implementation Date: June 30, 2016

Responsible Person: Sandra Dillett

Reference No. 2015-019

Special Tests and Provisions – Inpatient Hospital and Long-Term Care Facility Audits

Medicaid Cluster

Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2014

Award numbers – 1505TX5MAP, 1505TX5ADM, 1505TXIMPL, 1505TXINCT, 1505TXBIPP, 1405TX5MAP, and 1405TX5ADM

Type of finding – Significant Deficiency

The State Medicaid agency pays for inpatient hospital services and long-term care facility services through the use of rates that are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers. The State Medicaid agency must provide for the filing of uniform cost reports for each participating provider. These cost reports are used to establish payment rates. The State Medicaid agency must provide for the periodic audits of financial and statistical records of participating providers. The specific audit requirements will be established by the State Plan (42 CFR section 447.253). Health and Human Services Commission (HHSC) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)). All non-Federal entities shall follow Federal laws and implementing regulations applicable to procurements, as noted in Federal agency implementation of the A-102 Common Rule and OMB Circular A-110.

Questioned Cost:	\$0
U.S. Department of Health and Human Services	

HHSC contracts with a service organization, Texas Medicaid and Healthcare Partnership (TMHP), to conduct hospital cost report audits on its behalf. These audits are used primarily to set hospital reimbursement rates. The service organization has an annual plan in place that is submitted to HHSC and provides monthly reports to HHSC. However, HHSC does not have adequate controls in place to monitor the service organization to ensure that 100 percent of the required audits are conducted in accordance with HHSC policy. Forty hospital audits including both field and desk audits were selected for testwork to ascertain if they were in compliance with HHSC's policies and no compliance exceptions were noted. No control or compliance exceptions were noted with regard to long-term care facility audits.

Recommendation:

HHSC should review policies in place regarding inpatient hospital audits and put controls in place to monitor the audits being performed by the service organization to ensure audits are being conducted in accordance with the State Plan and HHSC policies and procedures and to ensure that planned sample sizes are met for these audits.

HEALTH AND HUMAN SERVICES COMMISSION

Views of Responsible Officials and Corrective Action Plan:

TMHP provides HHSC with reports on the cost reports received from hospitals and on the cost report audits that are scheduled. We have begun steps to review the TMHP audit department internal controls and reporting requirements regarding the timeliness of completing cost report audits to ensure audits are conducted in accordance with the state plan and HHSC policies and procedures. HHSC will also review internal policies to determine whether cost report monitoring controls should be strengthened.

In addition, HHSC will:

- Review the audit program used to conduct the cost report audits to determine if the TMHP audit department has adequate controls to ensure sample sizes for transaction testing are appropriate.
- Review and update as necessary the reports that TMHP currently provides HHSC to ensure that they have sufficient information for us to determine if the TMHP audit department is conducting the number of contractually required audits in a timely manner.

HHSC regularly discusses the status of audits, with TMHP, when the possibility of significant findings might arise. Hospitals can appeal audit findings to HHSC if audits are not taking place in a timely manner. The Notice of Provider Reimbursement from TMHP to providers includes the address at HHSC for submitting an appeal. We have not received any appeals to date.

Implementation Date: July 31, 2016

Responsible Person: Selvadas Govind

Reference No. 2015-020

Special Tests and Provisions – Utilization Control and Program Integrity

Medicaid Cluster

Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2014

Award numbers – 1505TX5MAP, 1505TX5ADM, 1505TXIMPL, 1505TXINCT, 1505TXBIPP, 1405TX5MAP, and 1405TX5ADM

Type of finding – Significant Deficiency and Non-compliance

The State plan must provide methods and procedures to safeguard against unnecessary utilization of care and services, including long-term care institutions. In addition, the State must have: (1) methods or criteria for identifying suspected fraud cases; (2) methods for investigating these cases; and (3) procedures, developed in cooperation with legal authorities, for referring suspected fraud cases to law enforcement officials (42 CFR parts 455, 456, and 1002). Suspected fraud should be referred to the State Medicaid Fraud Control Units (42 CFR part 1007). The State Medicaid agency must establish and use written criteria for evaluating the appropriateness and quality of Medicaid services. The agency must have procedures for the ongoing post-payment review, on a sample basis, of the need for and the quality and timeliness of Medicaid services. The State Medicaid agency may conduct this review directly or may contract with a Quality Improvement Organization (QIO). The Health and Human Services Commission (HHSC) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)).

Questioned Cost:	\$0
U.S. Department of Health and Human Services	

HHSC Office of the Internal General (HHSC-OIG) Quality Review Unit (Unit) is required by policy to perform utilization reviews of all nursing homes at least every 15 months. The Unit is currently unable to meet this 15 month rule for 100% of the nursing homes requiring reviews so a risk-based approach has been put in place in order to leverage its efforts on the higher risk facilities. This is not in accordance with state policy. During fiscal year 2015, 24 of a total 40 nursing home reviews selected for testwork were performed after the 15 month policy.

HEALTH AND HUMAN SERVICES COMMISSION

Managed care organizations (MCOs) that contract with HHSC to provide insurance to Medicaid beneficiaries are required by contract to perform utilization reviews over claims they process. HHSC monitors these MCOs by reviewing provider and consumer complaints and by review and approval of all communications between the MCOs and providers. Three of 65 complaints reviewed did not have an acknowledgement letter on file as required by policies regarding complaints. One the 65 reviewed was missing a resolution letter.

Recommendation:

HHSC-OIG should review policies in place regarding long-term care utilization reviews and ensure the department is able to meet the requirements imposed by these policies. If current policies are no longer relevant, then HHSC-OIG should consider officially amending their policy and consulting with the federal government, if necessary.

For MCO complaints, HHSC should strengthen existing controls to ensure all required documents are included in case files to support final resolution of cases in accordance with HHSC policies and procedures.

Views of Responsible Officials and Corrective Action Plan – HHSC Inspector General:

The HHSC Inspector General has requested that the existing rule requiring the HHSC Inspector General to perform utilization reviews of all nursing facilities every 15 months be revised. The revised rule would allow for risk-based assessments of nursing facilities and HHSC Inspector General performance of utilization reviews based on the results of those assessments. This request, if approved, should result in a revised rule by November 2016.

Implementation Date: November 2016

Responsible Person: Judy Knobloch

Views of Responsible Officials and Corrective Action Plan – HHSC Medicaid and CHIP Division:

Health Plan Management (HPM) Complaints unit is currently reviewing and making appropriate updates to internal policies and procedures to clarify, to staff, that some form of acknowledgement (either letter, email, or via phone to the complainant) and a resolution letter is required for each complaint, when applicable. The current and any updates to policies and procedures will be reviewed with HPM Complaints unit staff to reinforce the importance of the Acknowledgement and Resolution letters.

HPM Complaint team management will continue to perform monthly reviews of six randomly selected cases of each HPM Complaint unit staff to ensure that Acknowledgement and Resolution letters are sent for a complaint, when applicable. Each review is scored and provided to the staff and used as a part of the performance measurement.

Implementation Date: March 31, 2016

Responsible Person: Michael Osborne

HEALTH AND HUMAN SERVICES COMMISSION

Reference No. 2015-021

Special Tests and Provisions – ADP Risk Analysis and System Security Review

Medicaid Cluster

Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2014

Award numbers – 1505TX5MAP, 1505TX5ADM, 1505TXIMPL, 1505TXINCT, 1505TXBIPP, 1405TX5MAP, and 1405TX5ADM

Type of finding – Significant Deficiency and Non-Compliance

State agencies must establish and maintain a program for conducting periodic risk analyses to ensure that appropriate, cost effective safeguards are incorporated into new and existing systems. State agencies must perform risk analyses whenever significant system changes occur. State agencies shall review the ADP system security installations involved in the administration of HHS programs on a biennial basis. At a minimum, the reviews shall include an evaluation of physical and data security operating procedures, and personnel practices. The State agency shall maintain reports on its biennial ADP system security reviews, together with pertinent supporting documentation, for HHS on-site reviews (45 CFR section 95.621). Per 45 CFR section 95.621(6), Health and Human Services Commission (HHSC) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)). All non-Federal entities shall follow Federal laws and implementing regulations applicable to procurements, as noted in Federal agency implementation of the A-102 Common Rule and OMB Circular A-110.

Questioned Cost:	\$0
U.S. Department of Health and Human Services	

During fiscal year 2015, HHSC refreshed their Information Security Risk Management Process Manual along with the Enterprise Information Security Standards and Guidelines Control’s Catalog. Of the eight in-house Medicaid systems identified by HHSC, five had a risk assessment report completed during fiscal year 2015. The remaining three are currently scheduled for a risk assessment review in fiscal year 2016. HHSC also has several Medicaid operations which are managed by service organizations. HHSC is currently anticipating also performing risk assessment activities in 2016 related to certain service organizations.

Recommendation:

HHSC should complete the currently scheduled biennial review process in order to comply with the above federal regulations. In addition, HHSC should continually reevaluate the completeness of the Medicaid ADP systems being reviewed including service organizations as HHSC continues to modify the Texas Medicaid delivery system.

Views of Responsible Officials and Corrective Action Plan:

HHSC will complete the currently scheduled biennial review process (Risk Assessment) of the remaining two Medicaid systems in order to comply with the federal regulations identified in the finding, additionally, HHSC will as part of its maturing risk management process within the HHSC security program, continually reevaluate the completeness of the Medicaid ADP Systems being reviewed to include service organizations that support the Texas Medicaid delivery systems.

Implementation Date: June 30, 2016

Responsible Persons: Jim Macek, PJ Fritsche, and Glen Boyer

HEALTH AND HUMAN SERVICES COMMISSION

Reference No. 2015-022

Special Tests and Provisions – Provider Eligibility

(Prior Audit Issues – 2014-014, 2013-018, 13-10, 12-06, 11-17, 10-13, 09-22, and 08-19)

Medicaid Cluster

Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2014

Award numbers – 1505TX5MAP, 1505TX5ADM, 1505TXIMPL, 1505TXINCT, 1505TXBIPP, 1405TX5MAP, and 1405TX5ADM

Type of finding – Material Weakness and Material Non-Compliance

Per 42 CFR Section 431.107, in order to receive Medicaid payments, providers of medical services must be licensed in accordance with federal, state, and local laws and regulations to participate in the Medicaid program. Per 42 CFR Section 455.106(a) before the Medicaid agency enters into or renews a provider agreement, the provider must disclose to the Medicaid agency the identity of any person who: (1) has ownership or control interest in the provider, or is an agent or managing employee of the provider, and (2) has been convicted of a criminal offense related to that person’s involvement in any program under Medicare, Medicaid, or the Title XX services program since the inception of those programs. Additionally, per 42 CFR Section 455.103, a State plan must provide that the requirements of 455.106 are met. Per review of the State plan, a search should be conducted to ensure that the provider is not included on the Medicaid exclusion list. Health and Human Services Commission (HHSC) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)). All non-Federal entities shall follow Federal laws and implementing regulations applicable to procurements, as noted in Federal agency implementation of the A-102 Common Rule and OMB Circular A-110.

Questioned Cost:	\$0
U.S. Department of Health and Human Services	

A sample of 50 providers receiving Medicaid payments during fiscal year 2015 were selected for review and 25 files were noted to have the exceptions noted below. None of the provider files with exceptions had been reenrolled under the Affordable Care Act as of the time of testwork. HHSC outsources provider eligibility to a service organization. Currently, HHSC does not have an effective control to monitor the service organization activities being performed on-behalf of HHSC.

- For 20 providers, a search to ensure the provider was not on the Medicaid exclusion list was not available for review.
- For one out of state (OOS) provider, no documentation of provider eligibility was available for review. This was the only OOS provider included in the sample.
- For six providers, there was no signed disclosure of ownership and control interest statement available for review.
- For 15 providers, a signed and notarized copy of the Provider Information Form (or an equivalent form) and documentation of provider disclosure of information on a provider’s owners and other persons convicted of criminal offenses against Medicare, Medicaid, or the Title XX Services Program were not available for review.
- For one provider, a completed agreement signed by the provider was not available for review.
- For one provider, a provider certification that they are not suspended or debarred was not available for review.
- For three providers, evidence that the provider was approved by Health and Human Services Commission Office of Inspector General (HHSC-OIG), including a Criminal History Check, was not available for review.

Recommendation:

HHSC will reenroll all providers under the Affordable Care Act over a period of time. HHSC should ensure the information required by HHSC state plan and policy is obtained and maintained during this process. In addition, HHSC needs to implement monitoring controls over the services being provided by the service organization to ensure state plan and policy requirements are being met.

HEALTH AND HUMAN SERVICES COMMISSION

Views of Responsible Officials and Corrective Action Plan:

HHSC agrees with the audit recommendations regarding the re-enrollment of providers under ACA. HHSC has been actively re-enrolling all Medicaid providers in accordance with federal guidelines. On January 13, 2016, CMS issued sub regulatory guidance extending the deadline to complete re-enrollment of all Medicaid providers to September 25, 2016. HHSC is taking steps to ensure compliance by the federal deadline.

The compliance issues related to the state plan and policy requirements were noted on providers that have not been re-enrolled under the new ACA requirements. HHSC is working diligently to re-enroll all required providers by the September 25, 2016 federal deadline. HHSC has monitoring controls in place to ensure that services performed by the service organization regarding processing of enrollment and re-enrollment applications meet accuracy and timeliness standards as contractually required and comply with policy and state plan requirements. Currently, all new providers are enrolled following the ACA requirements. Upon completion of provider re-enrollment, compliance issues with the state plan and policy requirements should be resolved.

Implementation Date: September 25, 2016

Responsible Person: Katherine Scheib

**Health and Human Services Commission
Department of State Health Services**

Reference No. 2015-023

Allowable Costs/Cost Principles

(Prior Audit Issues – 2014-012, 2013-021 and 13-14)

CFDA 93.767 – Children’s Health Insurance Program

Award years – October 1, 2014 to September 30, 2016, October 1, 2013 to September 30, 2015, and October 1, 2012 to September 30, 2014

Award numbers – 1505TX5021, 1505TX1081, 1405TX5021, and 1305TX5021

CFDA 93.959 – Block Grants for Prevention and Treatment of Substance Abuse

Award years – October 1, 2014 to September 30, 2016, October 1, 2013 to September 30, 2015, and October 1, 2012 to September 30, 2014

Award numbers – 2B08TI010051-15, 2B08TI010051-14, and 3B08TI010051-14

Medicaid Cluster

Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2014

Award numbers – 1505TX5MAP, 1505TX5ADM, 1505TXIMPL, 1505TXINCT, 1505TXBIPP, 1405TX5MAP, and 1405TX5ADM

Non-Major Programs:

CFDA 93.958 Block Grants for Community Mental Health Services

Type of finding – Material Weakness

Per Section 1115 of the Social Security Act, a State may obtain a waiver of statutory requirements in order to develop a system that more effectively addresses the health care needs of its population. A waiver may involve the use of a program of managed care for selected elements of the client population, or allow the use of program funds to serve specified populations that would be otherwise ineligible. Managed care providers must be eligible to participate in the program at the time services are rendered, payments to managed care plans should only be for eligible clients for the proper period, and the capitation payment should be properly calculated. Medicaid service payments (e.g., hospital and doctor charges) should not be made for services that are covered by managed care. States should ensure that capitated payments to providers are discontinued when a beneficiary is no longer enrolled for services. Health and Human Services Commission (HHSC) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)). All non-Federal entities shall follow Federal laws and implementing regulations applicable to procurements, as noted in Federal agency implementation of the A-102 Common Rule and OMB Circular A-110.

Questioned Cost:	\$0
U.S. Department of Health and Human Services	

HHSC has a managed care program through a section 1115 waiver. Managed care payments totaled over \$16 billion in fiscal year 2015, approximately 85% of all Texas-covered individuals. The Premiums Payable System (PPS) maintained by HHSC maintains participant risk groups, capitated rates for risk groups, and managed care organizations to which individuals are assigned. Eligibility of individuals is received via interface files with other Texas systems. HHSC is organized to include a HHSC Managed Care Operations Coordination Department separate from the HHSC Managed Care Program Operations Department. Data from PPS is downloaded by information technology (IT) support and provided to the HHSC Managed Care Operations Coordination Department to calculate amounts due to each Managed Care Organization (MCO), to create invoices to be paid to the MCOs, and to allocate payments to the proper funding source. HHSC maintains segregation of duties between IT operations and program personnel in its eligibility systems and PPS to ensure that individuals approving eligibility are not the same individuals who approve or process the MCO transactions.

Premiums Payable System (PPS) Segregation of Duties

Based on a review of the manual and automated processes related to the managed care program, adequate segregation of duties is not in place related to the functions performed by the HHSC Managed Care Operations Coordination

Department. The two primary individuals in the HHSC Managed Care Operations Coordination Department have system admin access to PPS. During fiscal year 2015, the two individual's access to modify capitation rates was removed. However they do have security administrative rights which give them the ability to grant themselves the access to modify capitation rates. A review of the audit logs during the audit indicated the access was not utilized. Also, the PPS system is not fully automated as to the calculation of the MCO payments amounts and assignment of funding sources.

Forty MCO payments in Children's Health Insurance Program (CHIP) and seventy in Medicaid were selected for allowable costs test work and no exceptions were noted with regard to allowable services to the respective eligible provider.

Issues were noted around IT general controls for the PPS system, specifically access controls. Segregation of duties was not enforced for a portion of the year for one developer who had administrative access to the PPS application through February 13, 2015. Additionally, six PPS developers had access to the Atos ticketing system to request Atos migrate code to production. While there is an established process for testing and approving changes to PPS before they are implemented in production, these six PPS developers could bypass that process by developing a change and immediately requesting Atos migrate it to the PPS production environment. The Atos ticketing system does not require a second level of approval before submitting a ticket and it does not notify other HHSC personnel when a ticket is submitted. Finally, each month PPS receives Medicaid and CHIP client information from Texas Integrated Eligibility Reporting System (TIERS) and Maximus' MAXeb system, respectively, via batch interface. As PPS uploads the information, the data is formatted and validated. For the two interfaces, records were removed for certain clients but one of the two exception files for each interface was not reviewed. Specifically, 190,656 of 6,446,840 records (2.9%) for Medicaid and 109 of 399,420 (.03%) records for CHIP were not uploaded into PPS.

Recommendation:

HHSC has made progress in correcting segregation of duties issues noted and has a plan to continue to enhance controls over the process. HHSC has plans to update PPS to automate the MCO payment calculations and to generate invoices for payment. With regard to the IT environment, HHSC should ensure proper segregation of duties exist within PPS including a review of developers with access.

Views of Responsible Officials and Corrective Action Plan:

- 1) *Compensating controls have been implemented to ensure the Managed Care Operations Coordination Department staff with administrative rights do not make undetected changes to rates. If any rate is modified other than by the automated batch process, an e-mail is sent to the State Medicaid Director, the Chief Information Officer, Director of Actuarial Analysis, the Director, Managed Care Operations, and the Director, Health Services Systems to review the appropriateness of the change. If the change is deemed inappropriate by the recipients, corrective action will be taken.*
- 2) *Developers do not have any inappropriate access to Production.*
- 3) *Access to the Atos ticketing system is necessary to support production operations. Compensating controls have been implemented to review all tickets submitted on a monthly basis to ensure they are appropriate. If a ticket is deemed inappropriate by IT management, corrective action will be taken.*

Implementation Dates: (1) February 9, 2015 (2) February 15, 2015 (3) December 31, 2015

Responsible Person: PJ Fritsche

**Health and Human Services Commission
Department of Family and Protective Services**

Reference No. 2015-024

Procurement and Suspension and Debarment

TANF Cluster

Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2014

Award numbers – 1502TXTAN3, and 1502TXTANF, 1402TXTANF3, 1402TXTANF

Type of finding – Material Weakness and Material Non-Compliance

Per the OMB Circular A-133 Compliance Supplement, States, and governmental subrecipients of States, will use the same State policies and procedures used for procurements from non-Federal funds. They also must ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations. To support state operations and shorten the procurement cycle for purchasers, state law grants purchasing authority to Texas Procurement and Support Services (TPASS), the Council on Competitive Government (CCG) and the Department of Information Resources (DIR) to establish contracts for commonly used goods and services for state agency and local government use. Statewide contracts include DIR's Information and Communications Technology (ICT) Cooperative Contracts for Information Technology (IT) goods and services and TPASS TxSmartBuy (term), managed (includes CCG) and Texas Multiple Awards Schedule (TXMAS) contracts for other goods and services. Some of the TPASS, CCG, and DIR contracts have established pricing schedules which require no further procurement activities by a state agency except to document the purchase and the resulting contract utilized. Other TPASS, CCG, and DIR contracts have "not to exceed" pricing schedules for which a state agency should competitively bid a specific statement of work (SOW) to obtain pricing.

Questioned Cost: \$4,736,900

U.S. Department of Health and
Human Services

The TXMAS program adapts existing competitively awarded government contracts to the procurement needs of the State of Texas. Unlike some other purchasing methods, purchases made from TXMAS contracts do not require delegated authority from TPASS to make purchases over \$25,000 for commodities and \$100,000 for services. Prior to purchasing the product or service from a TXMAS contract, an agency must follow applicable statutes, as required, for purchasing from the CCG, TIBH Industries, Inc. (TIBH), Texas Correctional Industries (TCI), the TxSmartBuy term or managed term contracts.

An open market solicitation is used to purchase a good or service by soliciting from any available source. The open market solicitation procedure is authorized by Texas Government Code §§2155.062(a)(3) and 2156.061. Open market informal solicitations can be used for procurements of commodities or services greater than \$5,000 but not greater than \$25,000. Open Market Formal Solicitation is used for agency-administered open market purchases of services greater than \$25,000 and for commodities if delegated by TPASS or through statutory authority specific to an agency. Per the Health and Human Services (HHSC) Procurement Manual, for small purchases (\$5,000 or less excluding IT purchases) competition is not required; however, HHSC's Procurement and Contracting Services (PCS) Division does require contact with at least one Historically Underutilized Business (HUB) vendor to provide them with an opportunity to quote.

The Texas Facilities Commission (TFC) governs the lease of space for state agencies. TFC's authority for its leasing activities is in Texas Government Code §2167. All requests for lease space by Health and Human Services (HHS) agencies must be submitted by the HHSC Lease Officers under the direction of the HHSC Director of Facility Management and Leasing. Prior to awarding any contracts, state agencies and qualified local government purchasing entities are required to check the list of vendors excluded from doing business at the federal level by utilizing the Federal Excluded Persons List System (EPLS).

HHSC PCS conducts procurement activities for all HHS agencies, resulting in a purchase order, contract, or other agreement for the requesting agency. The HHS agencies include HHSC and the Department of Family and Protective Services (DFPS). Following the procurement process, HHS agency staff are responsible for subsequent contract management and monitoring activities. HHSC shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-

133, Subpart C, Section 300 (b)). All non-Federal entities shall follow Federal laws and implementing regulations applicable to procurements, as noted in Federal agency implementation of the A-102 Common Rule and OMB Circular A-110. Audit procedures involved a review of procurement files related to 67 purchases at HHSC and 53 purchases at DFPS. Results of testwork follow.

HHSC

- For one sample, the pricing per the TPASS website did not agree to what was paid on the purchase order (PO). PO amounts were approximately \$300,000.
- Three samples were DIR service contracts and did not have evidence of competitive bidding. The files only included the SOW for the awarded vendor but not for any other vendors that may have quoted a price. Additionally, there was no sole-source or proprietary purchase documentation found in these files. PO amounts were approximately \$200,800.
- For two samples, there was no evidence included in the file that prior to awarding the TXMAS contract CCG, TIBH, and TCI were checked to ensure a similar product was not offered. PO amounts were approximately \$2,360,000.
- For one sample, the support for a PO less than \$5,000 did not contain evidence that a HUB vendor was contacted in accordance with the HHSC Procurement Manual. PO amounts were approximately \$4,700.
- For eight samples related to contracts obtained through the Texas Facilities Commission (TFC), the TFC files did not contain evidence that a verification check was performed to validate that the awarded vendor was not suspended or debarred from receiving any federal funds prior to the award of the contract. PO amounts were approximately \$1,454,000.

DFPS

- One sample was a DIR service contract and did not have evidence of competitive bidding. The file only included the SOW for the awarded vendor but not for any other vendors that may have quoted a price. Additionally, there was no sole-source or proprietary purchase documentation found in this file. PO amounts were approximately \$406,000.
- For four samples, the support for a PO less than \$5,000 did not contain evidence that a HUB vendor was contacted in accordance with the HHSC Procurement Manual. PO amounts were approximately \$11,400.

PCS has put a quality control (QC) process in place to review a sampling of procurement files for each buyer but due to staffing constraints the QC process was not executed effectively throughout fiscal year 2015. Results of QC activities are submitted to each manager to review and take corrective actions. PCS does not currently incorporate the observations noted during QC into training.

Additionally, PCS has policies and procedures in place regarding segregation of duties within the procurement process including procedures for initiation of requisitions and issuance of POs. HHSC's IT system, HHSAS does not enforce this segregation of duties.

Recommendation:

HHSC PCS should continue with their QC process and consider strengthening their procedures to be more specific to certain types of procurement contracts. In addition, HHSC PCS should review their current checklists and tools to determine if revision is necessary to further facilitate compliance with state and federal regulations. Results of QC activities should be incorporated into training to educate staff and managers about common issues noted during file reviews. Automated controls should be strengthened to ensure segregation of duties between initiation of procurement activities and buying activities.

Views of Responsible Officials and Corrective Action Plan:

HHSC PCS agrees with this recommendation and will be endeavoring to increase staff resources for the QC team. Currently, the QC team is also the audit-support team, and audit activities have greatly increased over the last year

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and a half. HHSC PCS will review their current checklists and tools to determine if revisions are necessary to further facilitate compliance with state and federal regulations noted in this issue and to better ensure results of QC activities are communicated to appropriate management for corrective action. HHSC PCS will perform additional analysis of QC results to identify trends and determine whether the topic should be included in training or additional emphasis should be provided to the topic if it is already part of the training curriculum.

In regards to strengthening automated controls, HHSC PCS will coordinate with HHSC-IT to assess the feasibility of aligning HHSAS automated controls with HHSC PCS policy. In the meantime, HHSC PCS will review, evaluate, and implement, as needed, monitoring controls to identify purchaser activities that do not align with current segregation of duties policy.

Implementation Date: September 1, 2016

Responsible Person: Ron Pigott

**Health and Human Services Commission
Department of Aging and Disability Services
Department of Assistive and Rehabilitative Services
Department of Family and Protective Services
Department of State Health Services**

Reference No. 2015-025

Subrecipient Monitoring

(Prior audit issue 2014-013)

CFDA 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children

Award years – October 1, 2014 to September 30, 2015, January 1, 2015 to September 30, 2016, October 1, 2013 to September 30, 2014, January 1, 2014 to September 30, 2015, and January 1, 2013 to September 30, 2014

Award numbers – 6TX700506 and 6TX700526

CFDA 84.126 – Rehabilitation Services–Vocational Rehabilitation Grants to States

Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2014

Award numbers – H126A150064, H126A150065, H126A140064, and H126A140065

CFDA 84.181 – Special Education-Grants for Infants and Families

Award years – July 1, 2015 to September 30, 2016, July 1, 2014 to September 30, 2015, and October 11, 2013 to September 30, 2014

Award numbers – H181A150171, H181A140171, and H181A140102

CFDA 93.268 – Immunization Cooperative Agreements

Award years – January 1, 2015 to December 31, 2015 and January 1, 2014 to December 31, 2014

Award numbers – H23IP000773-03 and H23IP000773-02

CFDA 93.658 – Foster Care–Title IV–E

Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2014

Award numbers – 1501TX1401 and 1401TX1401

CFDA 93.667 – Social Services Block Grant

Award years – October 1, 2014 to September 30, 2016 and October 1, 2013 to September 30, 2015

Award numbers – G1501TXSOSR and G1401TXSOSR

CFDA 93.917 – HIV Care Formula Grants

Award years – September 30, 2014 to September 29, 2015, April 1, 2015 to March 31, 2016, September 30, 2013 to September 29, 2014, and April 1, 2014 to March 31, 2015

Award numbers – X08HA28024-01, X07HA00054-25, X08HA16843-05, and X07HA00054-24

CFDA 93.959 – Block Grants for Prevention and Treatment of Substance Abuse

Award years – October 1, 2014 to September 30, 2016, October 1, 2013 to September 30, 2015, and October 1, 2012 to September 30, 2014,

Award numbers – 2B08TI010051-15, 2B08TI010051-14, and 3B08TI010051-14

CFDA 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Award year – 2015

Award number – FEMA-4223-DR

Special Education Cluster (IDEA)

Award years – July 1, 2014 to September 30, 2016, July 1, 2013 to September 30, 2015, and July 1, 2012 to September 30, 2014

Award numbers – H173A140004, H027A140168, H173A130004, H027A130168, H173A120004, and H027A120008

Aging Cluster

Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2014

Award numbers – 15AATXNSIP, 15AATXT3SS, 15AATXT3CM, 15AATXT3HD, 14AATXT3SS, 14AATXT3CM, 14AATXT3HD, and 14AATXNSIP

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TANF Cluster

Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2014

Award numbers – 1502TXTAN3, and 1502TXTANF, 1402TXTANF3, and 1402TXTANF

Medicaid Cluster

Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2014

Award numbers – 1505TX5MAP, 1505TX5ADM, 1505TXIMPL, 1505TXINCT, 1505TXBIPP, 1405TX5MAP, and 1405TX5ADM

Non-Major Programs:

- 14.241 Housing Opportunities for Persons with AIDS
 - 84.169 Independent Living_State Grants
 - 93.041 Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploration
 - 93.042 Special Programs for the Aging_Title VII, Chapter 2_Long-Term Care Ombudsman Services for Older Individuals
 - 93.043 Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services
 - 93.052 National Family Caregiver Support, Title III, Part E
 - 93.069 Public Health Emergency Preparedness
 - 93.070 Environmental Public Health and Emergency Response
 - 93.074 Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements
 - 93.116 Project Grants and Cooperative Agreements for Tuberculosis Control Programs
 - 93.150 Projects for Assistance in Transition from Homelessness (PATH)
 - 93.235 Affordable Care Act (ACA) Abstinence Education Program
 - 93.243 Substance Abuse and Mental Health Services Projects of Regional and National Significance
 - 93.251 Universal Newborn Hearing Screening
 - 93.283 Centers for Disease Control and Prevention Investigations and Technical Assistance
 - 93.324 State Health Insurance Assistance Program
 - 93.369 ACL Independent Living State Grants
 - 93.505 Affordable Care (ACA) Maternal, Infant, and Early Childhood Home Visiting Program
 - 93.523 The Affordable Care Act: Human Immunodeficiency Virus (HIV) Prevention and Public Health Fund Activities
 - 93.531 PPHF-Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - financed solely by Prevention and Public Health Funds
 - 93.535 Affordable Care Act (ACA) Childhood Obesity Research Demonstration
 - 93.556 Promoting Safe and Stable Families
 - 93.566 Refugee and Entrant Assistance_State Administered Programs
 - 93.576 Refugee and Entrant Assistance_Discretionary Grants
 - 93.584 Refugee and Entrant Assistance_Targeted Assistance Grants
 - 93.590 Community-Based Child Abuse Prevention Grants
 - 93.652 Adoption Opportunities
 - 93.671 Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services
 - 93.752 Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds (PPHF)
 - 93.758 Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)
 - 93.791 Money Follows the Person Rebalancing Demonstration
 - 93.817 Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities
 - 93.889 National Bioterrorism Hospital Preparedness Program
 - 93.940 HIV Prevention Activities Health Department Based
 - 93.944 Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance
 - 93.958 Block Grants for Community Mental Health Services
 - 93.977 Preventive Health Services Sexually Transmitted Diseases Control Grants
 - 93.991 Preventive Health and Health Services Block Grant
 - 93.994 Maternal and Child Health Services Block Grant to the States
- Type of finding – Material Weakness and Material Non-Compliance

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Health and Human Services Commission (HHSC) – Office of the Inspector General (OIG) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)).

Questioned Cost: \$0

U.S. Department of Agriculture
U.S. Department of Education
U.S. Department of Health and
Human Services
U.S. Department of Homeland
Security
U.S. Department of Housing
and Urban Development

According to OMB Circular A-133, a pass-through entity must assure that subrecipients expending Federal funds in excess of \$500,000 have an OMB Circular A-133 Single Audit performed and provide a copy of the auditor's report to the pass-through entity within nine months of the subrecipient's fiscal year end. The pass-through entity is to review the report and issue a management decision within six months, if applicable. Per OMB Circular A-133, section .405, the pass-through entity shall be responsible for making the management decision for audit findings that relate to Federal awards it makes to subrecipients. The management decision shall clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action. If the auditee has not completed corrective action, a timetable for follow-up should be given. The entity responsible for making the management decision shall do so within six months of receipt of the audit report. Corrective action should be initiated within six months after receipt of the audit report and proceed as rapidly as possible.

HHSC-OIG is responsible for collecting the A-133 Single Audit performed over subrecipients of the five agencies in the Health and Human Services (HHS) enterprise: HHSC, Department of State Health Services (DSHS), Department of Aging and Disability Services (DADS), Department of Family and Protective Services (DFPS), and Department of Assistive and Rehabilitative Services (DARS).

Quarterly, HHSC-OIG generates an email requesting an updated list of subrecipients for which an A-133 Single Audit was required in the most recent fiscal year from the five agencies. Once the list is updated by each agency, HHSC-OIG issues a Single Audit Request Letter to each subrecipient on the list instructing them to complete the online Single Audit Status Form within 30 days of receiving the letter. On this form, the subrecipient indicates if they are expending more than \$500,000 in Federal funds and if an A-133 Single Audit has been completed. HHSC-OIG uses this information to track the due date for a subrecipient's A-133 Single Audit report since the report is due to HHSC-OIG the lesser of nine months after the subrecipient's fiscal year end or 30 days after report issuance. If an A-133 Single Audit report is overdue for a subrecipient, HHSC-OIG issues a delinquency letter as part of its due diligence. Based on test work performed it was noted that controls over the completeness of the list of subrecipients are not adequate to ensure all subrecipients are included and there is no formal policy and/or process to monitor timely issuance of the delinquency letters. Additionally, there is no process to monitor receipt of reports within 30 days of issuance if it is sooner than nine months after year end.

When an A-133 Single Audit report is received by HHSC-OIG, a preliminary review is performed to determine a risk score to assign priority to reports that contain potential issues that might require a management decision letter to be issued within the six month timeframe. The monitoring of these risk assignments and priority of being reviewed is not operating effectively. If required, HHSC-OIG coordinates with the program personnel to ensure that a management decision letter is issued within six months of receipt of the A-133 Single Audit report. The six month deadline is entered into a database to assist with monitoring deadlines. HHSC-OIG has a weekly "overdue report" to assist with timely issuance of management decision letters. However the report is not being reviewed at the correct precision level to focus on letters that are nearing delinquency resulting in letters being issued late as noted in specific exceptions below. The management decision letters do not contain the required elements. In addition, HHSC-OIG has no process in place to track the corrective action plans and their implementation.

A sample of 68 subrecipients was selected among DSHS, DADS, HHSC, and DARS as subrecipient monitoring was in scope for these four agencies. Of the subrecipients tested, the following was noted:

- Nineteen subrecipients' A-133 reports were received within nine months of the subrecipient's year-end but not within 30 days of issuance. This late filing was not noted by HHSC - OIG. Counts by program follow:
 - DSHS 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) – four
 - DSHS 93.959 Block Grants for Prevention and Treatment of Substance Abuse (SABG) – three

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- DSHS 93.917 HIV Care Formula Grants (HIV Care) – one
 - DADS Aging Cluster (Aging) – six
 - HHSC TANF Cluster (TANF) – one
 - HHSC 93.671 Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services – three
 - DARS 84.181 Early Childhood Intervention (ECI) – one
- One subrecipient (DSHS WIC) submitted reports to HHSC-OIG within nine months but a single audit was not included. OIG sent a management decision letter regarding the missing single audit after the six month deadline. The management decision letter did not include required elements including specific required action, a timetable, or an explanation of an appeals process.
 - One subrecipient (DSHS SABG) submitted reports to HHSC-OIG but did not submit to the Federal clearinghouse. This is noncompliance with federal filing requirements that was not noted.
 - Four subrecipients (DSHS SABG – two, DADS Aging – one, HHSC TANF - one) were not sent a letter requesting the subrecipient submit a single audit. No information was received.
 - One subrecipient HHSC 93.667 Social Services Block Grants (HHSC SSBG) was sent a Single Audit Determination Form to request a single audit report after the nine month submission deadline.
 - Fourteen subrecipients’ (DSHS SABG – six, HHSC SSBG – six, HHSC TANF – one, and DARS ECI - one) single audit reports were not received timely and follow-up on the late reports was not performed in a timely manner. One report (DSHS SABG) was never received. For one (DSHS SABG), the management response to a finding was accepted as adequate. No management decision letter was sent and no follow-up was performed with the subrecipient to ensure implementation of improvements had occurred. For two (HHSC TANF and DARS ECI), the reports were indicated as a high priority for review due to potential finding and were not reviewed within six months of receipt.

Below is a list of all amounts with the schedule of federal awards that was passed through to subrecipients for HHSC, DSHS, DPFs, DADS, and DARS during fiscal year 2015.

CFDA Number	Program Name	Non-Site Entities Amount
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	\$153,357,094
14.241	Housing Opportunities for Persons with AIDS	2,837,374
84.027	Special Education Grants to States	5,050,125
84.126	Rehabilitation Services_Vocational Rehabilitation Grants to States	1,522,906
84.169	Independent Living_State Grants	252,124
84.181	Special Education-Grants for Infants and Families	47,043,675
93.041	Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploration	239,026
93.042	Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploration	995,679
93.043	Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services	860,159

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CFDA Number	Program Name	Non-Site Entities Amount
93.044	Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	21,373,289
93.045	Special Programs for the Aging_Title III, Part C_Nutrition Services	30,128,049
93.052	National Family Caregiver Support, Title II, Part E	8,010,296
93.053	Nutrition Services Incentive Program	8,989,595
93.069	Public Health Emer*9gency Preparedness	21,595,775
93.070	Environmental Public Health and Emergency Response	3,916
93.074	Hospital Preparedness Program (HPR) an Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	167,698
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Program	3,804,162
93.150	Projects for Assistance in Transition from Homelessness (PATH)	4,432,705
93.235	Affordable Care Act (ACA) Abstinence Education Program	2,325,607
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	1,138,161
93.251	Universal Newborn Hearing Screening	29,049
93.268	Immunization Cooperative Agreements (Non-Monetary)	5,100,012
93.324	State Health Insurance Assistance Program	2,228,164
93.369	ACL Independent Living State Grants	90,112
93.505	Affordable Care (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	8,110,003
93.523	The Affordable Care Act: Human Immunodeficiency Virus (HIV) Prevention and Public Health Fund Activities	45,259
93.531	PPHF-Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - financed solely by Prevention and Public Health Funds	795,012
93.535	Affordable Care Act (ACA) Childhood Obesity Research Demonstration	13,943
93.556	Promoting Safe and Stable Families	9,677,746
93.558	Temporary Assistance for Needy Families	17,724,110
93.566	Refugee and Entrant Assistance_State Administered Programs	38,591,005
93.576	Refugee and Entrant Assistance_Discretionary Grants	2,099,782
93.584	Refugee and Entrant Assistance_Targeted Assistance Grants	3,582,817

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CFDA Number	Program Name	Non-Site Entities Amount
93.590	Community-Based Child Abuse Prevention Grants	1,436,100
93.652	Adoption Opportunities	258,201
93.658	Foster Care_Title IV-E	4,811,325
93.667	Social Services Block Grant	28,744,582
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	5,925,636
93.752	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds (PPHF)	3,742,196
93.758	Preventative Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	2,046,500
93.778	Medical Assistance Program	31,613,843
93.791	Money Follows the Person Rebalancing Demonstration	804,078
93.817	Hospital Preparedness Program (HP) Ebola Preparedness and Response Activities	73,934
93.889	National Bioterrorism Hospital Preparedness Program	12,845,610
93.917	HIV Care Formula Grants	21,873,015
93.940	HIV Prevention Activities_Health Department Board	10,632,311
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	414,869
93.958	Block Grants for Community Mental Health Services	23,981,009
93.959	Block Grants for Prevention and Treatment of Substance Abuse	104,345,298
93.977	Preventive Health Services_Sexually Transmitted Diseases Control Grants	4,612,531
93.991	Preventive Health and Health Services Block Grant	278,508
93.994	Maternal and Child Health Services Block Grant to the States	9,742,747
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	29,594
98.283	Centers for Disease Control and Prevention Investigations and Technical Assistance	147,672
	Total	<u>\$670,573,988</u>

Recommendation:

HHSC-OIG should establish a comprehensive process for identifying subrecipients, collecting the A-133 reports, issuing management decisions, receiving correction action plans, and performing due diligence for any information not received from subrecipients in a timely manner.

Views of Responsible Officials and Corrective Action Plan:

In the Sunset Review report issued in 2014, the Sunset Commission recommended that the subrecipient monitoring function be transferred from HHSC Inspector General (HHSC IG) to some other area of the HHS System. While HHS plans to implement this recommendation, it has not determined where the function will be located or when a transfer will occur. In the interim, HHSC IG plans the following actions, which it will coordinate with the organizational unit where the function will be transferred as soon as that decision is made.

1. *HHSC IG will coordinate with appropriate HHS agency contacts to jointly develop a communication plan to help ensure information about all subrecipients is available to HHSC IG. The communication plan will also include processes for HHS agencies to provide information HHSC IG needs to ensure it includes all required elements in the management decision letters it issues to subrecipients.*
2. *HHSC IG will revise or augment its existing policies and procedures to specifically address how it performs and monitors the following:*
 - *Identification of subrecipients*
 - *Receipt of reports and issuance of delinquency letters when subrecipient reports are late*
 - *Assignment of risk scores and priority of subrecipient reports it receives*
 - *Timely issuance of management decision letters that include all required elements*
 - *Collection and documentation of subrecipient corrective action plans*
 - *Follow-up on the status of subrecipient implementation of corrective action plans*
3. *HHSC IG will provide staff with additional training on the changes and initiatives included in its revised policies and procedures. In addition, training will:*
 - *Reinforce the definition of timely receipt of a subrecipient report as the earlier of 30 days after audit report issuance or nine months after the subrecipient's fiscal year end.*
 - *Increase staff awareness that management decision letters are to specifically note instances when a report was submitted late or was not submitted to the Federal Clearing House as required.*
4. *HHSC IG currently has a staff member assigned primary responsibility for review of the delinquency report and issuance of delinquency letters on a monthly basis, with another staff member as backup. During fiscal year 2015, both positions were vacant for extended periods of time, contributing to performance inconsistencies. Both positions are now filled, and a third individual will be trained as backup for this function during the period of time this function remains with HHSC IG.*

Implementation Dates:

1. *February 2016 – Initial coordination meeting with HHS agency contacts*
2. *February 2016 – Policies and procedures revisions completed*
3. *March 2016 – Training, to be conducted in January and March of 2016, will be completed*
4. *February 2016 – Training for staff serving as third backup for delinquency reporting and management decision letter issuance will be completed*

Responsible Person: Kacy VerColen

**Health and Human Services Commission
Department of State Health Services**

Reference No. 2015-026

Special Tests and Provisions – Provider Health and Safety Standards

(Prior Audit Issues – 2014-015 and 2013-017)

Medicaid Cluster

Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2014

Award numbers – 1505TX5MAP, 1505TX5ADM, 1505TXIMPL, 1505TXINCT, 1505TXBIPP, 1405TX5MAP, and 1405TX5ADM

Type of finding – Significant Deficiency and Non-Compliance

Per 42 CFR part 442, providers must meet the prescribed health and safety standards for hospital, nursing facilities, and ICF/MR. The standards may be modified in the State plan. Health and Human Services Commission (HHSC) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)). All non-Federal entities shall follow Federal laws and implementing regulations applicable to procurements, as noted in Federal agency implementation of the A-102 Common Rule and OMB Circular A-110.

Questioned Cost:	\$0
U.S. Department of Health and Human Services	

Health and Human Services Commission

An out-of-state (OOS) provider may come into the program based on several different circumstances, including: (1) The client being sent out of state for services that are not readily available in Texas; and (2) Border states where it is the norm for clients to receive a service in that border state. Under current HHSC procedures, HHSC requires OOS providers to fill out the same application as an in-state provider. OOS providers are to receive a letter that tells them that their enrollment is limited and informing them of the amount of time that has been granted. Of a sample of 65 providers receiving Medicaid payments during fiscal year 2015, 25 were OOS providers. Controls were not in place to ensure current health and safety information was obtained for these OOS providers which HHSC outsources to a service organization. No exceptions were noted with in-state providers which constitutes the majority of the HHSC providers.

Department of State Health Services (DSHS)

DSHS provides licensing for providers in the State of Texas and is required to maintain documentation of Health and Safety Standards in accordance with Texas Health and Safety Code, Chapter 241 and Title 25 Texas Administrative Code, Chapter 133. DSHS process provides that multiple individuals are generally involved in the issuance of a license. However, there is no formalized control to ensure that the licensing information was all gathered and processed accurately prior to issuance of the license. No compliance exceptions were noted in the current year.

Recommendation:

DSHS should implement review/monitoring controls to ensure licensing files are complete and accurate. HHSC should implement controls to ensure federal and State plan requirements regarding health and safety standards are achieved for OOS providers. In addition, HHSC needs to implement monitoring controls over the services being provided by the service organization to ensure state plan and policy requirements are being met.

Views of Responsible Officials and Corrective Action Plan – HHSC Response:

Out of state providers are required to be licensed in the state that they operate, and be enrolled in Medicare as pre-requisites to enrollment in Texas Medicaid. Enrollment in Medicare ensures that the provider has met and continues to meet health and safety standards as required under federal regulations and the state plan.

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HHSC is developing systems and process updates to screen enrolled providers to the Medicare Terminations Database. These updates are scheduled to be in place by September 1, 2016. Additionally, HHSC has specific contractual requirements which require the service organization to update provider records and verify provider recertification requirements are met in accordance with state-defined timelines. The monitoring controls for these contract requirements are being developed now and will be in place by September 1, 2016.

Implementation Date: September 1, 2016

Responsible Person: Katherine Scheib

Views of Responsible Officials and Corrective Action Plan – DSHS Response:

The Department of State Health Services, Facility Licensure Group agrees that licensure review/monitoring controls could be improved. The Group has implemented a new licensure review process that now includes a more formal, periodic review by the Facility Licensing Group Manager of licensure files and related check lists to ensure files contain sufficient documentation for issuance of a license.

Implementation Date: January 15, 2016

Responsible Person: Charlotte Sullivan

Texas Department of Housing and Community Affairs

Reference No. 2015-027

Allowable Costs/Cost Principles

CFDA 14.239 – HOME Investment Partnerships Program

Award years – February 1, 2015 to January 31, 2016 and February 1, 2014 to January 31, 2015

Award numbers – M-15-SG-48-0100 and M-14-SG-48-0100

Type of finding – Significant Deficiency

Texas Department of Housing and Community Affairs (TDHCA) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)). All non-Federal entities shall follow Federal laws and implementing regulations applicable to procurements, as noted in Federal agency implementation of the A-102 Common Rule and OMB Circular A-110.

Questioned Cost:	\$0
U.S. Department of Housing and Urban Development	

OMB A-87 section H – Support of Salaries and Wages sets standards regarding time distribution, in addition to the standards for payroll documentation. These standards include personnel activity reports or equivalent documentation must meet the following standards: Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes, provided that:

1. The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;
2. At least quarterly, comparisons of actual costs to budgeted distributions, based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually, if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and
3. The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.

Texas Department of Housing and Community Affairs (TDHCA) requires its employees to complete weekly electronic timesheets, regardless of whether the employee works solely on a single Federal award or cost objective, or on multiple activities or cost objectives. For employees whose time is charged to multiple federal programs, timesheets have program codes that identify all the programs the employee works on and the amount of time spent working on the respective program. All employees fill out timesheets according to the hours that they worked. Employee time is charged based on a budgeted percentage. On a monthly basis, payroll staff reconcile actual time worked by program to the actual amount charged and make an adjusting entry in the subsequent period for the difference to actual. However, the review of the payroll adjusting entry is currently not at the correct precision level to ensure the true-up calculation is complete and accurate. No compliance exceptions were noted.

Recommendation:

After the payroll adjustment for budget to actual is made, but before the entry is entered into the general ledger, the adjustment should be reviewed by a payroll supervisor or a financial analyst for completeness and accuracy.

Views of Responsible Officials and Corrective Action Plan:

TDHCA has implemented additional control procedures that further ensure that the true-up calculation is complete and accurate.

Implementation Date: September 1, 2015

Responsible Person: Ernie Palacios

HOUSING AND COMMUNITY AFFAIRS, TEXAS DEPARTMENT OF

Reference No. 2015-028

Reporting

CFDA 14.239 – HOME Investment Partnerships Program

Award year – February 1, 2014 to January 31, 2015

Award number – M-14-SG-48-0100

Type of finding – Significant Deficiency

Grantees are required to submit U.S. Department of Housing and Urban Development (HUD) 60002, Section 3 Summary Report, Economic Opportunities for Low-and Very Low-Income Persons (OMB No. 2529-0043). Each recipient that administers covered public and Indian housing assistance, regardless of the amount expended, and each recipient that administers covered housing and community development assistance in excess of \$200,000 in a program year, must submit HUD 60002 information using the Section 3 Summary Reporting System (24 CFR sections 135.3(a)(1), and 135.90). Texas Department of Housing and Community Affairs (TDHCA) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)). All non-Federal entities shall follow Federal laws and implementing regulations applicable to procurements, as noted in Federal agency implementation of the A-102 Common Rule and OMB Circular A-110.

Questioned Cost:	\$0
U.S. Department of Housing and Urban Development	

The preparation of the HUD 60002 Report includes the requirement of all subrecipients to submit their respective Section 3 Report information to the TDHCA as part of their final draw for the program year along with any supporting program-related information or descriptions. This includes all subrecipients, including those with no information to report to ensure completeness. The information from the subrecipients is compiled and maintained in a tracking spreadsheet by the HUD Section 3 Coordinator and the totals from this tracking spreadsheet are then used to populate the amounts on the final HUD 60002 Report submitted to HUD. Prior to submission of the final report to HUD, the manager of program services performs a high-level review of the information to ensure reasonableness which is not at a precise enough level to validate the completeness and accuracy of the information being reported. There is no verification done by the reviewer, even on a sample basis, of the information within the supporting subrecipient source documentation. TDHCA does incorporate into their subrecipient monitoring process a review of the reported data back to source documents. No compliance issues were noted.

Recommendation:

TDHCA should enhance their HUD 60002 report review process to include validation of some source documentation to the tracking spreadsheet in order to verify the completeness and accuracy of the information being reported.

Views of Responsible Officials and Corrective Action Plan:

Management concurs with the recommendation. The Department through the Single Family Operations and Services Division (SFOS), will update the Section 3 reporting review procedures and implement a more detailed supervisory review.

Implementation Date: February 29, 2016

Responsible Person: Brenda Hull

Department of Public Safety

Reference No. 2015-029

Allowable Costs/Cost Principles

Subrecipient Monitoring

Special Tests and Provisions – Subgrant Awards

CFDA 97.067 – Homeland Security Grant Program

Award years – September 1, 2014 to August 31, 2016, September 1, 2013 to August 31, 2015, September 1, 2012 to August 31, 2014, September 1, 2011 to August 31, 2014

Award numbers – EMW-2014-SS-00039-S01, EMW-2013-SS-00045-S01, EMW-2012-SS-00018-S01, EMW-2011-SS-00019-S01

Type of finding – Material Weakness

The Texas Department of Public Safety (DPS) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)). Segregation of duties between initiation, approval, and authorization of transactions is a key component of an effective control environment.

Questioned Cost:	\$0
U.S. Department of Homeland Security	

DPS uses the State Preparedness Assessment and Reporting System (SPARS) application to administer Homeland Security grants to subrecipients. In SPARS, DPS creates projects with assigned funding amounts and provides direct user access at varying levels for subrecipients, Councils of Governments (COG), and DPS users. The direct user access of the three parties creates a workflow that facilitates initiation, approval, and authorization for payment of subrecipient’s allowable expenditures. However, SPARS was designed to allow nine DPS users the ability to access accounts belonging to a subrecipient or COG and perform all actions that a subrecipient or COG is able to perform. SPARS also allows the same nine DPS users the ability to perform both DPS program functions of approving invoices and authorizing payment. DPS policy requires separate individuals to approve invoices and authorize payments. Therefore a DPS user can perform the entire expense reimbursement process alone by accessing subrecipient and COG accounts along with the two DPS approval roles. In addition to the nine DPS users, one service organization employee has the same level of access. This access does not allow for adequate segregation of duties as one individual has the ability to initiate, approve, and authorize for payment a subrecipient expenditure. SPARS does track the actual DPS user who logs in as the subrecipient, COG, or themselves. However, DPS is currently not monitoring the logging activity to identify possible conflicts. During the audit, a query was validated to confirm that no DPS or service organization user utilized the access noted above.

The SPARS application is maintained by a service organization. Four service organization developers have administrative access to the SPARS application, allowing them the ability to initiate, approve, and authorize for payment a subrecipient expenditure, as well as the ability to perform security administration and other administrative tasks. Two of the four developers also have administrative access to the Spars operating system, however this access was removed in February 2016. Finally, two service organization employees have administrative access to the SPARS application, database and operating systems. This creates the risk that an administrator could perform a task in the SPARS application and then change the user ID associated with that transaction by altering the database records.

DPS also utilizes the above process as a significant part of their monitoring activities over the subrecipients. Subrecipients are required to submit supporting documentation with all invoices for payment which is reviewed by a DPS employee before approving for payment. The authorization for payment process also includes a higher level review of the invoices for allowability. No compliance exceptions were noted with regard to subrecipient invoices reviewed for supported documentation prior to payment authorization. Approximately \$103 million of 97.067 expenditures were for subrecipients during fiscal year 2015.

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Recommendation:

DPS should monitor the audit logs to identify possible conflicts DPS users and service organization employees. The monitor should be someone independent of the individuals with the access. A review of a monitoring log by the service organization by itself would not be a sufficient control as DPS should be involved in the monitoring. In addition, developer access to the production environment should be restricted to read-only access. Administrative access of the SPARS application, database and operating systems should be segregated so that one person does not have access to all three layers.

Views of Responsible Officials and Corrective Action Plan:

The Department agrees with the recommendation. Prior to the audit, the Department was unaware of the software design vulnerability and thus was not monitoring the logging activity to identify possible conflicts. The flaw in the software design was also unknown to the software vendor prior to the audit. It was the Department's understanding that controls within the software prevented both approval and authorization by a single individual. At the request of the audit team, the software vendor, in concert with their developer, queried the database to determine whether any one individual had in fact initiated, approved, and authorized payment for a subrecipient expenditure. Query results confirmed this had not occurred. The Department had adhered to its policy requiring separate individuals to approve invoices and authorize payments without exception.

The Department will implement controls to monitor audit logs and identify possible conflicts. The Department will ensure the review is conducted by an independent source and will update its policies and procedures. The Department will research whether further segregations can be implemented within the system. However, the Department will be discontinuing the use of the system after November 2016, as Homeland Security grant administration has moved to the Governor's Office.

Implementation Date: March 2016

Responsible Person: Jamie Youngs

Reference No. 2015-030

Allowable Costs/Cost Principles

CFDA 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Award year – See below

Award number – See below

CFDA 97.042 – Emergency Management Performance Grants

Award years – October 1, 2014 to September 30, 2016, October 1, 2013 to September 30, 2015, October 1, 2012 to September 30, 2014 and June 1, 2012 to September 30, 2014

Award numbers – EMW-2015-EP-00007-S01, EMW-2014-EP-00079-S01, EMW-2013-EP-00067-S01 and EMW-2012-EP-00011-S01

CFDA 97.067 – Homeland Security Grant Program

Award years – September 1, 2014 to August 31, 2016, September 1, 2013 to August 31, 2015, September 1, 2012 to August 31, 2014, September 1, 2011 to August 31, 2014

Award numbers – EMW-2014-SS-00039-S01, EMW-2013-SS-00045-S01, EMW-2012-SS-00018-S01, EMW-2011-SS-00019-S01

Highway Safety Cluster

Award years – 2015 and 2014

Award number – NA

Non-Major Programs:

11.549 State and Local Implementation Grant Program

20.703 Interagency Hazardous Materials Public Sector Training and Planning Grants

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- 81.106 Transport Of Transuranic Wastes to the Waste Isolation Pilot Plants States and Tribal Concerns, Proposed Solutions**
 - 81.214 Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis**
 - 97.039 Hazard Mitigation Grant**
 - 97.047 Pre-Disaster Mitigation**
 - 97.092 Repetitive Flood Claims**
 - 97.111 Regional Catastrophic Preparedness Grant Program (RCPGP)**
 - 97.120 Border Interoperability Demonstration Project**
- Type of finding – Significant Deficiency**

The Department of Public Safety (DPS) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)). OMB A-87 section H – Support of Salaries and Wages sets standards regarding time distribution, in addition to the standards for payroll documentation. These standards include personnel activity reports or equivalent documentation must meet the following standards: Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes, provided that:

Questioned Cost:	\$0
U.S. Department of Homeland Security	
U.S. Department of Transportation	
U.S. Department of Commerce	
U.S. Department of Energy	

1. The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;
2. At least quarterly, comparisons of actual costs to budgeted distributions, based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually, if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and
3. The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.

The current payroll process at DPS involved the use of two computer systems, Employee Time Accounting System (ETA) and Uniform Statewide Payroll Personnel System (USPS). ETA is a time and effort system where personnel record their actual time worked. USPS is the system of record for paying payroll and it records payroll based on budgeted time and effort allocations. The systems do not interface so DPS has a manual process to compare ETA reports of time worked with USPS payroll amounts recorded for the respective person to create the estimate to actual adjustment. More specifically, the process takes the ETA personnel who reported time and compared to USPS time recorded in the general ledger. The completeness of this process is lacking as there could be USPS time charged for an individual who did not complete a time sheet. DPS completed a reconciliation during the audit of approximately 11,300 lines of data and determined there were approximately 200 lines of data associated with time charged to federal awards where the associated employee was not in the ETA data some of which were employees which were not subject to payroll allocation. One employee could have multiple lines of data due to time charged to various projects. Upon analysis of the 200 lines of data, no compliance issues were noted. Total payroll expenditures for the DPS programs noted above included in the schedule of federal award for fiscal year 2015 is approximately \$17.1 million. The payroll expenditure amounts represents payroll charges to the program above that included employees who worked on multiple activities and thus had their payroll allocated. In addition, the reviewer of the above process is performing a high level review such that validation of the ETA versus USPS amounts and resulting adjustments is not occurring. The open disasters during fiscal year 2015 with payroll expenditures include:

Disaster Number	Award Number	Disaster Declaration Date
1606	1606DRTXP00000001	September 24, 2005
1658	1658DRTXP00000001	August 15, 2006

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<u>Disaster Number</u>	<u>Award Number</u>	<u>Disaster Declaration Date</u>
1709	1709DRTXP00000001	June 29, 2007
1780	1780DRTXP00000001	July 24, 2008
1791	1791DRTXP00000001	September 13, 2008
1931	1931DRTXP00000001	August 3, 2010
1999	1999DRTXP00000001	July 1, 2011
4029	4029DRTXP00000001	September 9, 2011
4136	4136DRTXP00000001	August 2, 2013
4159	4159DRTXP00000001	December 20, 2013
4223	4223DRTXP00000001	May 29, 2015

Recommendation:

DPS should reconcile the ETA payroll report to a USPS report of time charged to determine adjustments to be made and/or to identify time sheets that have not been submitted. As the budget to actual process is manual in nature, the review control over the resulting adjusting entry should be strengthened to ensure that inaccuracies in the reconciliation process would be detected.

Views of Responsible Officials and Corrective Action Plan:

DPS agrees with the recommendations. We will implement additional controls to ensure timesheets that have not been submitted are identified and we will strengthen the review control to ensure inaccuracies in the reconciliation process are detected.

Implementation Date: February 2016

Responsible Person: Maureen Coulehan

Reference No. 2015-031

Subrecipient Monitoring

CFDA 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Award year – See below

Award number – See below

Type of finding – Significant Deficiency and Non-Compliance

The Department of Public Safety (DPS) is required by OMB Circular A-133, Section .400, to monitor subrecipients to ensure compliance with Federal rules and regulations, as well as the provisions of the contracts or grant agreements. This monitoring includes but is not limited to: award identification, during-the-award monitoring, and close out and sanctions activities. Per 44CFR206.205 (a), for small projects, the final payment of the Federal share of these projects will be made to the Grantee upon approval of the Project Worksheet. DPS will make payment of the Federal share to the subrecipient as soon as practicable after Federal approval of funding. Before the closeout of the disaster contract, DPS must certify that all such projects were completed in accordance with Federal Emergency Management Agency (FEMA) approvals and that the State contribution to the non-Federal share, as specified in the FEMA-State Agreement, has been paid and met. The Public Assistance Policy indicates that in order to complete this certification, the State may decide to review some, or all, of an applicant’s small projects.

Questioned Cost:	\$0
U.S. Department of Homeland Security	

Based on the above, the Department of Public Safety’s Department of Emergency Management (TDEM) has put in place a policy to verify the completion of 20% of small projects to support certification of small projects. The

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verification of project completion is delegated to both DPS and third-party recovery officers but TDEM does not have controls in place to facilitate tracking of these reviews and thereby ensuring compliance with the 20% policy. DPS shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)).

Open disasters during fiscal year 2015 were:

Disaster Number	Award Number	Disaster Declaration Date
1379	1379DRTXP00000001	June 9, 2001
1425	1425DRTXP00000001	July 4, 2002
1479	1479DRTXP00000001	July 17, 2003
1606	1606DRTXP00000001	September 24, 2005
1624	1624DRTXP00000001	January 11, 2006
1658	1658DRTXP00000001	August 15, 2006
1709	1709DRTXP00000001	June 29, 2007
1780	1780DRTXP00000001	July 24, 2008
1791	1791DRTXP00000001	September 13, 2008
1931	1931DRTXP00000001	August 3, 2010
1999	1999DRTXP00000001	July 1, 2011
3290	3290EMTXP00000001	August 29, 2008
3294	3294EMTXP00000001	September 20, 2008
3363	3363EMTXP00000001	April 19, 2013
4029	4029DRTXP00000001	September 9, 2011
4136	4136DRTXP00000001	August 2, 2013
4159	4159DRTXP00000001	December 20, 2013
4223	4223DRTXP00000001	May 29, 2015

Recommendation:

DPS should establish controls to ensure policies regarding reviews of small project completion are followed, facilitating DPS' certification of small projects in accordance Homeland Security requirements. In addition, DPS needs to implement monitoring controls over the services being provided by third party service organizations to ensure requirements are being performed.

Views of Responsible Officials and Corrective Action Plan:

DPS will establish controls to ensure small project completions are followed to facilitate DPS' certification that small projects are conducted in accordance with Homeland Security requirements. DPS will improve monitoring controls over third party service organizations to ensure requirements are being performed.

Implementation Date: May 30, 2016

Responsible Person: Paula Kay Logan

PUBLIC SAFETY, DEPARTMENT OF

Reference No. 2015-032

Reporting

(Prior Audit Issues 2014-108, 2013-111, 13-121, 12-114, 11-114, 10-41, 09-47, 08-91, and 07-26)

CFDA 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Award year – June 9, 2001

Award number – TX01PA1379

Type of finding – Significant Deficiency and Non-Compliance

Financial Reporting

Recipients are responsible for managing, monitoring, and reporting performance for each program, subaward, function, or activity supported by the award. Recipients use the Federal Financial Report Standard Form 425 (SF-425) to report financial activity on a quarterly basis. The U.S. Office of Management and Budget provides specific instructions for completing the SF-425, including definitions of key reporting elements (Title 44, Code of Federal Regulations (CFR), Section 13.41). The Department of Public Safety (DPS) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)).

Questioned Cost:	\$0
U.S. Department of Homeland Security	

DPS has one older disaster open where the SF-425 reports are filed under a separate process. During fiscal year 2015, five SF-425 reports were filed under the older process. Per review of one report, DPS is using information from the federal system through which the Department requested funds to complete the report instead of DPS' general ledger. In addition, the methodology of calculating the recipient's share of expenditures is a simple total expenses multiplied by an average matching percentage and does not consider the different matching requirements across projects. Therefore the amounts reported are not being reconciled to DPS' book of record for validation.

Recommendation:

DPS is in the process of closing disaster 1379 and should complete the close out process. Any future SF-425 reports should be filed under the revised process.

Views of Responsible Officials and Corrective Action Plan:

The Department agrees with the recommendation. This disaster grant for Public Assistance closed in July of 2015. The companion Hazard Mitigation grant closed in January of 2016. All future SF-425 report will be filed under the revised process.

Implementation Date: January 2016

Responsible Person: Paula Kay Logan

PUBLIC SAFETY, DEPARTMENT OF

Reference No. 2015-033

Matching, Level of Effort, Earmarking

CFDA 97.042 – Emergency Management Performance Grants

Award years – October 1, 2012 to September 30, 2014 and June 1, 2012 to September 30, 2014

Award numbers – EMW-2013-EP-00067-S01 and EMW-2012-EP-00011-S01

Type of finding – Significant Deficiency

The Department of Public Safety (DPS) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)). The Emergency Management Performance Grant (EMPG) has multiple components in the required match calculation including in-kind student training hours, indirect costs, local cash match, and DPS salary match. Testwork was performed over grants that closed in fiscal year 2015. Per review of the match calculation for the 2013 and 2012 grants which closed during fiscal year 2015, audit procedures revealed that incorrect student training hours had been reported to the federal government. The hours used in the initial calculations included hours that were not allowable. Additionally, some of the other components of match did not represent a full year of activity. DPS revised the 2013 and 2012 match calculations during the audit period and the match was in compliance. DPS was reviewing the match report but not at a precision level to identify the above inaccuracies.

Questioned Cost:	\$0
U.S. Department of Homeland Security	

Recommendation:

DPS should strengthen review controls over reports to ensure they are at an adequate precision level to detect inaccuracies in reports. DPS should continue to work with the federal government to determine if refiling the 2013 and 2012 is necessary.

Views of Responsible Officials and Corrective Action Plan:

The Department agrees with the recommendation. We will strengthen our internal review controls. DPS recently communicated with the vendor to update the Preparing Texas Training Portal which will capture additional components for the reporting of student training hours. The training section, within the Texas Division of Emergency Management (TDEM), has modified their procedure on how hours are submitted to the TDEM Finance and Grant Management section (effective February 1, 2016).

We will also work with the federal government to determine if refiling the 2012 and 2013 match is necessary.

Implementation Date: July 31, 2016

Responsible Person: Vicki Newlin

PUBLIC SAFETY, DEPARTMENT OF

Reference No. 2015-034

Allowable Costs/Cost Principles

Cash Management

Matching, Level of Effort, Earmarking

Period of Availability of Federal Funds

Highway Safety Cluster

Award years – 2015 and 2014

Award number – NA

Type of finding – Significant Deficiency

The Department of Public Safety (DPS) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)). DPS submits billings to Texas Department of Transportation (TxDOT) which detail the costs incurred by DPS that are to be reimbursed under the specific programs. The review of these billings includes review of allowable costs, cash management, period of performance, and matching. DPS' policy is for a reconciliation of the payments to the billing summary be prepared and a review by a second party of the reconciliation indicating approval prior to submission to TxDOT. For five of 34 total billings for the fiscal year (15%), there was no approval but the reconciliation was performed. No compliance exceptions were noted.

Questioned Cost:	\$0
U.S. Department of Transportation – National Highway Traffic Safety Administration	

Recommendation:

DPS should ensure that all billings are reviewed prior to submission to TxDOT.

Views of Responsible Officials and Corrective Action Plan:

The Department agrees with the recommendation. In order to review all grant billings prior to submission to TxDOT, the Department's Grant Management Section will develop a checklist of all grants that are billed to TxDOT. At month end, any grants that have not been through the review process will be identified and followed up on by the Grant Manager.

Implementation Date: March 2015

Responsible Person: Kim Densmore

Department of State Health Services
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Reference No. 2015-035

Allowable Costs/Cost Principles

(Prior Audit Issue 2014-017 and 2013-027)

CFDA 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children
Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2014
Award number – 6TX700506

CFDA 93.268 – Immunization Cooperative Agreements
Award years – January 1, 2015 to December 31, 2015 and January 1, 2014 to December 31, 2014
Award numbers – 5H23IP000773-03 and 5H23IP000773-02

CFDA 93.917 – HIV Care Formula Grants
Award years – April 1, 2015 to March 31, 2016 and April 1, 2014 to March 31, 2015
Award numbers – X07HA00054-25 and X07HA00054-24

CFDA 93.959 – Block Grants for Prevention and Treatment of Substance Abuse
Award years – October 1, 2014 to September 30, 2016, October 1, 2013 to September 30, 2015
Award numbers – 2B08TI010051-15 and 2B08TI010051-14

Non-Major Programs:

- 10.475 Cooperative Agreements with State for Intrastate Meat and Poultry Inspection
- 66.001 Air Pollution Control Program Support
- 93.018 Strengthening Public Health Services at the Outreach Offices of the U.S.-Mexico Border Health Commission
- 93.069 Public Health Emergency Preparedness
- 93.070 Environmental Public Health and Emergency Response
- 93.079 Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance
- 93.103 Food and Drug Administration Research
- 93.110 Maternal and Child Health Federal Consolidated Programs
- 93.116 Project Grants and Cooperative Agreements for Tuberculosis Control Programs
- 93.130 Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices
- 93.136 Injury Prevention and Control Research and State and Community Based Programs
- 93.150 Projects for Assistance in Transition from Homelessness
- 93.235 Affordable Care Act (ACA) Abstinence Education Program
- 93.240 State Capacity Building
- 93.243 Substance Abuse and Mental Health Services Projects of Regional and National Significance
- 93.251 Universal Newborn Hearing Screening
- 93.262 Occupational Safety and Health Program
- 93.270 Adult Viral Hepatitis Prevention and Control
- 93.283 Centers for Disease Control and Prevention Investigations and Technical Assistance
- 93.336 Behavioral Risk Factor Surveillance System
- 93.448 Food Safety and Security Monitoring Project
- 93.507 PPHF National Public Health Improvement Initiative
- 93.521 The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF
- 93.531 PPHF Community Transformation Grants and National Dissemination and Support for Community Transformation Grants financed solely by Prevention and Public Health Funds
- 93.735 State Public Health Approaches for Ensuring Quitline Capacity – Funded in Part by Prevention and Public Health Funds (PPHF)
- 93.752 Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds
- 93.757 State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)
- 93.758 Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)
- 93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
- 93.889 National Bioterrorism Hospital Preparedness Program
- 93.940 HIV Prevention Activities Health Department Based
- 93.944 Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance
- 93.945 Assistance Programs for Chronic Disease Prevention and Control

STATE HEALTH SERVICES, DEPARTMENT OF

- 93.958 Block Grants for Community Mental Health Services**
 - 93.977 Preventive Health Services Sexually Transmitted Diseases Control Grants**
 - 93.991 Preventive Health and Health Services Block Grant**
 - 93.994 Maternal and Child Health Services Block Grant to the States**
- Type of finding – Significant Deficiency**

The Department of State Health Services (DSHS) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)). OMB A-87 section H – Support of Salaries and Wages sets standards regarding time distribution, in addition to the standards for payroll documentation. These standards include:

Questioned Cost:	\$0
U.S. Department of Health and Human Services	
U.S. Department of Agriculture	
Environmental Protection Agency	

1. Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit.
2. No further documentation is required for the salaries and wages of employees who work in a single indirect cost activity.
3. Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.
4. Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:
 - a) More than one Federal award,
 - b) A Federal award and a non-Federal award,
 - c) An indirect cost activity and a direct cost activity,
 - d) Two or more indirect activities which are allocated using different allocation bases, or
 - e) An unallowable activity and a direct or indirect cost activity.
5. Personnel activity reports or equivalent documentation must meet the following standards:
 - a) They must reflect an after-the-fact distribution of the actual activity of each employee,
 - b) They must account for the total activities, for which each employee is compensated,
 - c) They must be prepared at least monthly and must coincide with one or more pay periods, and
 - d) They must be signed by the employee.
 - e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes, provided that:
 - i. The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;
 - ii. At least quarterly, comparisons of actual costs to budgeted distributions, based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually, if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and
 - iii. The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.

DSHS requires its employees to complete monthly time and effort reporting, regardless of whether the employee works solely on a single Federal award or cost objective, or on multiple activities or cost objectives. Each employee has a default task profile based on their position in the agency that determines how their payroll dollars are allocated.

These task profiles are reevaluated every year by department supervisors. Employees are instructed and given training on how to report any deviations from their profile as well as report any vacation time, sick time, leave of absence, etc. Employees are required to certify their time by the 15th of the month for the previous months' time. When an employee certifies, they simply report any hours that deviated from their profile, but their profile is not shown on the certification screen. Therefore, if an employee is not aware of how their time is being allocated (i.e. their default profile), there is risk that individuals do not know the time allocation that they are certifying. Supervisors approve monthly payroll for their employees only if there are deviations from the employee task profile. In addition, deviations recorded are one month in arrears. For example, an October deviation change would not be reflected until the November payroll and DSHS is not going back and adjusting October for the deviation.

Forty payroll samples under the Block Grants for Prevention and Treatment of Substance Abuse Program were selected for test work. There were none in our sample that deviated from their task profile for regular hours worked (i.e., excludes deviated time for vacation, sick time, etc.).

In 2014 and 2015, updates were made to DSHS Policy FS-1110, Time and Labor Accounting. The policy updates the time and labor requirements in the State's Centralized Accounting and Payroll/Personnel System (CAPPS) application and more clearly addresses labor account code training required for all employees. Additionally, the on-boarding training for all new employees was updated to more specifically provide employees with guidance on labor account codes, monthly time reporting, task profiles, and how to report time deviations from task profiles. Existing employees including managers and employees were given a similar training as well. The DSHS Budget Office also provides a monthly profile sheet to department managers for review which contains all the employees assigned to them by name, position number, and their respective profile allocations. Department managers are asked to review and note any changes in job functions that would need to be updated in the respective employee profiles. The DSHS Budget Office also does quarterly budget to actual reviews which includes payroll.

Total payroll expenditures for the DSHS programs noted above and included in the schedule of federal awards for fiscal year 2015 is approximately \$45.6 million. Total federal payroll deviation dollars was less than half a percent of total federal payroll expenditures in fiscal year 2015.

Recommendation:

DSHS should continue to provide regular payroll effort training with emphasis on how to report deviations from an employee's task profile for regular hours worked including how to use different program codes and finding the employee's task profile. DSHS should formalize the certification of the monthly profile sheet to department managers which contains all the employees assigned to them by name, position number, and their respective profile allocations.

Views of Responsible Officials and Corrective Action Plan:

DSHS has developed and is using, a PowerPoint training packet, explaining the payroll timekeeping system and labor profiles for all employees, particularly those in federally funded positions. This training continues to be offered to each division, and has been incorporated into regularly held Budget training to help ensure employees understand more clearly the identification of task profiles, recording deviations from the default codes, and the use of federal program codes. Further, DSHS Budget Office is improving employee profile and deviation reports for use by managers, and formalizing the review and certification process. These reports should be available by March 2016.

DSHS Management will continue to work with HHSC to develop a new, automated, Task Profile Training. Once finalized, all employees will be required to take this training on an annual basis. HHSC is expected to release this training before August 2016.

Implementation Date: April 15, 2016

Responsible Person: Leslie C. Aguilar

STATE HEALTH SERVICES, DEPARTMENT OF

Reference No. 2015-036

Eligibility

CFDA 93.917 – HIV Care Formula Grants

Award years – April 1, 2015 to March 31, 2016 and April 1, 2014 to March 31, 2015

Award numbers – X07HA00054-25 and X07HA00054-24

Type of finding – Material Weakness and Material Non-Compliance

State agencies shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)). To be eligible to receive assistance in the form of therapeutics, an individual must have a medical diagnosis of HIV/AIDS and be a low-income individual, be a resident of the State and also be uninsured or underinsured, as defined by the State (42 USC 300ff-26(b)).

Questioned Cost:	\$0
U.S. Department of Health and Human Services	

Department of State Health Services’ (DSHS) HIV/STD Comprehensive Services Branch has an in-take process in place to process all completed applications for individuals to receive grant funded medications under the HIV Care Program. Eligibility is determined based on review of the completed application and verification of medical diagnosis of HIV/AIDS, income, residency and insurance status. Once a participant is deemed eligible and becomes active in the program, they will be automatically dropped if there has been no activity for this participant in the last six months. Additionally, all active participants are to be recertified every 12 months in order to determine continued eligibility in the program. DSHS’ policy is to have a case worker review each incoming application and determine eligibility. Therefore, DSHS is unable to assert that all applicants were correctly deemed eligible and recertified, if applicable. Reliance for verifying all aspects of eligibility and recertification are the responsibility of the case worker. No independent review controls were able to be identified.

Beginning in July 2015, DSHS implemented a quarterly quality assurance review process where management selects 20 client records from new applications and recertifications and validates the eligibility documentation and determination. Additionally, a monthly check of all active participants is run against Health Management System (HMS) to make sure applicants have no insurance and the State of Texas is a last resort for payments. The results of this report are reviewed and letters are sent to applicants to drop them from the program if no longer deemed eligible based on insurance status. This process was fully implemented in July 2015.

Out of a sample of 40 active client files reviewed, nine clients’ most recent recertification dates were greater than 12 months old. There is no formal process to recertify clients every 12 months.

Recommendation:

DSHS should continue with the quarterly quality assurance process, as well as the monthly check against HMS and the resulting letters to those participants no longer deemed eligible. Additionally, DSHS should implement a monthly process to identify those applicants coming up on the 12 month recertification date to start the recertification process. Part of the recertification process should include consideration of client deadlines for providing the information to remain in the program.

Views of Responsible Officials and Corrective Action Plan:

The Department of State Health Services, HIV/STD Prevention and Care Branch agrees that eligibility review and monitoring controls can be improved. The Branch is committed to bringing the program in line with the annual recertification requirements. The Branch will continue with the new quality assurance process put into place at fiscal year-end. Additionally, the Branch has developed a plan to rectify the eligibility recertification backlog and the plan includes initially addressing those clients closest to their required recertification date. A more permanent solution is being considered to update technology to improve eligibility processing through automation and reduction of paperwork redundancy burden.

STATE HEALTH SERVICES, DEPARTMENT OF

Implementation Date: June 1, 2016

Responsible Person: Felipe Rocha

Reference No. 2015-037

Matching, Level of Effort, Earmarking Reporting

CFDA 93.917 – HIV Care Formula Grants

Award year – April 1, 2014 to March 31, 2015

Award number – X07HA00054-24

Type of finding – Significant Deficiency and Non-Compliance

Matching

States and territories (excluding Puerto Rico) with greater than 1 percent of the aggregate number of national cases of HIV/AIDS in the 2-year period preceding the Federal fiscal year in which the State is applying for a grant must, depending on the number of years in which this threshold requirement has been met, provide matching funds as follows (42 USC 300ff-27(d)). Texas has received Federal funds for more than four years and the required match is \$1 in State funds for every \$2 in Federal funds. In addition, all recipients are subject to a matching requirement for AIDS Drug Assistance Program (ADAP) supplemental funds in an amount equal to \$1 for every \$4 of Federal funds (42 USC 300ff-28(a)(2)(F)(ii)(III)). Those recipients that are required to match the base formula funds may request and receive a waiver from this additional matching requirement. Specifically per the Texas grants for ADAP, HRSA/HAB requires non-federal contributions by States and Territories that are equal to \$1 for each \$4 of federal ADAP supplemental funds and \$1 for each \$2 awarded under ADAP, unless a waiver is obtained.

Questioned Cost:	\$289,000
U.S. Department of Health and Human Services	

The Department of State Health Services' (DSHS) policy is to report only the minimum match required for the grant. The minimum match was met for the grant year ended March 31, 2015; however, the amount reported does not agree to supporting documentation. The actual match was greater than the minimum reported.

Maintenance of Effort (MOE)

The State will maintain HIV-related activities at a level that is equal to not less than the level of such expenditures by the State for the 1-year period preceding the fiscal year for which the State is applying for Title II/Part B funds (42 USC 300ff-27(b)(7)(E)).

Amounts reported for the closed 2012 and 2011 grants did indicate that MOE had been met. However when agreeing the 2012 and 2011 MOE amounts to supporting documentation, DSHS did not report all of the 2011 MOE funds. Therefore, 2012 actual MOE is less than 2011 by approximately \$627,500. The grant application does allow for DSHS to disclose exclusions from MOE amounts reported to the federal government. Such disclosure was not included in the applicable application.

Earmarking

The State may not use more than 10 percent of the funds amounts received under the grant for administration (42 USC 300ff-28(b)(3)). For the grant year ending March 31, 2015, DSHS exceeded the 10% maximum requirement for administration by approximately \$289,000. Additionally, for the 10% maximum administration earmark and all other program earmarks, amounts expended are reconciled to the general ledger throughout the year. However, there is no grant close-out process to review all the applicable earmarks for compliance before they are reported.

Recommendation:

DSHS should report all match dollars or disclose in the annual final report that only the minimum match is reported. Additionally, all maintenance of effort expenditures should be reported unless adjusted in the annual grant application. Lastly, the earmarks should be reconciled and reviewed for compliance so that any needed spending adjustments or waiver requests can be made by grant year-end.

Views of Responsible Officials and Corrective Action Plan:

DSHS will work with our federal partners to clarify the Matching, Maintenance of Effort and Earmarking reporting requirements. In the future, DSHS plans to disclose in the annual final reports that only the minimum match is reported. DSHS will take steps to ensure that all maintenance of effort expenditures will be reported or adjusted in the annual grant application. DSHS agrees that earmarks should be reconciled and reviewed for compliance prior to grant year-end and will improve documentation supporting earmarking calculations. Because DSHS was working under the interpretation that earmark calculations are based upon award amounts instead of expenditures, adjustments or waiver requests will be made for this grant based upon clarity provided by our federal partners.

Implementation Date: August 2016

Responsible Persons: Felipe Rocha and James Dawson

Reference No. 2015-038

Special Tests and Provisions – Food Instrument and Cash-Value Voucher Disposition

CFDA 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children
Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2014
Award number – 6TX700506
Type of finding – Non-Compliance

A State agency must account for all food instruments (FIs) issued within 120 days of the FI's first valid date for participant use. This requirement also applies to cash value vouchers (CVVs). The State agency must identify all FIs and CVVs as either issued or voided; and identify issued FIs and CVVs as either redeemed or unredeemed. Redeemed FIs and CVVs must be identified as one of the following: (1) validly issued, (2) lost or stolen, (3) expired, (4) duplicate, or (5) not matching valid enrollment and issuance records. State agencies generally do this by analyzing computer reports that provide detailed issuance and redemption information on each FI and CVV. In an Electronic Benefit Transfer (EBT) system, however, this requirement may be met by linking the Primary Account Number (PAN) or benefit issuance ID number associated with the electronic transaction to valid enrollment and issuance records. EBT systems aggregate benefits for all participants in a family or household. Therefore, the benefits issued shall match benefits redeemed only at the aggregate (household or family) level. The State agency's management information system shall account for individual participant benefits aggregated for any family or household (7 CFR section 246.12(q)). The Department of State Health Services (DSHS) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)).

Questioned Cost:	\$0
U.S. Department of Agriculture	

One out of 40 unreconciled PANs reviewed was not reconciled within 120 days of the FI's first valid date for participant use. The PAN was reconciled 11 days late. Based on discussions with the Department of State Health Services (DSHS), it was the understanding of the division at the time that the 120 days began at the end of the month of issuance instead of the beginning.

Recommendation:

DSHS should ensure that all FIs are reconciled within 120 days of the FI's first valid date for participant use, which is the first day of the issuance month.

Views of Responsible Officials and Corrective Action Plan:

DSHS encountered and handled some anomalies with reported data from local WIC agencies during the review period, and unexpected rules on data requests, which lead to the delayed reconciliation. DSHS has taken measures to ensure that delays are avoided by revising procedures to reflect the 120 days begin with the first day of the issuance month, advance notice of data reporting issues, and increased communication with local WIC agencies about reporting data more frequently.

Implementation Date: October 13, 2015

Responsible Person: Magdalena Blanco

Reference No. 2015-039

Special Test and Provisions – Independent Peer Reviews

CFDA 93.959 – Block Grants for Prevention and Treatment of Substance Abuse

Award years – October 1, 2014 to September 30, 2016, October 1, 2013 to September 30, 2015

Award numbers – 2B08TI010051-15 and 2B08TI010051-14

Type of finding – Significant Deficiency

The State must provide for independent peer reviews which assess the quality, appropriateness, and efficacy of treatment services provided to individuals. At least five percent of the entities providing services in the State shall be reviewed. The entities reviewed shall be representative of the entities providing the services. The State shall ensure that the peer reviewers are independent by ensuring that the peer review does not involve reviewers reviewing their own programs and the peer review is not conducted as part of the licensing or certification process (42 USC 300x-53(a); 45 CFR section 96.136). States may satisfy the independent peer review requirement by demonstrating that at least five percent of their entities providing services obtained accreditation, during their fiscal year, from a private accreditation body such as the Joint Commission on the Accreditation of Healthcare Organizations, the Commission on the Accreditation of Rehabilitation Facilities, or a similar organization.

Questioned Cost:	\$0
U.S. Department of Health and Human Services	

A state shall also maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)).

In reviewing the independent peer reviews conducted by the Department of State Health Services (DSHS) in fiscal year 2015, DSHS' policy is to have the lead program specialist in the Mental Health and Substance Abuse Division (MHSA) execute and oversee the peer review process. This individual is solely responsible for the selection of the representative sample of entities to review, ensuring the peer reviewers are independent, training the peer reviewers, and overseeing the execution of the actual reviews and the resulting report. As currently designed, no one independent of the lead program specialist is verifying the annual process was executed in accordance with DSHS policy. No compliance exceptions were noted.

Recommendation:

MHSA should have an independent person from the lead program specialist review key elements of the annual process. These elements could include the sample selection process to ensure compliance with the 5% requirement and review

of the documentation providing evidence of the independence of the peer reviewers. Additionally, a management review or quality assurance process could also be put in place to review a sample of the peer reviews completed to validate the summary annual report.

Views of Responsible Officials and Corrective Action Plan:

MHSA agrees with the findings and recommendations. Division management will develop procedures for an independent person from the lead program specialist to review key elements of the annual process. Management will determine which elements should be reviewed. These elements may include the sample selection process to ensure compliance with the 5% requirement and review of the documentation providing evidence of the independence of the peer reviewers. Additionally, a management review or quality assurance process will be put in place to review a sample of the peer reviews completed to validate the summary annual report.

Implementation Date: April 30, 2016

Responsible Person: Lauren Lacefield-Lewis

Texas Education Agency

Reference No. 2015-040

Cash Management

Eligibility

Matching, Level of Effort, and Earmarking

Reporting

Special Tests and Provisions – Access to Federal Funds for New or Significantly Expanded Charter Schools

Special Tests and Provisions – Annual Report Card, High School Graduation Rate

Special Tests and Provisions – Developing and Implementing Improvement Plans

(Prior Audit Issues – 2014-20, 2013-030, 13-20, 12-26, 11-36 and 10-63)

CFDA 84.010 – Title I Grants to Local Educational Agencies

Award years – July 1, 2014 to September 30, 2016, July 1, 2013 to September 30, 2015, and July 1, 2012 to September 30, 2014

Award numbers – S010A140043, S010A130043, and S010A120043

CFDA 84.048 – Career and Technical Education–Basic Grants to States

Award years – July 1, 2014 to September 30, 2016, July 1, 2013 to September 30, 2015, and July 1, 2012 to September 30, 2014

Award numbers – V048A14004, V048A130043, and V048A120043

CFDA 84.287 – Twenty–First Century Community Learning Centers

Award years – July 1, 2014 to September 30, 2016, July 1, 2013 to September 30, 2015, and July 1, 2012 to September 30, 2014

Award numbers – S287C140044, S287C130044, and S287C120044

CFDA 84.365 – English Language Acquisition State Grants

Award years – July 1, 2014 to September 30, 2016, July 1, 2013 to September 30, 2015, and July 1, 2012 to September 30, 2014

Award numbers – S365A140043, S365A130043, and S365A120043

CFDA 84.367 – Improving Teacher Quality State Grants

Award years – July 1, 2014 to September 30, 2016, July 1, 2013 to September 30, 2015, and July 1, 2012 to September 30, 2014

Award numbers – S367A140041, S367A130041, and S367A120041

Special Education Cluster (IDEA)

Award years – July 1, 2014 to September 30, 2016, July 1, 2013 to September 30, 2015, and July 1, 2012 to September 30, 2014

Award numbers – H173A140004, H027A140168, H173A130004, H027A130168, H173A120004, and H027A120008

Type of finding – Significant Deficiency

The Texas Education Agency (TEA) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)). The collection of Public Education Information Management System (PEIMS) data is required of all school districts by TEC §42.006. The *Data Standards* provides instructions regarding the submission of PEIMS data from a Local Education Agency (LEA) to TEA. The LEA is responsible for reporting federal, state, and local funds expended through PEIMS, along with various types of demographic data and students served. In order to provide production support, two PEIMS developers had access to the PEIMS production environment through individual user accounts on the application server through February 2, 2015. Access to migrate changes to the production environment should be restricted appropriately based on job function to help ensure adequate internal controls are in place and appropriate segregation of duties exist. A developer with access to migrate changes to production systems introduces the risk of unauthorized changes to applications and data. In general, developers should not have access privileges above read-only in the production environment.

Questioned Cost:	\$0
U.S. Department of Education	

The Consolidated Entitlement System (CEMS) application is utilized for Student Special Education reporting for calculating entitlements for populations and poverty counts. CEMS extracts data from the PEIMS database. Access to administer the application and users within the system should be limited to IT personnel, however two program individual had access to the “Application Administrator” roles through April 2015.

TEA uses the LEA submitted information for compliance with applicable compliance requirements under various components of Cash Management, Eligibility for Subrecipients, Matching, Level of Effort, and Earmarking, Reporting, and certain Special Tests and Provisions. No compliance exceptions were noted with regard to the use of PEIMS data in the analysis related to the applicable compliance requirements.

Recommendation:

TEA properly segregated duties so that developers do not have access to the PEIMS production environment as of February 2015, and do not have access to the CEMS production environment as of April 2015. TEA should review procedures to make sure access for separated employees are properly disabled in a timely manner and new hire documentation has all been obtained and retained.

Views of Responsible Officials and Corrective Action Plan:

TEA agrees with the finding noted during testing. TEA has retrained the appropriate staff on procedures and implemented additional controls to ensure proper onboarding and off-boarding procedures are followed.

Implementation Date: January 31, 2016

Responsible Person: Melody Parrish

Reference No. 2015-041

Cash Management

Matching, Level of Effort, Earmarking

Period of Availability of Federal Funds

Reporting

Subrecipient Monitoring

Special Tests and Provisions – Developing and Implementing Improvement Plans

(Prior Audit Issues – 2014-021, 2013-031)

CFDA 84.010 – Title I Grants to Local Educational Agencies

Award years – July 1, 2014 to September 30, 2016, July 1, 2013 to September 30, 2015, and July 1, 2012 to September 30, 2014

Award numbers – S010A140043, S010A130043, and S010A120043

CFDA 84.048 – Career and Technical Education–Basic Grants to States

Award years – July 1, 2014 to September 30, 2016, July 1, 2013 to September 30, 2015, and July 1, 2012 to September 30, 2014

Award numbers – V048A14004, V048A130043, and V048A120043

CFDA 84.287 – Twenty–First Century Community Learning Centers

Award years – July 1, 2014 to September 30, 2016, July 1, 2013 to September 30, 2015, and July 1, 2012 to September 30, 2014

Award numbers – S287C140044, S287C130044, and S287C120044

CFDA 84.365 – English Language Acquisition State Grants

Award years – July 1, 2014 to September 30, 2016, July 1, 2013 to September 30, 2015, and July 1, 2012 to September 30, 2014

TEXAS EDUCATION AGENCY

Award numbers – S365A140043, S365A130043, and S365A120043

CFDA 84.367 – Improving Teacher Quality State Grants

Award years – July 1, 2014 to September 30, 2016, July 1, 2013 to September 30, 2015, and July 1, 2012 to September 30, 2014

Award numbers – S367A140041, S367A130041, and S367A120041

Special Education Cluster (IDEA)

Award years – July 1, 2014 to September 30, 2016, July 1, 2013 to September 30, 2015, and July 1, 2012 to September 30, 2014

Award numbers – H173A140004, H027A140168, H173A130004, H027A130168, H173A120004, and H027A120008

Type of finding – Significant Deficiency

The Texas Education Agency (TEA) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)). TEA utilizes the Integrated Statewide Administrative System (ISAS) for its general ledger. TEA implemented the PeopleSoft STAT tool in fiscal year 2015 to assist with the change management process. While STAT provides an audit log noting the users who developed, tested, approved and migrated ISAS program changes, TEA does not actively monitor whether segregation of duties are being followed by reviewing the STAT tool logs to determine whether users are developing and migrating their own changes. Currently a manual control exists whereby a project manager ensures that a different developer develops and migrates the code. No system functionality exists to prevent the same individual from developing and migrating their own code. Four developers have administrative access to the application that provided access to migrate program changes to the production environment. In addition, three developers have administrative access to the Windows production servers. Access to migrate changes to the production environment should be restricted appropriately and based on job function to help ensure adequate internal controls are in place and appropriate segregation of duties exist. Developers with access to migrate changes to production systems introduce the risk of unauthorized changes to applications and data. In general, developers should not have access to migrate changes to the production environment and should not have access privileges above read-only in the application.

Questioned Cost:	\$0
U.S. Department of Education	

TEA uses information produced from ISAS for compliance with applicable compliance requirements under various components of Cash Management, Eligibility for Subrecipients, Matching, Level of Effort, and Earmarking, Period of Availability, Reporting, Subrecipient Monitoring, and certain Special Tests and Provisions. No compliance exceptions were noted with regard to the use of ISAS data in the analysis related to the applicable compliance requirements.

Recommendation:

TEA should properly segregate duties so that developers do not have access to production, or if developers are determined to need access to production, adequate monitoring controls should be in place. When monitoring developer access to the production environment, management should develop procedures to monitor the STAT logs to determine whether users are developing and migrating their own changes.

Views of Responsible Officials and Corrective Action Plan:

TEA agrees with the ISAS finding noted during testing. TEA is working toward implementing a long term solution to properly segregate duties where fiscally possible and add additional management oversight and controls. In fiscal year 2014 TEA submitted a funding request in effort to obtain an additional resource to have full segregation of code migration duties. The funding request was denied, and TEA is currently developing policies and procedures to monitor the STAT logs in order to determine whether users are developing and migrating their own changes.

Implementation Dates: April 1, 2016

Responsible Person: Melody Parrish

Reference No. 2015-042

Special Tests and Provisions – Assessment System Security

CFDA 84.010 – Title I Grants to Local Educational Agencies

Award years – July 1, 2014 to September 30, 2016, July 1, 2013 to September 30, 2015, and July 1, 2012 to September 30, 2014

Award numbers – S010A140043, S010A130043, and S010A120043

Type of finding – Significant Deficiency and Non-Compliance

States, in consultation with Local Education Agencies (LEAs), are required to establish and maintain an assessment system that is valid, reliable, and consistent with relevant professional and technical standards. Within their assessment system, State Education Agencies (SEAs) must have policies and procedures to maintain test security and ensure that LEAs implement those policies and procedures. (Section 1111(b) (3) (C) (iii) of the ESEA (20 USC 6311(b) (3) (C) (iii))). The Texas Education Agency (TEA) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)).

Questioned Cost:	\$0
U.S. Department of Education	

Per review of TEA policies, oaths from the superintendent are required to be returned to the testing contractor after all testing for the calendar year for the district has been completed and all materials have been returned to the testing contractor. The oaths certify to the state commissioner of education that the security and confidentiality of all assessment instruments and test items have been maintained and that the district coordinator or Texas Education Agency (TEA) has been notified of any violation or suspected violation of test security and confidentiality. Through discussions with TEA, there was no process in place to ensure that all oaths had been collected. As such, during compliance work 14 of 40 oaths sampled were unable to be located.

Recommendation:

TEA should establish procedures to ensure all oaths are collected from the testing contractor to ensure that the districts are in compliance with TEA policy over assessment system security.

Views of Responsible Officials and Corrective Action Plan:

Superintendents or chief administrative officers and district testing coordinators are required to sign a security oath for each calendar year. These oaths are valid for all spring, summer, and fall testing, as well as any field testing and mandatory sampling conducted during this time period. Superintendents or Chief Administrative Officers will affirm that they have complied with the requirements governing the student assessment program by initialing and signing their security oaths after all testing for the calendar year has been completed. District coordinators will initial and sign the first portion of their security oaths after receiving training and before handling secure test materials or administering assessments. In addition, district coordinators will sign the second portion of their oaths to affirm that they have complied with all student assessment program requirements after all testing for the calendar year has been completed.

District coordinators are responsible for returning the Superintendent or Chief Administrative Officer and District Testing Coordinator Oaths to the state’s testing contractor at the end of a calendar year. To ensure that all districts have submitted the required oaths, districts will receive a specially marked box for return of the oaths to the contractor in December. This box must be returned with scorable materials from the December STAAR end-of-course test administration.

Procedures for Ensuring Compliance with the Requirement for Returning the Superintendent or Chief Administrative Officer and District Testing Coordinator Oaths

Step One:

- *District coordinators return the Superintendent or Chief Administrative Officer and District Testing Coordinator Oaths with the scorable materials from the December STAAR EOC test administration. (Districts will be provided with a specially marked box, pre-affixed with a shipping label to the contractor, to return oaths.)*
- *The testing contractor will log the receipt of security oaths and retain the oaths for a period of five years.*

Step Two:

- *On the last working day in January (of the next calendar year), the testing contractor will identify any districts that did not submit the required oaths. The testing contractor will provide TEA with a list of the districts that are not in compliance and will contact these districts to request that the oaths be returned. Districts will be given 30 days to comply and told that noncompliance is considered a testing irregularity. The testing vendor will contact the districts two times via email and then follow up with a phone call throughout the 30-day window for districts to return their materials.*

Step Three:

- *At the end of the 30-day collection period (beginning of March), the testing contractor will provide TEA with a list of any districts that are still not in compliance.*

Step Four:

- *TEA will contact all out-of-compliance districts to request the missing oaths and will require them to submit an incident report for a procedural irregularity.*
- *If an out-of-compliance district does not submit either the incident report or oaths within ten days, TEA will send a written ten-day Request for Action.*
- *If an out-of-compliance district does not respond within ten days of the Request for Action, TEA will follow normal procedures for contacting the district superintendent.*

Implementation Date: December 17, 2015

Responsible Person: Gloria Zyskowski

Texas Higher Education Coordinating Board

Reference No. 2015-043

Special Tests and Provisions – Timely Claim Filings by Lenders or Servicers

CFDA 84.032L – Federal Family Education Loans

Award year – July 1, 2014 to June 30, 2015

Award number – N/A

Type of finding – Significant Deficiency and Non-Compliance

The Texas Higher Education Coordinating Board (THECB) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)). Lenders are required to timely file claims with the guaranty agency for payment of death, disability, closed schools, false certification, bankruptcy and default claims. A lender shall file a bankruptcy claim by the earlier of: (1) 30 days after the date on which the lender receives notice of the first meeting of creditors or other information described in 34 CFR section 682.402(f)(3); or (2) 15 days after the lender is served with a complaint or motion to have the loan determined to be dischargeable on grounds of undue hardship, or if the lender secures an extension of time within which an answer may be filed, 25 days before the expiration of that period, whichever is later.

Questioned Cost:	\$0
U.S. Department of Education	

Effective July 1, 2013, if a borrower, who is not a veteran, notifies the lender that the borrower claims to be totally and permanently disabled as described in paragraph (1) of the definition of that term in 34 CFR section 682.200 (b), the lender must direct the borrower to notify the Secretary of the borrower’s intent to submit an application for total and permanent disability discharge and provide the borrower with the information needed for the borrower to notify the Secretary (34 CFR section 682.402(c)(2)). After the Secretary receives the application described in 34 CFR section 682.402 (c)(2)(iv), the Secretary notifies the holders of the borrowers Title IV loans that the Secretary has received a total and permanent disability discharge application from the borrower. The holders of the loans must notify the applicable guaranty agencies that the total and permanent disability discharge application has been received (34 CFR section 682.402(c)(2)(vi)). The Secretary will notify the borrower and the borrower’s lenders whether the application for a disability discharge has been approved and will direct each lender to submit a disability claim to the guaranty agency so the loan can be assigned to the Secretary. The lender must submit the claim to the guaranty agency within 60 days of the date the lender received notification from the Secretary that the borrower is totally and permanently disabled (34 CFR sections 682.40(c)(3)(iii) and 682.402 (g)(2)(ii)). Forty claims were sampled and the following two exceptions were noted:

- THECB receives notification of a death, disability, or bankruptcy via mail, email, telephone, or fax. This notification triggers the agency to begin the claims process. For one sample, THECB received notification on August 21, 2014, that the borrower filed for Chapter 13 bankruptcy. The Notice of Bankruptcy Case Filing was dated February 1, 2013. The loan was updated in the computer system as a claim on August 21, 2014. The claims representative working the claim mistakenly assumed that the timely filing date had lapsed. However, the regulations state that the lender has 30 days from the date of receipt of the notice, regardless of the original filing date to file a claim. There was no bankruptcy claim subsequently filed. As a result of the claim not being filed in a timely manner, THECB cannot file the bankruptcy claim until the borrower is no longer in bankruptcy. Collection efforts can resume when the borrower’s bankruptcy ends.
- For disability claims, the lender is required to submit a claim to the guaranty agency within 60 days of notification that the borrower is totally and permanently disabled. For one sample, THECB received notification on February 4, 2015, from loan servicer of an indefinite suspension. The loan was updated in HELMS as a claim on February 5, 2015. THECB was later notified that the borrower was totally and permanently disabled on March 20, 2015. THECB is in the process of filing a claim.

Beginning in September 2015, THECB implemented a control to run a weekly query of all death, disability, and bankruptcy claims. This query is reviewed to identify any claims that may not have been filed. The prior process was reliance on the THECB staff to adequately file the claims.

Recommendation:

THECB should continue the weekly query and review of open claims process that began in September 2015.

Views of Responsible Officials and Corrective Action Plan:

Beginning in September 2015, THECB implemented a control to run a weekly query of all death, disability, and bankruptcy claims. This query is reviewed to identify any claims that may not have been filed. The prior process was reliance on the THECB staff to adequately file the claims.

Implementation Date: March 1, 2015

Responsible Person: Janie Miramontes

Texas Workforce Commission

Reference No. 2015-044

Matching, Level of Effort, Earmarking

Reporting

Special Tests and Provisions – Penalty for Failure to Comply with Work Verification Plan

(Prior Audit Issue – 2014-024 and 2013-033)

CFDA 17.225 – Unemployment Insurance

Award years – October 1, 2014 to October 29, 2014, October 1, 2014 to November 10, 2014, October 1, 2014 to January 1, 2015, October 1, 2013 to October 1, 2014, October 1, 2012 to January 1, 2014, October 1, 2011 to April 1, 2015

Award numbers – UI-26376-14-60-A-48, UI-26433-14-60-A-48, UI-26563-15-55-A-48, UI-25233-14-55-A-48, UI-23920-13-55-A-48 and UI-22342-12-55-A-48

WIA Cluster

Award years – April 1, 2014 to June 30, 2017, April 1, 2013 to June 30, 2016, and April 1, 2012 to June 30, 2015

Award numbers – AA-25382-14-55-A-48, AA-24121-13-55-A-48, and AA-22964-12-55-A-48

TANF Cluster

Award years – October 1, 2014 to September 30, 2015 and October 1, 2013 to September 30, 2014

Award numbers – 1502TXTAN3, and 1502TXTANF, 1402TXTANF3 and 1402TXTANF

Type of finding – Significant Deficiency

The Texas Workforce Commission (TWC) utilizes the Texas Workforce Information System of Texas (TWIST) to manage subrecipient data. TWC shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)). Two developers had access to the TWIST database through a generic account, giving them the ability to promote changes to production.

Access to migrate changes to the production environment should be restricted appropriately based on job function to help ensure adequate internal controls are in place and appropriate segregation of duties exist. A developer with access to migrate changes on any production system introduces the risk of unauthorized changes to applications and data. Additionally, developer access to move their own code changes into production increases the risk that unauthorized changes to application functionality have been deployed into the production environment. In general, programmers should not have access to migrate changes to the production environment. TWC removed the developers’ access to the account in October 2015.

Questioned Cost:	\$0
U.S. Department of Labor U. S. Department of Health and Human Services	

No compliance exceptions were noted related to test work for the major programs and respective compliance requirements that rely on the TWIST database. These areas are:

- WIA Cluster – Low Income Youth Earmarking
- TANF Cluster – TANF 199 report and Special Tests and Provisions – Penalty for Failure to Comply with Work Verification Plan
- Unemployment Insurance – Trade Act Participant Report (TARP)

Recommendation:

As noted, TWC has restricted the developers from migrating program changes the production environment in October 2015.

Views of Responsible Officials and Corrective Action Plan:

Management agrees. Segregation of duties for migrating TWIST program changes has been completed. No further action required.

Implementation Date: Programming changes were implemented October 2015

Responsible Person: Andrew York

Department of Transportation

Reference No. 2015-045

Allowable Costs/Cost Principles

Cash Management

Matching, Level of Effort, and Earmarking

Period of Performance

Period of Availability of Federal Funds

Reporting

Subrecipient Monitoring

Special Tests and Provisions – Project Approvals

Special Tests and Provisions – Utilities

Highway Planning and Construction Cluster

Award year – NA

Award number – NA

Highway Safety Cluster

Award years – 2015 and 2014

Award number – N/A

Type of finding – Significant Deficiency

The Texas Department of Transportation (TxDOT) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)). Access to migrate changes to the production environment should be restricted appropriately and based on job function to help ensure adequate internal controls are in place and appropriate segregation of duties exist. Developers with access to migrate changes to production systems introduce the risk of unauthorized changes to applications and data. In general, developers should not have access to migrate changes to the production environment and should not have access privileges above read-only in the application.

Questioned Cost:	\$0
U.S. Department of Transportation – Federal Highway Administration	
U.S. Department of Transportation – National Highway Traffic Safety Administration	

Four developers have administrative access to the application layer of the TxDOT PeopleSoft Enterprise Resource Planning (ERP) system. Two of those four developers have administrative access to the ERP migration tool, allowing them the capability of migrating changes to the production environment. During fiscal year 2015, these developers migrated over 70 changes into production. During the audit process, TxDOT was able to provide audit evidence that the changes migrated to production by the developers were all approved. ERP is utilized to process expenditures for payment within the grant period of performance and draw cash from the federal government. ERP is the system of record for information to complete financial reports and final matching/earmarking/level of efforts reports. ERP also receives interfaces from other TxDOT systems with project approval, utility and subrecipient information which is utilized in the above tasks. No compliance exceptions were noted in the compliance areas named above in the finding with regard to the developers having access.

Recommendation:

Access to migrate changes to the production environment should be restricted appropriately based on job function to help ensure adequate internal controls are in place and appropriate segregation of duties exist. In general, programmers should not have access to migrate changes to the production environment. The administrative application access was removed in January 2016 and developer to migrate changes was removed in October 2015.

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Views of Responsible Officials and Corrective Action Plan:

All but one of the referenced migrated changes were read-only queries. The remaining change was an emergency migration for the Time and Labor module. The person who migrated this change did not develop the code. The Department has verified that none of the PeopleSoft developers now have access to migrate changes to production.

During 2015 the production control process was significantly improved. Currently all requests for code changes are approved by the Department's Enterprise Resource Planning (ERP) section director. Also, all requests for developer access or permission to migrate code to production require approval by the Department's ERP section director. These actions are fully implemented.

Implementation Date: October 2015

Responsible Person: Teri Augustine

Reference No. 2015-046

Allowable Costs/Cost Principles

Period of Availability of Federal Funds

Period of Performance

Highway Planning and Construction Cluster

Award year – NA

Award number – NA

Type of finding – Significant Deficiency

Texas Department of Transportation (TxDOT) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)). Access to migrate changes to the production environment should be restricted appropriately and based on job function to help ensure adequate internal controls are in place and appropriate segregation of duties exist. Developers with access to migrate changes to production systems introduce the risk of unauthorized changes to applications and data. In general, developers should not have access to migrate changes to the production environment and should not have access privileges above read-only in the application.

Questioned Cost:	\$0
U.S. Department of Transportation – Federal Highway Administration	

One developer had access to the SiteManager production servers and application, giving the user the ability to promote changes to production. As of May 2015, this user no longer performs development activities for SiteManager. Two developers have access to the SiteManager Production servers, giving them the ability to promote changes to production. One of these developers also has administrative access to the SiteManager application. These developers were part of a domain group used to control network access which also allowed access to migrate changes to the application. SiteManager is utilized to approve construction expenses for payment. No compliance exceptions noted.

Recommendation:

Access to migrate changes to the production environment should be restricted appropriately based on job function to help ensure adequate internal controls are in place and appropriate segregation of duties exist. In general, programmers should not have access to migrate changes to the production environment.

Views of Responsible Officials and Corrective Action Plan:

The Department confirmed on January 8, 2016 that SiteManager programmers no longer have the capability to directly migrate changes to the production environment (screen shots were provided as evidence to the auditor). To address the segregation of duties findings, Information Technology (IT) processes were redesigned such that personnel who perform quality assurance testing are separated from personnel performing the migration to production (updated process documentation was provided as evidence to the auditor). These actions are fully implemented.

Implementation Date: January 2016

Responsible Person: Tim Jennings

Reference No. 2015-047

Subrecipient Monitoring

(Prior Audit Issue 2014-137, 2013-158, 13-136, 12-144, 11-144, 10-84, and 09-80)

Highway Planning and Construction Cluster

Award year – See below

Award number – See below

Type of finding – Significant Deficiency and Non-Compliance

Monitoring

The Texas Department of Transportation (TxDOT) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)). Texas Department of Transportation (TxDOT) passed through approximately 8% of the Highway Planning and Construction Cluster funds to subrecipients. TxDOT is required by OMB Circular A-133, Section .400, to monitor subrecipients to ensure compliance with Federal rules and regulations, as well as the provisions of the contracts or grant agreements. This monitoring includes but is not limited to: award identification, during-the-award monitoring, and close out and sanctions activities. In addition, TxDOT must assure that subrecipients expending Federal funds in excess of \$500,000 have an OMB Circular A-133 Single Audit performed and provide a copy of the auditor’s report to TxDOT within nine months of the subrecipient’s fiscal year end. TxDOT is to review the report and issue a management decision within six months after receipt of the audit report and ensure that the subrecipient takes timely and appropriate corrective action on all audit findings, if applicable.

Questioned Cost:	\$0
U.S. Department of Transportation – Federal Highway Administration	

Audit procedures involved a review of 40 of approximately 115 subrecipients’ files for fiscal year 2015 at five of the 25 TxDOT districts. In 2015, TxDOT’s subrecipient monitoring procedures included the use of an Advance Funding Agreements (AFAs), onsite reviews to address certain special tests such as wage requirement and quality assurance, and the collection and review of A-133 reports. In addition, the requests for reimbursement are accompanied by source documents including invoices for non-payroll items or payroll summaries. Close out activities include a final inspection process and final cost summary. TxDOT has effective controls over contracting issuance, reconciliation of the reimbursement requests to source documents, and the reconciliation of the final cost summary. However, the reconciliations being performed are at varying levels of detail and the documentation retained is not consistent. With regard to onsite monitoring, TxDOT current policies are not being consistently applied and/or monitored. For example,

- TxDOT does not complete a risk assessment for the local governments receiving Highway Planning and Construction Cluster funds. Based upon TxDOT’s organizational structure and assigned responsibilities, site visits of subrecipient projects are the responsibility of each of the 25 districts. Site visits are based on the judgment of the assigned individuals at the district and/or area offices. Therefore, some districts do not have written

procedures to determine which projects are of higher risk, how to address the higher risk such as a site visit, or how the districts consistently track which subrecipients have had an onsite review. Currently the majority of the onsite visits are for construction contracts. There is no documentation as to the risk ranking for non-construction contracts such as professional service or materials only contracts.

- TxDOT's policy for conducting onsite reviews is for the contract specialists or other assigned personnel at the district or area office to conduct the review. Based on this policy, TxDOT is unable to assert that all the reviews were conducted in accordance with policy and proper follow up/communication to the subrecipients occurred. For example, one of 40 subawards tested did not have the onsite monitoring section completed for the required wage rate review.
- District polices for approval and/or review of the requests for reimbursement are not consistent. One district visited has a policy for area personnel to submit requests for reimbursement to a district level coordinator who performs a precise review of the request prior to forwarding for payment. The other four districts reviews could be performed at the area level or the district level and the level of precision is insufficient to conclude the costs are allowable.
- District polices for approval and/or review of the final inspection of the project prior to approval and reimbursement of the invoice from the subrecipient for the final contractor invoice are not consistent. One district visited has a policy for area personnel to submit final requests for reimbursement to a district level coordinator who performs a precise review of the request prior to forwarding for payment. The other two districts reviews could be performed at the area level or the district level and the level of precision is insufficient to conclude the costs are allowable. Only three districts in the sample had subrecipients selected that closed out in the 2015 fiscal year.

Collection of A-133 reports

With regard to the controls for collection and review of A-133 reports, TxDOT maintains a database to track all TxDOT's subrecipients. The database report has the subrecipients year-end, the A-133 report received date, report review date, indication if findings are present, and the management decision letter date. TxDOT's policy is to query the database monthly to monitor for late subrecipient audit reports and/or untimely issuance of management decision letters. However, TxDOT did not run the query monthly during fiscal year 2015. Further, the database report is not tracking the collection of the corrective action plan.

TxDOT sent management decision letters, if applicable, during fiscal year 2015. However TxDOT's policy was to send the management decision letters to the federal oversight agency and not the subrecipient. Also TxDOT's policy was to notify the federal oversight agency of the status of the management decision letter.

Adequate Project Delivery Systems

State Departments of Transportation (DOTs) are responsible for determining that subrecipients of Federal-aid highway funds have adequate project delivery systems for projects approved under 23 USC. They also are required to determine whether subrecipients have sufficient accounting controls to properly manage such Federal-aid funds (23 USC 106(g)(4)(A)). For 26 (65%) of 40 subawards tested, there was no documented evidence that TxDOT determined the subrecipient had an adequate project delivery system and sufficient accounting controls to properly manage federal-aid funds. For the 14 with support, these projects were on Federal Highway System roads which require special approval including addressing whether the local government has the capability to perform the type of work proposed or to award and manage a contract for the work in a timely manner, consistent with federal, state, and TxDOT regulations, standards, and specifications.

Award Identification

Per the 2015 Compliance Supplement, Award Identification – At the time of the subaward, identify to the subrecipient the Federal award information (i.e., CFDA title and number; award name and number; if the award is research and development; and name of Federal awarding agency) and applicable compliance requirements. For non-ARRA first-tier subawards made on or after October 1, 2010, determine whether the pass-through entity had the subrecipient provide a valid DUNS number before issuing the subaward. Per review of the 40 subrecipient files, all 40 files did not contain the CFDA title and five files did not have the CFDA number. Also for 34 of the subrecipients, TxDOT did not have the DUNS number available. The compliance issues discussed above affected the following awards:

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<u>Award Number</u>	<u>Award Year</u>	<u>Award Number</u>	<u>Award Year</u>
STP 1102(558)	2012	STP 2009(806)MM	1996
NH 1102(012)	2011	STP 2014(671)MM	2011
CM 2014(994)	2012	CM 2011(271)	2010
PTF 2006(389)	2014	STP 1302(073)MM	2014
CM 2014(452)	2012	HP 2010(834)	2005
STP 2013(296)MM	2014	CM 2012(241)	2014
CM 2009(118)	2012	STP 2012(811)MM	2011
DMO 2012(232)	2012	STP 2011(219)TE	2007
CM 1102(104)	2013	STP 2014(109)TE	2014
CM 2007(714)	2011	STP 2011(902)MM	2011
STP 2013(841)	2013	NH 2014(668)	2012
STP 1302(050)MM	2011	CM 2012(239)	2010
CM 1102(122)	2011	CM 2007(227)	2009
STP 2012(723)MM	2012	CM 95(122)	2014
STP 2013(279)MM	2013	STP 1102(179)SRS	2010
STP 2012(722)	2011	STP 2011(232)TE	2014
STP 1302(071)MM	2004	STP 2011(234)TE	2014
STP 2011(389)MM	2012	CM 1402(203)	2013
STP 2011(221)TE	2010	STP 1302(090)MM	2011
STP 1302(085)MM	2013	STP 1302(072)MM	2011

Recommendation:

Monitoring – Develop a risk assessment methodology for all subrecipients and uniform procedures for implementation of the results the risk assessment procedures including frequency of site visits/desk reviews and content of those procedures based on risk. TxDOT should standardize the procedures and tools used during the on-site reviews to address consistency of sampling and documentation. TxDOT could consider adding a quality assurance function for fiscal year 2016 which would include selecting a certain percentage of subrecipients for compliance with monthly reimbursement review, final inspection and final payment, and performance of onsite procedures. A quality assurance function would assist verifying TxDOT polices are being consistently applied and monitored.

Collection of A-133 reports – TxDOT should consistently execute their policy to query the database monthly to monitor for late subrecipient audit reports and/or untimely issuance of management decision letters. In addition the policy should incorporate the collection of the correction action plans. Management decision letters should be sent to subrecipients within six months of audit report receipt and should include whether the audit finding is sustained, expected auditee action, timetable for follow up, and note the appeal process.

Adequate Project Delivery Systems – Implement uniform procedures for all subrecipient contracts to verify subrecipient has an adequate project delivery system and sufficient accounting controls to properly manage federal-aid funds.

Award Identification – TxDOT should modify their AFAs to include the required identifying information such as the CFDA number and titles. DUNS numbers should be obtained for all subrecipients.

Views of Responsible Officials and Corrective Action Plan – Monitoring and Adequate Project Delivery Systems:

The Department will develop a risk assessment methodology and uniform guidance for all subrecipients to be implemented prior to execution of the AFA. The methodology will categorize the perceived risk for each subrecipient and identify oversight levels for each defined category of risk. This will verify that each subrecipient has an adequate project delivery system and sufficient accounting controls to properly manage federal-aid funds. The Department will

incorporate it into the AFA review and approval process and conduct webinars to communicate this information to appropriate personnel at the districts and divisions/offices as necessary.

Currently, the Department has more than 600 active federally-funded projects with more than 150 subrecipients in various phases of project development. These include a wide range of project types and subrecipient task management responsibilities. The Local government project (LGP) Toolkit (<http://www.txdot.gov/government/processes-procedures/lgp-toolkit.html>) includes standardized forms and procedures for use on all projects. Due to the diversity of project types and varying organizational structure in the districts and divisions/offices, the Department does not believe it is practical, nor necessary, to expect or require project documentation and processes to be identical on all projects and in all districts and divisions/offices. We believe the AFA process, the LGP Toolkit, and LGP Training, when implemented consistently, will provide an appropriate level of Department oversight to assure that federal funds are used appropriately and efficiently.

In addition to developing standardized Local government (LG) project processes, procedures, tools, and providing training; the Local Government Project Officer (LGPO) is tasked with providing support to the districts/divisions/offices, making periodic project visits, reviewing documentation, and providing advice/guidance to project personnel to further increase the probability of full compliance. Potential risk to the Department due to LG or district/division/office non-compliance varies significantly from project to project. Based upon identification of potential risk on specific projects, LGPO will increase its quality assurance efforts (support, project visits, documentation review, provide advice/guidance) on specifically identified projects and update processes/procedures/tools, as necessary, in fiscal year 2016 and beyond.

Implementation Date: August 2016

Responsible Person: David Millikan

Views of Responsible Officials and Corrective Action Plan – A-133 Reports:

We agree with the recommendation. In September 2015 we revised our process to query our database monthly and send management decision letters directly to the subrecipients. In January 2016, we further updated our process to incorporate the collection of corrective action plans and we modified our management decision letters to include all required elements.

Implementation Date: January 2016

Responsible Person: Tony Rose

Views of Responsible Officials and Corrective Action Plan – Award Identification:

The Department will include the CFDA title in future sub-grant recipient agreements.

Implementation Date: April 2016

Responsible Person: Ken Stewart

On October 29, 2013 the Letting Management Section of TxDOT's Finance Division sent an email to the Right of Way (ROW) Division and the 25 Districts informing them that a Data Universal Numbering System (DUNS) identification number and the zip code including the additional 4 digits would be required for all projects where a sub-recipient is involved before federal authorization could be requested. Lines for the DUNS and Zip Code +4 were added to the Engineer's Estimate form which is submitted by the Districts when requesting federal authorization of projects let by local entities. A shared email account titled FIN_FPAA-Requests is used for Districts and Divisions to submit requests for federal authorizations for the design phase of projects and for projects that do not go through a letting process.

Another shared email account titled *FIN_Local-Lets* is used for Districts to submit requests for federal authorization for the construction phase of locally let projects. The email requests are to include the DUNS and Zip+4 when a sub-recipient is participating in a project. If the information is not included in the email or on the Engineer's Estimate form, Letting Management Staff contacts the requestor and does not proceed with preparing the Federal Project Authorization and Agreement (FPAA) until it is made available. Letting Management Staff checks the SAM website to verify the entity is registered and the DUNS number provided is accurate. The DUNS and Zip+4 are then included in the State Remarks field on the FPAA when submitted to FHWA for authorization. This process has been in place for over two years. The subawards for the 34 subrecipients for which no DUNS number was available were authorized prior to implementing the above process in October 2013.

Implementation Date: October 2013

Responsible Person: Alison McMillan

Reference No. 2015-048

Special Tests and Provisions – Value Engineering

Highway Planning and Construction Cluster

Award year – 2010

Award number – NH 1402(025)

Type of finding – Significant Deficiency and Non-Compliance

State Department of Transportations (DOTs) are required to establish a value engineering (VE) program and ensure that a VE analysis is performed on all applicable projects. The program should include procedures to approve or reject recommendations and for monitoring to ensure that resulting, approved recommendations are incorporated into the plans, specifications, and estimate. Applicable projects are (a) projects located on the National Highway System (NHS) with an estimated total project cost of \$50 million or more that utilize Federal-aid highway program funding; (b) bridge projects located on the NHS with an estimated total cost of \$40 million or more that utilize Federal-aid highway program funding; and (c) any other projects that the Federal Highway Administration (FHWA) determines to be appropriate. Projects utilizing the design-build method of construction do not require a VE analysis (23 USC 106(e)(5)). Critical elements of VE programs include identification of a State VE coordinator; establishment of a VE policy, and documented VE procedures, including requirements to identify applicable projects, verify required VE analyses are completed on State DOT and subrecipient projects; and monitor, assess, and report on the performance of the VE program (23 USC 106(e); 23 CFR part 627). The Texas Department of Transportation (TxDOT) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)).

Questioned Cost:	\$0
U.S. Department of Transportation – Federal Highway Administration	

Texas Department of Transportation (TxDOT) utilizes an executive summary decision form documenting approval or rejection of suggested value engineering recommendations after the completion of a value engineering study. The current version of the executive summary decision form has been utilized since August 2013. The August 2013 form is also used to document which accepted recommendations were included in the final plans, specifications, and estimate (PS&E). The executive summary decision form documents designated district personnel approvals for both after the completion of a value engineering study and prior to submission of final PS&E.

For one (33%) of the three value engineering projects tested TxDOT did not have an executive summary decision form documenting approval or rejection of suggested value engineering recommendations. Also TxDOT was unable to show that all accepted recommendations from the value engineering study were fully implemented. The value engineering for the project in question was completed in May 2010, which required a different version of the executive summary decision form.

Recommendation:

TxDOT should ensure the August 2013 version of the executive summary decision form clearly documents how the accepted recommendations were included in the final PS&E. If the recommendations were determined to not be feasible upon further analysis after the completion of the value engineering study, appropriate documentation should be retained.

Views of Responsible Officials and Corrective Action Plan:

The Department has been utilizing an updated version of the executive summary decision since August 2013. This current version does indeed monitor the implementation of the VE study's accepted recommendations that are included in the final PS&E. Although the audit did find one of the test VE projects to be non-compliant, this selected VE study was completed in 2010 prior to implementing the current version of the executive summary decision form.

The Department's Value Engineering program does have mechanisms in place to ensure that a VE analysis is performed on all applicable projects that fall within the total project cost thresholds noted in the code. In addition, we have developed a good partnership with district offices and FHWA in reaching out to help facilitate any VE study that is required or requested. These studies have been helpful and successful in assisting the district staff with their decision making on critical project-specific design decisions and developing sound engineering recommendations.

The Design Division appreciates the auditor's findings and we will continue utilizing the August 2013 version of the executive summary decision to ensure documentation of which accepted recommendations from a VE study are implemented into the final PS&E.

Implementation Date: The August 2013 version of the executive summary decision is currently being implemented in our VE studies.

Responsible Person: Rene Garcia

Reference No. 2015-049

Special Tests and Provisions – Wage Rate Requirements

(Prior Audit Issues 2014-132, 2013-156, 13-134, 12-142, 11-142, and 10-82)

Highway Planning and Construction Cluster

Award year – 2014

Award number – NH 1402(198)

Type of finding – Significant Deficiency and Non-Compliance

The Wage Rate Requirements are applicable to construction work on highway projects on Federal-aid highways. All laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by Federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the Department of Labor (DOL) (40 USC 3141-3144, 3146, 3147).

Questioned Cost:	\$0
U.S. Department of Transportation – Federal Highway Administration	

Non-federal entities shall include in their construction contracts subject to the Wage Rate Requirements (which still may be referenced as the Davis-Bacon Act) a provision that the contractor or subcontractor comply with those requirements and the DOL regulations (29 CFR part 5, Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction). This includes a requirement for the contractor or subcontractor to submit to the non-Federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls) (29 CFR sections 5.5 and 5.6; and A-102 Common Rule (§ __.36(i)(5)); OMB Circular A-110 (2 CFR part 215, Appendix A, Contract Provisions); 2 CFR part 176, subpart C; and 2 CFR section 200.326). The Texas Department of Transportation (TxDOT) shall

maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)).

TxDOT utilizes a standard contract that contains the requirement wage rate clauses. TxDOT does not have a standardized process for its district and area offices to track certified payrolls from contractors. Each area office within each district determines its own method for ensuring that contractors' submitted certified payrolls, including ensuring that the statements of compliance are complete and signed by the contractors. The five districts reviewed did not have consistent controls operating at the correct precision level to ensure certified payrolls from contractors were obtained timely. Several districts collect and follow-up when asked to see the certified payroll and/or when the responsible area person has time available. Not having a standardized process increases the risk that TxDOT may not identify the contractors that have not submitted weekly certified payrolls. When TxDOT does not collect certified payrolls from the contractors, assurance that the contractor and subcontractor employees are properly classified and being paid prevailing wage rates in accordance with the Davis-Bacon Act cannot be obtained.

For one (2%) of 43 construction projects tested, TxDOT did not ensure that contractor submitted certified payrolls in accordance with federal regulations for fiscal year 2015. TxDOT was able to obtain the certified payroll after the requests were made, however, they did not ensure that the contractor signed the statements of compliance and included all required information prior to the project and week being selected for sampling.

Recommendation:

TxDOT should enhance and standardize its monitoring process for all areas/districts to ensure that its contractors submit all required certified payrolls on a timely basis by having the same monitoring tool and policy for all the areas/districts for tracking and following up with all required certified payrolls. TxDOT could consider adding a quality assurance function for fiscal year 2016 which would include selecting a certain percentage of eligible projects for compliance with wage rate requirements. A quality assurance function would assist verifying that TxDOT polices are being consistently applied and monitored.

Views of Responsible Officials and Corrective Action Plan:

The Department is working to implement LCPtracker labor compliance software, which includes a module for payroll reporting and tracking. The process is currently in the testing phase. Until LCPtracker implementation is complete, Construction Division staff will request wage labor interviews on 10% of projects submitted for wage rate requests to verify that contractors are abiding by the approved or conformed wage. This will be completed every six months, to coincide with the 1494 Semi-Annual Labor Compliance Report each April and October.

Implementation Date: July 2016

Responsible Person: Tracy D. Cain

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Reference No. 2015-050

Special Tests and Provisions – Quality Assurance Program

(Prior Audit Issues 2014-138, 2013-161, 13-138, 12-146, 11-146, 10-87, and 09-81)

Highway Planning and Construction Cluster

Award year – 2012

Award number – STP 2012(453)

Type of finding – Significant Deficiency and Non-Compliance

A State Department of Transportation must have a quality assurance (QA) program, approved by Federal Highway Administration (FHWA), for construction projects on the National Highway System (NHS) to ensure that materials and workmanship conform to approved plans and specifications. Verification sampling must be performed by qualified testing personnel employed by the State Department of Transportation, or by its designated agent, excluding the contractor (23 CFR sections 637.201, 637.205, and 637.207). The Texas Department of Transportation (TxDOT) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)).

Questioned Cost:	\$0
U.S. Department of Transportation – Federal Highway Administration	

TxDOT’s Guide Schedule of Sampling and Testing and Quality Assurance Manual outlines the required test types and sample frequencies for materials to be tested for construction projects. TxDOT uses the SiteManager system as the system of record to document all quality assurance tests. When a sample test is completed in SiteManager, the system requires signoff on each test by the tester, reviewer, and authorizer to ensure proper segregation of duties. For the tester and reviewer for each test completed, the individual is required to maintain appropriate credentials and certifications to perform the test. The testing, reviewing and authorizing of each test completed are required to be done by at least two different TxDOT personnel. For one (2.5%) of 40 quality assurance tests sampled, the tester and reviewer were the same individual.

Access to migrate changes to the production environment should be restricted appropriately and based on job function to help ensure adequate internal controls are in place and appropriate segregation of duties exist. Developers with access to migrate changes to production systems introduce the risk of unauthorized changes to applications and data. In general, developers should not have access to migrate changes to the production environment and should not have access privileges above read-only in the application. One developer had access to the SiteManager production servers and application, giving the user the ability to promote changes to production. As of May 2015, this user no longer performs development activities for Site Manager. Two developers have access to the SiteManager Production servers, giving them the ability to promote changes to production. One of these developers also has administrative access to the SiteManager application. These developers were part of a domain group used to control network access which also allowed access to migrate changes to the application. In addition, the SiteManager is not effectively designed to require the tester and the reviewer to be two different individuals.

Recommendation:

Access to migrate changes to the production environment should be restricted appropriately based on job function to help ensure adequate internal controls are in place and appropriate segregation of duties exist. In general, programmers should not have access to migrate changes to the production environment. TxDOT should implement appropriate segregation of duties among the personnel who conduct quality assurance sample testing and personnel who review that testing.

Views of Responsible Officials and Corrective Action Plan – Information Technology Division:

The Department confirmed on January 8, 2016 that SiteManager programmers no longer have the capability to directly migrate changes to the production environment (screen shots were provided as evidence to the auditor). To address the segregation of duties findings, Information Technology (IT) processes were re-designed such that personnel who perform quality assurance testing are separated from personnel performing the migration to

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production (updated process documentation was provided as evidence to the auditor). These actions are fully implemented.

Implementation Date: January 2016

Responsible Person: Tim Jennings

Views of Responsible Officials and Corrective Action Plan – Construction Division:

The Department introduced a SiteManager control in October of 2013 requiring two different individuals to review, test, or authorize a material sample. A technical glitch that allowed a small portion of authorizations to go unchecked was discovered, corrected, and incorporated into the application in August of 2015. The quality assurance test noted in this finding was completed prior to implementation of the control. The current SiteManager segregation of duties for reviewing and authorizing material tests is appropriate and sufficient to mitigate any undue risk.

Implementation Date: August 2015

Responsible Person: Tracy D. Cain

Reference No. 2015-051

Subrecipient Monitoring

Highway Safety Cluster

Award years – 2015 and 2014

Award number – N/A

Type of finding – Significant Deficiency and Non-Compliance

The Texas Department of Transportation (TxDOT) shall maintain internal controls over Federal programs that provides reasonable assurance that they are managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. (OMB Circular A-133, Subpart C, Section 300 (b)). Texas Department of Transportation (TxDOT) passed through approximately 43% of the Highway Safety Cluster funds to subrecipients. TxDOT is required by OMB Circular A-133, Section .400, to monitor subrecipients to ensure compliance with Federal rules and regulations, as well as the provisions of the contracts or grant agreements. This monitoring includes but is not limited to: award identification, during-the-award monitoring, and close out and sanctions activities. In addition, TxDOT must assure that subrecipients expending Federal funds in excess of \$500,000 have an OMB Circular A-133 Single Audit performed and provide a copy of the auditor’s report to TxDOT within nine months of the subrecipient’s fiscal year end. TxDOT is to review the report and issue a management decision within six months after receipt of the audit report and ensure that the subrecipient takes timely and appropriate corrective action on all audit findings, if applicable.

Questioned Cost:	\$0
U.S. Department of Transportation – National Highway Traffic Safety Administration	

Audit procedures involved a review of 25 of approximately 160 subrecipients’ files for fiscal year 2015. In 2015, TxDOT’s subrecipient monitoring procedures included the use of a standard contract for services, the review of monthly performance reports, onsite reviews, and the collection and review of A-133 reports. In addition, the requests for reimbursement were accompanied by source documents including invoices for non-payroll items or payroll or mileage summaries. TxDOT has effective controls over contracting issuance and review of the monthly performance reporting process. With regard to the controls for onsite monitoring, TxDOT’s current policies are not being consistently applied and/or monitored. For example,

- TxDOT’s policy required “annual onsite formal compliance monitoring of all general non- Selective Traffic Enforcement Program (STEP) grants, STEP yearlong grants, STEP Wave grants, and Impaired Driving

Mobilization (IDM) grants". TxDOT maintains a live, on-line system for tracking monitoring, performance report submission, and request for reimbursement submission for grants in eGrants. Real time reports are available for TxDOT Management at any time. Management was unable to demonstrate how often they review these reports as they are reviewed live in the eGrants system. An Excel spreadsheet was developed to show the status of grant monitoring and fourteen 2014 grants were not noted of having a 2014 monitoring visit. Upon further discussion with management, explanations were provided for 11 of open grants noting that some had been performed but not recorded, while others were not required. Three awards did not have a 2014 onsite visit.

- The Traffic Safety Program Manual provides TxDOT project managers the sole authority to prepare and submit on-site monitoring reports and the project managers determines when they should elevate questions and/or results of on-site reviews. The current process does not allow management to assert which reports should have been brought to management for consideration.
- Even though guidance is provided in the Traffic Safety Program Manual with regard to the process and procedures for completing project on-site monitoring, per review of the on-site documentation, the reviewers are not consistently documenting the number of items reviewed. Per discussion with management, the methodology does not currently have standardized sampling procedures for non-STEP awards. Further, the example support for the expenditure items retained in the files is not consistent.

With regard to the controls for collection and review of A-133 reports, TxDOT maintains a database to track all TxDOT's subrecipients. The database report has the subrecipients year-end, the A-133 report received date, report review date, indication if findings are present, and the management decision letter date. TxDOT's policy is to query the database monthly to monitor for late subrecipient audit reports and/or untimely issuance of management decision letters. However, TxDOT did not run the query monthly during fiscal year 2015. Further, the database report is not tracking the collection of the corrective action plan.

Specifically, the policy in 2015 was to obtain subrecipient's A-133 audit reports within nine months of the end of the grant. However, per federal regulations audit reports are due within nine months of the subrecipient's year end. Out of the 25 subrecipients reviewed, three reports were received late and two are still outstanding. TxDOT sent late notices to the subrecipients demonstrating due diligence but the letters were all sent in July. TxDOT is interpreting the due date of A-133 reports to be nine months from the end of the September grant year (i.e. due in June) instead of nine months from the subrecipient's fiscal year end.

TxDOT sent management decision letters, if applicable, during fiscal year 2015. However TxDOT's policy was to send the management decision letters to the federal oversight agency and not the subrecipient. Also, TxDOT's policy was to notify the federal oversight agency of the status of the management decision letter.

Recommendation:

TxDOT should standardize the procedures and tools used during the on-site reviews to address consistency of sampling and documentation. TxDOT should also review the monitoring plan at least once a year on a formal basis to document compliance with their policy to perform an on-site for all subrecipients requiring a visit on an annual basis. We understand TxDOT has added a quality assurance function for fiscal year 2016 which would include selecting a certain percentage of subrecipients for compliance with monthly reimbursement review and performance of onsite procedures. A quality assurance function would assist verifying TxDOT policies are being consistently applied and monitored. Further, TxDOT should send the A-133 late notifications based on the subrecipients year-end.

TxDOT should consistently execute their policy to query the database monthly to monitor for late subrecipient audit reports and/or untimely issuance of management decision letters. In addition the policy should incorporate the collection of the correction action plans. Management decision letters should be sent to subrecipients within six months of audit report receipt and should include whether the audit finding is sustained, expected auditee action, timetable for follow up, and note the appeal process.

Views of Responsible Officials and Corrective Action Plan - Program:

We agree with the recommendation. The Department will enhance current procedures and tools used during the on-site review to address consistency of sampling and documentation. We will follow-up with training for Traffic

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Operations Division (TRF) staff. The Department will review the on-site monitoring plan at least once a year to document compliance with program procedures. TRF is revising the Traffic Safety Program Manual to add the quality assurance function. The revised Traffic Safety Program Manual is expected to be issued in March 2016. The Department will send the A-133 late notifications base on the subrecipients year-end.

Implementation Date: May 2016

Responsible Person: Terry Pence

Views of Responsible Officials and Corrective Action Plan – A-133 Reports:

We agree with the recommendation. In September 2015, we revised our process to query our database monthly and send management decision letters directly to the subrecipients. In January 2016 we further updated our process to incorporate the collection of corrective action plans and we modified our management decision letters to include all required elements.

Implementation Date: January 2016

Responsible Person: Tony Rose

Section 3b:

Federal Award Findings and Questioned Costs – Other Auditors

This section identifies significant deficiencies, material weaknesses, and instances of non-compliance, including questioned costs, as required to be reported by *Office of Management and Budget Circular A-133*, Section 510(a). This section is organized by state agency or higher education institution.

Sul Ross State University

Reference No. 2015-101

Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A144130; CFDA 84.033, Federal Work-Study Program, P033A144130; CFDA 84.063, Federal Pell Grant Program, P063P142316; CFDA 84.268, Federal Direct Student Loans, P268K152316; and CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

Cost of Attendance

The determination of the federal student assistance award amount is based on financial need. Financial need is defined as a student’s cost of attendance (COA) minus the expected family contribution (EFC) (Title 20, United States Code (USC), Chapter 28, Subchapter IV, Section 1087kk). The phrase “cost of attendance” refers to the “tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study.” An institution may also include an allowance for books, supplies, transportation, miscellaneous personal expenses, and room and board (Title 20, USC, Chapter 28, Subchapter IV, Section 1087ll).

Questioned Cost:	\$0
U.S. Department of Education	

For Title IV programs, the EFC is the amount a student and his or her family are expected to pay for educational expenses and is computed by the federal central processor and included on the student’s Institutional Student Information Record (ISIR) provided to the institution. Awards must be coordinated among the various programs and with other federal and non-federal assistance to ensure that total assistance is not awarded in excess of the student’s financial need (Title 34, Code of Federal Regulation (CFR), Sections 668.2, 673.5, and 685.301).

A full-time student is defined as an enrolled student who is carrying a full-time academic workload, as determined by the institution, under a standard applicable to all students enrolled in a particular educational program. For an undergraduate student, an institution’s minimum standard must equal or exceed 12 semester hours. A half-time student is defined as an enrolled student who is carrying a half-time academic workload, as determined by the institution, which amounts to at least half of the workload of the applicable minimum requirement outlined in the definition of a full-time student (Title 34, CFR, Section 668.2).

Sul Ross State University (University) established different COA budgets for undergraduate students based on term enrollment (full-time, three-quarter-time, half-time, or less-than-half-time); location (Alpine campus or Rio Grande College campus); in-state or out-of-state residency; class level (graduate or undergraduate); and living status (on campus, off campus, or at home). The University also established different COA budgets for graduate students based on term enrollment, location, residency, class level, and living status; however, it did not have an established COA budget for less-than-half-time graduate students. The University’s student financial assistance system, Banner, initially budgets students for full-time enrollment. Financial aid counselors manually adjust COA if students self-report enrollment level changes prior to the census date or to reflect actual enrollment after the census date. For students who take courses under a consortium agreement with another institution, the University uses the actual amount of tuition and fees paid in the COA budgets with the other standard components.

For 10 (16 percent) of 62 students tested, the University incorrectly or inconsistently calculated the COA. Specifically:

- For one student, the University manually adjusted the COA budget incorrectly, and it did not have support for the adjustments it made.
- For one student attending under a consortium agreement with another institution, the University initially budgeted COA for both the Fall and Spring semesters. However, the student dropped the Spring semester courses, and the University did not adjust the COA to remove the Spring semester tuition and fees.
- For eight students, the enrollment level changed during the aid year, and the University did not manually adjust those students' COA budgets to update those students' enrollment.

Additionally, the University does not have documented less-than-half-time COA budgets for graduate students and uses a manual process to create budgets for all less-than-half-time graduate students. That could result in inconsistent budgets and awarding for those students, and it affected one student within the group of eight students discussed above.

The errors discussed above occurred because of manual errors the University made in adjusting COA to reflect actual enrollment. Those errors did not result in overawards of financial assistances; however, by incorrectly calculating COA budgets, the University increases the risk of overawarding or underawarding financial assistance to students.

Satisfactory Academic Progress

A student is eligible to receive Title IV, Higher Education Act (HEA) Program assistance if the student maintains satisfactory progress in his or her course of study according to the institution's published standards of satisfactory progress that satisfy the provisions of Title 34, CFR, Section 668.16(e), and the provisions of Title 34, CFR, Section 668.34 (Title 34, CFR, Section 668.32(f)). An institution's satisfactory academic progress (SAP) policy should include a qualitative component that consists of grades or comparable factors that are measureable against a norm, and a quantitative component that consists of the pace at which students must progress through their program to ensure that they will graduate within the maximum time frame required to complete their education (U.S. Department of Education 2014-2015 *Federal Student Aid Handbook*).

An institution's policy must specify the pace at which a student must progress through his or her educational program to ensure that the student will complete the program within the maximum time frame (Title 34, CFR, Section 668.34 (a)(5)(i)). A maximum time frame for a graduate program is defined as "a period defined by the institution that is based on the length of the educational program" (Title 34, CFR, Section 668.34(b)).

The University's SAP policy does not meet all federal requirements. Its policy does not define the maximum time frame based on the length of the educational program for graduate students. The University's SAP policy bases the maximum time frame on 36 program hours; however, the University offers programs with varying lengths, including programs that are only 30 hours. Although auditors did not identify students during testing who would be ineligible for student financial assistance as a result of that issue, not determining maximum time frame based on the length of the educational program for graduate students increases the risk that graduate students could receive financial assistance for which they are not eligible or be denied financial assistance for which they are eligible.

The University uses Banner to determine students' compliance with SAP requirements; however, Banner does not always place students in the correct SAP status. As a result, the University performs a manual review of all students placed in a warning, probation, or suspension status for SAP. In addition, if a student is placed on an academic plan as the result of not meeting SAP requirements or extenuating circumstances, the University manually reviews that student's progress and makes adjustments to the SAP determination. **For 1 (3 percent) of 33 students tested with manually adjusted SAP determinations, the University incorrectly adjusted the student's SAP status.** The student was not meeting SAP requirements prior to the Spring semester and should have been placed in a warning status; however, the University did not place the student in a warning status until after the Spring semester (and, after that semester, the student should have been suspended from receiving financial assistance). The student still would have been eligible for financial assistance during the Spring semester if the University had placed the student in a warning status; therefore, there were no questioned costs.

Federal Supplemental Educational Opportunity Grants

The Federal Supplemental Educational Opportunity Grant (FSEOG) program provides grants to eligible undergraduate students. Institutions are required to award FSEOG first to Federal Pell Grant recipients who have the lowest EFC. If an institution has FSEOG funds remaining after giving FSEOG awards to all Federal Pell Grant recipients, it can then award the remaining FSEOG funds to eligible students with the lowest EFCs who did not receive Federal Pell Grants (Title 34, CFR, Section 676.10).

Based on a review of the full population of student financial assistance recipients, the University awarded \$450 in FSEOG assistance to one student who did not also receive a Federal Pell Grant; it did not award FSEOG assistance to all other Federal Pell Grant recipients before awarding FSEOG assistance to that student. The student had already received the maximum lifetime eligibility amount for Federal Pell Grants and was not eligible to receive additional Federal Pell Grant assistance. After auditors brought that error to the University's attention, it corrected the FSEOG award; therefore, there were no questioned costs.

Recommendations:

The University should:

- Adjust COA accurately and consistently for all students.
- Ensure that its SAP policy meets federal requirements by defining a maximum time frame based on the length of the educational program for graduate students.
- Consistently and appropriately apply its manual SAP review process for placing students on a warning and subsequent suspension status.
- Award FSEOG assistance only to eligible students.

Views of Responsible Officials and Corrective Action Plan:

Cost of Attendance

The Financial Aid Office will create a less-than-halftime budget for Graduate students and enter that data into our operating system. Budgets for less-than-halftime graduate students can then be calculated by the system instead of manually by staff members.

Consortium files will be reviewed and have budgets calculated by a staff member. A different staff member will re-check the calculations for accuracy and then enter that data into our operating system.

After the census date of the spring semester, the Financial Aid office will run a report that identifies fall semester enrolled students and will then check to see if budget/award amount adjustments are needed if the student doesn't enroll in spring or enrolls in a different amount of hours than awarded for in the spring semester.

Satisfactory Academic Progress

The University will revise its SAP policy to state students will be ineligible for aid if they exceed 150% of the hours needed to complete their degree for both undergraduate and graduate students.

The Financial Aid office has updated the SAP rules in Banner (operating system) to ensure automated calculation of SAP is correct for GPA/Completion Rate components. Manual review of warned/suspended students due to Time Limits will continue.

Federal Supplemental Educational Opportunity Grants

The Financial Aid office will review a report that identifies all SEOG awards and confirm the student qualifies for the award based on having also received a Pell award in the same award year. Training will be conducted with all financial aid staff regarding awarding requirements for SEOG awards.

Implementation Date: *January 2016*

Responsible Person: *Michael Corbett*

Reference No. 2015-102

Special Tests and Provisions - Verification

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A144130; CFDA 84.033, Federal Work-Study Program, P033A144130; CFDA 84.063, Federal Pell Grant Program, P063P142316; CFDA 84.268, Federal Direct Student Loans, P268K152316; and CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

For each applicant whose Free Application for Federal Student Aid (FAFSA) is selected for verification by the Secretary of the U.S. Department of Education, an institution must verify all of the applicable items, which include household size, number of household members who are in college, adjusted gross income, U.S. income taxes paid, child support paid, food stamps, education credits, individual retirement account deductions, other untaxed income, high school completion status, and identity and statement of educational purpose (Title 34, Code of Federal Regulations (CFR), Sections 668.54 and 668.56, and *Federal Register* Volume 78, Number 114).

Questioned Cost:	\$0
U.S. Department of Education	

When the verification of an applicant’s eligibility results in any change to a non-dollar item or a change to a single dollar item of \$25 or more from the applicant’s FAFSA, the institution must submit a correction to the U.S. Department of Education and adjust the applicant’s financial aid package on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR). For the Federal Pell Grant Program, if an applicant’s FAFSA information changes as a result of verification, an institution must recalculate the applicant’s Federal Pell Grant on the basis of the EFC on the corrected ISIR and disburse any additional funds under that award (Title 34, CFR, Section 668.59).

For 4 (7 percent) of 60 students tested, Sul Ross State University (University) did not accurately verify all required information on the students’ FAFSAs, and it did not always update its records and request updated ISIRs as required. The University did not accurately verify one of the following items for those four students: U.S. income taxes paid or education credits reported on income taxes.

When auditors brought the errors to its attention, the University made corrections to all four students’ ISIRs. Specifically:

- For one student, the error resulted in the student’s EFC being understated. However, that error did not result in an overaward or underaward of financial assistance.
- For one student, the error resulted in an overstated EFC and the student should have received additional Federal Pell Grant assistance. The University subsequently disbursed additional Federal Pell Grant assistance totaling \$200.
- For two students, the errors resulted in an understated EFC, which resulted in overawards of Federal Pell Grant funds totaling \$700. The University subsequently adjusted the students’ awards; therefore, there were no questioned costs.

For 4 (7 percent) of 60 students tested, the University did not maintain or obtain all required documentation to support its verification of those students’ FAFSAs. For two students, the University did not maintain documentation to support the number of household members, number of household members who are in college, or identification information. For two other students with non-tax filer status, the University did not request sufficient documentation to verify that those students had no taxable income or were not required to file income taxes. Those errors did not result in corrections to the students’ ISIRs, and there were no overawards or underawards of financial assistance.

For 4 (7 percent) of 60 students tested, the University did not adequately verify required items for the household resources verification group. Specifically, the documentation the University used to verify household resources was not sufficient to determine whether the students received specific types of other untaxed income. Additionally, for one of those four students, the University did not accurately verify the student's other untaxed income. When auditors brought that error to its attention, the University made corrections to that student's ISIR, and the error did not result in a change in EFC.

Those errors occurred because of manual errors the University made during the verification process, and because the University does not have an adequate process to monitor verification.

Not properly verifying FAFSA information could result in the University overawarding or underawarding student financial assistance.

Recommendations:

The University should:

- Accurately and adequately verify all required FAFSA information for students selected for verification and request updated ISIRs when required.
- Establish and implement an effective monitoring process for verification.
- Obtain and maintain supporting documentation for its verification process.

Views of Responsible Officials and Corrective Action Plan:

Additional training will be provided to Financial Aid staff on verification procedures and the required documentation needed from students/parents for each verification group to ensure all information is requested and received in order to accurately complete verification of student files. At each campus, one staff member will be responsible for performing verification of student files. An additional staff member will review the file for accuracy and to make sure all required information/documentation has been received. The Financial Aid Director will also review a portion of selected files in order to monitor the staff's work for accuracy.

The Household Resources/Untaxed Income Form the university requires for verification has been modified to meet Federal Guidelines.

Implementation Date: January 2016

Responsible Person: Michael Corbett

Texas A&M AgriLife Research

Reference No. 2015-103

Cash Management

Research and Development Cluster

Award years – October 1, 2014 to September 30, 2015 and May 1, 2014 to September 30, 2015

Award numbers – CFDA 12.114, Collaborative Research and Development, FY2015ITAM and CFDA 93.397, Cancer Center Support Grants, HHSN269201400511P

Type of Finding – Significant Deficiency and Non-Compliance

A recipient must maintain advances of federal funds in interest-bearing accounts unless: (1) the recipient receives less than \$120,000 in federal awards per year, (2) the best reasonably available interest-bearing account would not be expected to earn interest in excess of \$250 per year on federal cash balances, or (3) the depository would require an average or minimum balance so high that it would not be feasible within the expected federal and non-federal cash resources (Title 2, Code of Federal Regulations (CFR), Section 215.22(k)). For those entities to which the Cash Management Improvement Act (CMIA) and its implementing regulations do not apply, interest earned on federal advances deposited in interest-bearing accounts must be remitted annually to the U.S. Department of Health and Human Services. Interest amounts up to \$250 per year may be retained by the recipient for administrative expense. State universities and hospitals must comply with CMIA as it pertains to interest (Title 2, CFR, Section 215.22(l)). In addition, Title 31, CFR, Section 205, which implements the CMIA, requires a state interest liability to accrue if federal funds are received by a state prior to the day the state pays out the funds for federal assistance program purposes. A state interest liability accrues from the day federal funds are credited to a state account to the day the state pays out the federal funds for federal assistance program purposes (Title 31, CFR, Section 205.15).

Questioned Cost:	\$0
U.S. Department of Defense U.S. Department of Health and Human Services	

Texas A&M AgriLife Research (AgriLife) did not always maintain advances of federal funds in interest-bearing accounts. AgriLife established a process to maintain advances of federal funds in interest-bearing accounts. However, it did not identify two federal awards that required the placement of advances of funds in interest-bearing accounts. AgriLife received federal funds in advance of expenditures for both of those federal awards, but it did not maintain the funds in interest-bearing accounts. Therefore, AgriLife should have remitted \$213 in interest for those two federal awards, excluding the allowance for administrative expense, to the federal government. After auditors brought this matter to its attention, AgriLife provided documentation showing that it remitted interest to the U.S. Department of Health and Human Services. Therefore, there were no questioned costs.

If Agrilife does not maintain advances in interest-bearing accounts, it cannot earn or remit to the federal government interest exceeding \$250 per year on funds it received in advance of expenditures.

Recommendations:

AgriLife should:

- Maintain advances of federal funds in interest-bearing accounts.
- Strengthen controls over the identification of federal awards with interest requirements.

Views of Responsible Officials and Corrective Action Plan:

Texas A&M AgriLife Research and Texas A&M Sponsored Research Services acknowledge and agree with the finding. Texas A&M Sponsored Research Services has enhanced procedures for identifying federal awards with interest tracking requirements. As these funds are identified they will be maintained in interest bearing accounts by Texas A&M AgriLife Research. Interest earned that exceeds \$500 annually will be remitted to the federal government.

Implementation Date: *January 2016*

Responsible Persons: *Diane Hassel and Debra Cummings*

Reference No. 2015-104

Period of Availability of Federal Funds

(Prior Audit Issue 12-129)

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

When a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period and any preaward costs authorized by the federal awarding agency (Title 2, Code of Federal Regulations (CFR), Section 215.28). Unless the federal awarding agency authorizes an extension, a recipient shall liquidate all obligations incurred under the award not later than 90 calendar days after the funding period or the date of completion as specified in the terms and conditions of the award or in agency implementing instructions (Title 2, CFR, Section 215.71).

Questioned Cost:	\$0
U.S. Department of Agriculture	
U.S. Department of Defense	
U.S. Department of the Interior	
U.S. Environmental Protection Agency	
U.S. Agency for International Development	

Texas A&M AgriLife Research (AgriLife) did not always liquidate its obligations within the required time period. For one non-adjustment transaction tested, AgriLife liquidated the obligation more than 90 days after the end of the award period.

In addition, for 5 (71 percent) of 7 adjustments tested, AgriLife did not make the adjustments within 90 days of the end of the period of availability of federal funds. Specifically, for four of those adjustments, AgriLife made adjustments to remove cost overruns between three and six years after the period of availability of those awards. For one of those adjustments, AgriLife made adjustments to remove payroll from a grant more than 120 days after the period of availability for that grant.

AgriLife’s grant closeout process is not adequately designed to mitigate the risk of noncompliance. AgriLife relies on contract supervisors and Texas A&M University System Sponsored Research Services to review monthly expenditure reports and identify charges outside of the funding period to ensure that it does not pay for those charges with federal funds. If staff do not identify charges outside of the funding period, AgriLife could spend federal funds improperly, which could affect its ability to obtain future grant funding.

The following awards were affected by the period of availability issues discussed above:

CFDA No.	CFDA Title	Award Number	Award Year
10.912	Environmental Quality Incentives Program	68-7442-13-515	September 17, 2013 to September 16, 2014
12.630	Basic, Applied, and Advanced Research in Science and Engineering	FA7014-09-D-0017	April 23, 2010 to December 31, 2010
12.800	Air Force Defense Research Sciences Program	DAAE30-01-9-0800	December 5, 2007 to May 31, 2009
15.919	Department of the Interior	H5000 02 0271	February 26, 2004 to September 30, 2009

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<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>
66.460	Nonpoint Source Implementation Grants	582-10-90468	May 12, 2010 to August 13, 2014
98.001	USAID Foreign Assistance for Programs Overseas	696-A-00-06-00157-00	September 1, 2006 to June 27, 2012

Recommendation:

AgrLife should improve its closeout process to ensure that it closes grant accounts in its accounting system within the required 90-day closeout period.

Views of Responsible Officials and Corrective Action Plan:

Texas A&M Sponsored Research Services has implemented a procedure which provides for the close out of federal projects within the time specified by the sponsor. This procedure includes liquidation of all outstanding obligations and the final invoice or financial report submission to the sponsor. Texas A&M AgriLife Research and Texas A&M Sponsored Research Services will continue to train staff and principal investigators regarding the closeout of federal projects per sponsored requirements. The projects identified as exceptions were affected by extenuating circumstances and are not representative of our normal practice.

Implementation Date: January 2016

Responsible Person: Michele Lacy

Texas A&M University

Reference No. 2015-105

Special Tests and Provisions - Verification

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A144136; CFDA 84.033, Federal Work-Study Program, P033A144136; CFDA 84.063, Federal Pell Grant Program, P063P145286; CFDA 84.268, Federal Direct Student Loans, P268K155286; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T155286; CFDA 84.408, Postsecondary Education Scholarships for Veteran’s Dependents, P408A145286; and CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

For each applicant whose Free Application for Federal Student Aid (FAFSA) is selected for verification by the Secretary of the U.S. Department of Education, an institution must verify all of the applicable items, which include household size, number of household members who are in college, adjusted gross income, U.S. income taxes paid, child support paid, food stamps, education credits, individual retirement account deductions, other untaxed income, high school completion, and identity and statement of educational purpose (Title 34, Code of Federal Regulations (CFR), Sections 668.54 and 668.56, and *Federal Register*, Volume 78, Number 114).

Questioned Cost:	\$0
U.S. Department of Education	

When the verification of an applicant’s eligibility results in any change to a non-dollar item or a change to a single dollar item of \$25 from the applicant’s FAFSA, the institution must submit a correction to the U.S. Department of Education and adjust the applicant’s financial aid package on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR). For the Federal Pell Grant Program, if an applicant’s FAFSA information changes as a result of verification, an institution must recalculate the applicant’s Federal Pell Grant on the basis of the EFC on the corrected ISIR and disburse any additional funds under that award (Title 34, CFR, Section 668.59).

Texas A&M University (University) participates in the Quality Assurance Program (QAP) designed by the U.S. Department of Education. Under the QAP, participating institutions develop a quality improvement approach to their administration of student financial assistance programs. The QAP provides participating institutions the ability to design a verification program that fits their population (U.S. Department of Education *2014-2015 Application and Verification Guide*). As part of the quality improvement for the verification process, the University’s policy requires verifying the number of household members in college.

For 2 (3 percent) of 61 students tested, the University did not accurately verify certain required items on the students’ FAFSAs, and it did not always update its records and request updated ISIRs as required. Specifically, the University did not accurately verify one of the following items: the number of household members in college and income earned from work for non-tax filers. Those errors occurred because of manual errors the University made during the verification process and because the University did not consistently apply its verification policies and procedures.

After auditors brought those errors to the University’s attention, it corrected the error on one of those students’ FAFSAs and requested an updated ISIR for that student. The updated ISIR included a change to the student’s EFC, which resulted in the student being overawarded Federal Pell Grant assistance totaling \$200. The University subsequently adjusted the student’s award and returned the overaward to the U.S. Department of Education; therefore, there were no questioned costs.

In addition, the University did not consistently apply its verification policies and procedures. For 2 (3 percent) of 61 students tested, the University did not obtain the required documentation needed to complete verification accurately. Specifically:

- The University did not request an income verification form for one independent student who did not work or file income taxes in 2013 (that student is also discussed above). The University’s verification policy requires an

income verification form to be completed if a student, spouse, or parent did not file income taxes and when it appears there is insufficient income to support the household. The University asserted that it determined that student was a professional student who received loans in the prior award year that would cover that student's living expenses; therefore, it did not request an income verification form for that student. However, the University did not document that decision during its verification process for that student.

- The University selected one student for verification after it had already disbursed Title IV assistance to that student. The student did not submit the required documentation by the established due date, and the University did not subsequently cancel the Title IV assistance that it had disbursed. The University asserted that it did not cancel that student's Title IV assistance because the student submitted some documentation by the established due date. However, the University's policy requires that all Title IV assistance (with the exception of unsubsidized Direct and PLUS loans) be canceled if a student fails to turn in complete required documentation by the established due dates. After the established due date, the student submitted the required documentation and the University completed the verification; therefore, there were no questioned costs.

Not properly verifying FAFSA information and not consistently following verification policies and procedures could result in incomplete verification of FAFSA information and overawarding or underawarding student federal financial assistance.

Recommendations:

The University should:

- Accurately verify all required FAFSA information for students selected for verification and request updated ISIRs when required.
- Strengthen controls over its verification process to obtain required documentation to complete students' verification.

Views of Responsible Officials and Corrective Action Plan:

Texas A&M University will enhance its training of Scholarships & Financial Aid staff on verification. In addition, a quality assurance effort currently conducted on a sample of our verification files will be increased to a larger portion of the total verification population to identify errors more easily. Finally, we will clarify within our verification policy that financial aid staff may use professional judgment and document their decision with regard to (1) exceptions to verification requirements for non-Title IV programs and (2) exceptions to cancellation of aid deadlines when verification documents have not been fully completed, specifically when the university has information indicating the student will provide the necessary documents in a timely manner.

Implementation Date: March 2016

Responsible Person: Delisa Falks

Reference No. 2015-106

Special Tests and Provisions – Enrollment Reporting

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P145286; CFDA 84.268, Federal Direct Student Loans, P268K155286; and CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

Unless an institution expects to submit its next enrollment reporting roster file to the Secretary of the U.S. Department of Education within the next 60 days, it must notify the Secretary within 30 days if it discovers that a Federal Family Education Loan (FFEL), Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan has been made to or on behalf of a student who (1) enrolled at that institution but has ceased to be enrolled on at least a half-time basis; (2) has been accepted for enrollment at that institution but failed to enroll on at least a half-time basis for the period for which the loan was intended; or (3) has changed his or her permanent address (Title 34, Code of Federal Regulations (CFR), Sections 685.309(b) and 682.610(c)). Effective June 2012, enrollment reporting roster files must also include Federal Pell Grant-only and Federal Perkins Loans recipients (Title 34, CFR, Section 690.83(b)(2), and *Dear Colleague Letter*, March 30, 2012 (GEN-12-06)).

Questioned Cost:	\$0
U.S. Department of Education	

When a student graduates, the institution must submit the date the student completed the course requirements, not the presentation date of the diploma or certificate (*National Student Loan Data System (NSLDS) Enrollment Reporting Guide*, Appendix C).

For 3 (5 percent) of 62 students tested who had a status change, Texas A&M University (University) did not report status changes or effective dates to NSLDS accurately. Specifically:

- For one student who withdrew from the University, the University did not report the student as withdrawn to NSLDS. That occurred because the University determined that the student unofficially withdrew from the Fall term due to non-attendance after the student had begun attendance for the Spring term. The University asserts that it was unsure how to proceed in reporting the withdrawal without affecting the Spring term.
- For two students who graduated, the University reported incorrect effective dates for graduation. The University incorrectly reported the commencement date, rather than the last class date.

Not reporting student status changes accurately and completely could affect determinations that guarantors, lenders, and servicers of student loans make related to in-school status, deferments, grace periods, repayment schedules, and the federal government’s payment of interest subsidies.

Recommendation:

The University should accurately report all student status changes to NSLDS.

Views of Responsible Officials and Corrective Action Plan:

The missed reporting of a withdrawal date for a student who was identified as unofficially withdrawn for a prior semester while enrolled in the subsequent semester is a training issue. University officials in the Office of the Registrar engaged with a representative with the National Student Loan Data System (NSLDS) to train on the proper reporting procedures in this scenario. These procedures have already been incorporated into existing training and processes to ensure accurate reporting. The incorrect reporting date of graduation was a misinterpretation of the enrollment reporting rules, and thus a training issue as well. The training has been updated and the process will be corrected to report the last class day of the semester rather than the date of commencement.

Implementation Date: April 2016

Responsible Person: Venesa Heidick

Reference No. 2015-107

Equipment and Real Property Management

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

A recipient’s property management standards for equipment acquired with federal funds and federally-owned equipment must be maintained accurately and include all of the following: a description of the equipment; manufacturer’s serial number or other identification number; the source of the equipment, including the award number; whether title vests in the recipient or the federal government; acquisition date and cost; the percentage of federal participation in the cost of the equipment; location and condition of the equipment; unit acquisition cost; and ultimate disposition data for the equipment. In addition, a physical inventory of equipment must be taken and the results must be reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records must be investigated to determine the causes of the difference. The recipient must, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment. A control system also must be in effect to ensure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment must be investigated and fully documented; if the equipment was owned by the federal government, the recipient must promptly notify the federal awarding agency (Title 2, Code of Federal Regulations, Section 215.34(f)).

Questioned Cost:	\$0
U.S. Department of the Interior National Aeronautics and Space Administration National Science Foundation U.S. Department of Energy	

In addition, Texas A&M University’s (University) *Property Management Procedures Manual* requires that an inventory tag with a bar code be affixed to new equipment items that are capitalized (items with a unit cost of \$5,000 or more) or controlled (certain items with a unit cost of \$500 to \$4,999.99).

The University did not always maintain adequate property records for its equipment. Specifically, the University did not adequately document in its accounting system’s property records 9 (15 percent) of 60 equipment items tested. The University did not update its property records with each equipment item’s serial number (1) when it initially received the equipment item or (2) during its annual inventory. While auditors were able to locate all equipment items tested, not properly maintaining property records increases the risk that equipment items may be lost or stolen.

In addition, the University did not properly tag 4 (7 percent) of 60 equipment items tested. Two of those errors occurred because of errors that academic departments made in tagging the equipment items. The University used the remaining two equipment items in the ocean, and asset tags could not be affixed to those equipment items due to the corrosive environment. The University asserted that it requires an asset tag be affixed to an equipment item’s container if the equipment item itself cannot be physically tagged; however, the University did not tag the containers for those two equipment items, and its policy did not address those types of items.

The following awards were affected by the issues noted above:

CFDA No.	CFDA Title	Award Number	Award Year
15.423	Bureau of Ocean Energy Management (BOEM) Environmental Studies Program (ESP)	M14AC00028	September 27, 2014 to September 30, 2019
43.003	Exploration	NNX15AB05G	October 6, 2014 to October 5, 2015
47.049	Mathematical and Physical Sciences	CHE-9512510	September 15, 1995 to August 31, 1996

CFDA No.	CFDA Title	Award Number	Award Year
47.050	Geosciences	EAR 0821455	August 1, 2008 to July 31, 2011
47.050	Geosciences	AGS-1251755	April 1, 2013 to March 31, 2016
47.078	Polar Programs	ANT-1313826	December 10, 2012 to August 31, 2016
81.049	Office of Science Financial Assistance Program	DE-FG02-93ER40773	January 5, 2005 to December 31, 2015
81.112	Stewardship Science Grant Program	DE-NA0001785	January 5, 2005 to December 31, 2015

Recommendations:

The University should:

- Strengthen its controls to maintain accurate and complete property records.
- Tag all equipment items in accordance with policy.
- Update its *Property Management Procedures Manual* to specify how to tag equipment items that are in corrosive or inhospitable environments.

Views of Responsible Officials and Corrective Action Plan:

Texas A&M University agrees with the recommendations and has strengthened controls to maintain accurate and complete property records. Property Management has expanded its efforts to obtain missing serial numbers for equipment assets and remind departments of the importance of properly and timely tagging their equipment. The Property Management Procedures Manual has been updated to specify how to tag equipment items that in corrosive or inhospitable environments. Property Management will continue to train staff and conduct spot audits annual to review and enhance compliance with property management procedures.

Implementation Date: February 1, 2016

Responsible Person: Todd Gregory

Reference No. 2015-108

Period of Availability of Federal Funds

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

When a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period and any preaward costs authorized by the federal awarding agency (Title 2, Code of Federal Regulations (CFR), Section 215.28). Unless the federal awarding agency authorizes an extension, a recipient shall liquidate all obligations incurred under the award not later than 90 calendar days after the funding period or the date of completion as specified in the terms and conditions of the award or in agency implementing instructions (Title 2, CFR, Section 215.71).

Questioned Cost:	\$0
U.S. Department of Defense National Science Foundation U.S. Department of Energy U.S. Department of Education U.S. Department of Health and Human Services	

Texas A&M University (University) did not always incur costs within the period of availability and did not always liquidate its obligations within the required time period. For 2 (20 percent) of 10 transactions tested, the University incurred the underlying expenditures 94 and 124 days after the period of availability of the federal funds. For those transactions, the University provided documentation that it had either not requested reimbursement for those costs or had returned funds to the sponsor; therefore, those costs are not considered questioned costs. Those two transactions and two additional transactions also were not liquidated within 90 days of the end of the period of availability of federal funds.

In addition, for five other transactions, the University incurred and liquidated expenditures for periods of time ranging from 122 to 291 days after the period of availability of the federal funds; however, the University subsequently corrected those expenditures within a reasonable time frame. Therefore, there were no questioned costs associated with those five transactions.

The University’s grant closeout process is not adequately designed to mitigate the risk of noncompliance. The University relies on contract supervisors and Texas A&M University System Sponsored Research Services to review monthly expenditure reports and identify charges outside of the funding period to ensure that it does not pay for those charges with federal funds. If staff do not identify charges outside of the funding period, the University could spend federal funds improperly, which could affect its ability to obtain future grant funding.

The following awards were affected by the period of availability issues discussed above:

CFDA No.	CFDA Title	Award Number	Award Year
12.335	Navy Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance	N68936-12-C-0022	December 6, 2012 to September 17, 2014
12.431	Basic Scientific Research	W911NF-12-C-0104	September 25, 2012 to March 24, 2013
47.075	Social, Behavioral, and Economic Sciences	BCS-1147828	February 15, 2012 to January 31, 2014
81.000	Department of Energy	DE-AC52-07NA27344	September 6, 2013 to October 31, 2014
81.000	Department of Energy	STANDARD PURCHASE ORDER: 1271025	August 1, 2012 to May 31, 2015

CFDA No.	CFDA Title	Award Number	Award Year
84.002	Adult Education - Basic Grants to States	2914ABE00	September 1, 2013 to December 31, 2014
84.367	Improving Teacher Quality State Grants	S367B110038/ S367B120038	February 1, 2012 to April 30, 2014
93.630	Developmental Disabilities Basic Support and Advocacy Grants	IRB2012-0075	March 1, 2013 to February 28, 2014
93.837	Cardiovascular Diseases Research	R01HL111718	June 1, 2013 to May 31, 2014
93.859	Biomedical Research and Research Training	R01GM084447	April 1, 2012 to November 30, 2013

Recommendation:

The University should improve its closeout process to ensure that it closes grant accounts in its accounting system within the required 90-day closeout period.

Views of Responsible Officials and Corrective Action Plan:

Texas A&M Sponsored Research Services has implemented a procedure which provides for the close out of federal projects within the time specified by the sponsor. This procedure includes liquidation of all outstanding obligations and the final invoice or financial report submission to the sponsor. Texas A&M will continue to train staff and principal investigators regarding the closeout of federal projects per sponsored requirements.

Implementation Date: February 1, 2016

Responsible Person: Michele Lacey

Texas A&M University – Central Texas

Reference No. 2015-109

Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.268, Federal Direct Student Loans, P268K158151 and CFDA 84.063, Federal Pell Grant Program, P063P148151

Type of finding – Significant Deficiency and Non-Compliance

Cost of Attendance

The determination of the federal student financial assistance award amount is based on financial need. Financial need is defined as a student’s cost of attendance (COA) minus the expected family contribution (EFC) (Title 20, United States Code (USC), Chapter 28, Subchapter IV, Section 1087kk). The phrase “cost of attendance” refers to the “tuition and fees normally assessed for a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study.” An institution may also include an allowance for books, supplies, transportation, miscellaneous personal expenses, and room and board (Title 20, USC, Chapter 28, Subchapter IV, Section 1087ll).

Questioned Cost:	\$0
U.S. Department of Education	

For Title IV programs, the EFC is the amount a student and his or her family are expected to pay for educational expenses and is computed by the federal central processor and included on the student’s Institutional Student Information Record (ISIR) provided to the institution. Awards must be coordinated among the various programs and with other federal and non-federal assistance to ensure that total assistance is not awarded in excess of the student’s financial need (Title 34, Code of Federal Regulations (CFR), Sections 668.2 and 673.5).

A full-time student is defined as an enrolled student who is carrying a full-time academic workload, as determined by the institution, under a standard applicable to all students enrolled in a particular educational program. For an undergraduate student, an institution’s minimum standard must equal or exceed 12 semester hours. A half-time student is defined as an enrolled student who is carrying a half-time workload, as determined by the institution, which amounts to at least half of the workload of the applicable minimum requirement outlined in the definition of a full-time student (Title 34, CFR, Section 668.2).

Texas A&M University – Central Texas (University) established different COA budgets based on classification, residency, living status, module length (16 weeks, 10 weeks, 8 weeks, 5 weeks, and 3 weeks), and enrollment level (full-time, three-quarter-time, half-time, and less-than-half-time). The University’s financial aid system, Banner, initially budgets students based on full-time enrollment. At the census date, the student’s enrollment level is frozen for financial aid purposes and the actual enrollment level is used to calculate a revised COA, if applicable.

For 26 (42 percent) of 62 students tested, the University incorrectly calculated the COA. Specifically:

- For 1 student, the University did not update a manually added COA budget component based on actual enrollment at the census date. The student originally enrolled in three online classes and course fees were added to the COA budget. The student subsequently dropped one online course prior to the census date but the University did not adjust the course fee. The incorrect COA calculation resulted in a \$240 overstatement of the student’s COA budget, but that error did not result in an overaward of financial assistance.
- For 18 students, the University did not appropriately update the Summer COA budgets for the students’ enrollment level or module length. The University asserted that those errors occurred because a budget group code was locked in Banner, which prevented Banner from appropriately updating the COA budgets at the census date. For 17 of those students, the incorrect COA calculations resulted in misstatements of those students’ COA budgets that ranged from understatements of \$563 to overstatements of \$3,669; however, those errors did not result in overawards of financial assistance. For one student, the University did not adjust the student’s COA for the Summer term in accordance with its process when that student did not attend the Summer term.

- For 6 students, the University did not update the students' COA budgets when those students did not attend the Spring term. Those students initially enrolled for both the Fall and Spring terms; however, when they did not return for the Spring term, the University did not remove the Spring COA budgets in accordance with its process. For three of those students, the incorrect COA calculations did not result in an overaward or underaward of financial assistance. However, for the other three students, the incorrect calculations resulted in overawards of Direct Loans totaling \$2,674.
- For 1 student, the University did not appropriately update the Spring COA budget component for tuition and fees at the census date. The student's COA budget was locked in Banner to ensure that the correct module length was applied; however, the University did not remove that lock, which prevented Banner from appropriately updating the COA budget at the census date. The incorrect calculation resulted in an overaward of Direct Loans totaling \$430.

As discussed above, in some cases incorrect COA calculations resulted in overawards of financial assistance. After auditors brought the errors to the University's attention, it returned the overawards of financial assistance to the U.S. Department of Education; therefore, there were no questioned costs.

Federal Pell Grant

When awarding Federal Pell Grant assistance to students, for each payment period, an institution may award a Federal Pell Grant to an eligible student only after it determines that the student is enrolled in an eligible program as an undergraduate student (Title 34, CFR, Section 690.75(a)). Institutions use the payment and disbursement schedules provided each year by the U.S. Department of Education for determining award amounts (Title 34, CFR, Section 690.62). Those schedules provide the maximum annual amount a student would receive for a full academic year for a given enrollment status, EFC, and COA. There are separate schedules for three-quarter-time, half-time, and less-than-half-time students (U.S. Department of Education *2014-2015 Federal Student Aid Handbook*, and Title 34, CFR, Section 690.63(b)).

For 1 (3 percent) of 40 students tested who received Federal Pell Grants, the University did not award the correct amount of Federal Pell Grant assistance. Specifically, the University awarded the student an amount that was less than the amount the student was eligible to receive. That occurred because the University previously locked the student's Federal Pell Grant award in Banner when the student appeared on an overaward report for the Spring term. The University did not remove the lock on the student's account in Banner prior to awarding assistance for the Summer term. As a result, the student was underawarded \$716 in Federal Pell Grant assistance that the student was eligible to receive. After auditors brought the error to the University's attention, it disbursed additional Federal Pell Grant assistance to that student.

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300(b)).

The University did not appropriately restrict access to its financial assistance information system, Banner. The University hired a contractor, Ellucian, to host Banner. The contractor is responsible for managing user access at the server, database, and application levels. The contractor established groups to perform administrative functions on the production and application servers. Auditors identified 233 contractor users and 122 client account users who had privileged access to Banner. The contractor was unable to confirm whether all of the users with privileged access were key or actively employed personnel, and it was unable to confirm whether the client accounts had restricted access. As a result, auditors concluded that access was excessive and inappropriate.

The University does not periodically review user access to Banner at the application, server, and database levels. Instead, it relies on its contractor to perform that review. The contractor has policies and procedures requiring periodic reviews of user access at those levels; however, it did not periodically review user accounts assigned to the server administrator groups to determine the appropriateness of user access.

Allowing excessive or inappropriate access to a system increases the risk of inappropriate changes to the system and data.

Recommendations:

The University should:

- Update each student’s COA based on the student’s actual enrollment and apply the correct budget to each student.
- Award students the correct amount of Federal Pell Grant funds according to their enrollment status for all terms, including the Summer term.
- Appropriately limit access to Banner to key personnel.
- Establish and implement a periodic review of user access for personnel who have administrative access to Banner on the servers.

Views of Responsible Officials and Corrective Action Plan:

Cost of Attendance

Texas A&M University – Central Texas acknowledges and agrees with the findings related to Cost of Attendance. The following corrective actions have been taken to address the findings and recommendations related to Cost of Attendance:

- *The process chain for enrollment freezes and budget recalculation in UC4 (job scheduling software) was modified to include BANNER job RBRPBRC. This job recalculates budget components for students in the enrollment freeze population selection, including those with locked budget groups. This BANNER job was not included in the previous process chain.*

The following corrective actions will be taken to address the findings and recommendations related to Cost of Attendance:

- *The Office of Student Financial Assistance will develop a monitoring report to be run each semester after census date enrollment freeze to verify manual Cost of Attendance adjustments for students with enrollment changes since the date of the Cost of Attendance adjustment was entered. The report will be reviewed by the Assistant Director and disseminated to advisors for adjustments as necessary.*
- *The Office of Student Financial Assistance will develop a monitoring report to be run after census date enrollment freeze to identify any student whose budget group code is not consistent with registration periods. This report will be reviewed by the Assistant Director and disseminated to advisors for adjustments as necessary.*
- *Programming changes within BANNER will be made to change the aid period for students not attending a particular semester after the registration deadline for the last part of the term for the given semester. Changing the aid period to reflect semesters of attendance will remove budget components for semesters in which an applicable student did not attend.*
- *Department procedure manuals will be updated to reflect the modified procedures and processes.*

Implementation Date: March 2016

Responsible Person: Clifton Jones

Pell Grant

Texas A&M University – Central Texas acknowledges and agrees with the findings related to Pell Grant. The following corrective actions will be taken to address the findings and recommendations related to Pell Grant:

- *The Office of Student Financial Assistance will develop a report to identify students with locked fund awards. The report will be run after census date enrollment freeze and reviewed by the Assistant Director. Adjustments required due to eligibility changes will be processed by the Student Financial Assistance Advisors.*
- *Department procedure manuals will be updated to reflect the modified procedures and processes.*

Implementation Date: March 2016

Responsible Person: Clifton Jones

General Controls

Texas A&M University – Central Texas has made a concerted effort to develop the security processes needed to limit access to Banner and associated software applications. The business owners (Registrar, Comptroller, and Director of Student Financial Assistance) sign off on all requests for access to Banner forms and functions. Once required approvals are obtained on a paper form, the Information Technology department grants access and archives the imaged form.

On December 2, 2015, the Enterprise Applications Steering Committee approved a revised version of the User Management and Periodic Account Review procedure for Banner systems. This procedure specifies that all Banner accounts and access be reviewed during both Spring and Fall semesters. Banner security classes (groups) will be reviewed annually. The Fall 2015 semester account review will be completed in December 2015.

In addition, Texas A&M University – Central Texas has made a concerted effort to develop security processes needed to limit administrative access to Banner systems. As Ellucian (vendor) provides database administrator and other system administration services in the hosted environment, their process was the primary control in this area under the direction of the Texas A&M University – Central Texas Director of Enterprise Applications.

The Texas A&M University – Central Texas CIO and Information Security Officer (ISO) have met with the vendor's managed services team and requested that they review their practices and reduce the number of staff in their hosting environment with administrative access and provide information on these staff members to the institution.

In December 2015, the vendor responded that they have reviewed their process and made the following changes:

- *Ellucian will reduce the number of users with administrative access from 233 to approximately 30 staff members based on their role in providing services to Texas A&M University – Central Texas.*
- *Ellucian will divide the access into 3 levels:*
 - *Standard User*
 - *DBA – Development*
 - *DBA – Production*
- *Ellucian will provide a formal report to the institution's CIO and ISO on a quarterly basis on these staff and their access levels.*

Implementation Date: March 2016

Responsible Person: Todd Lutz

Reference No. 2015- 110

Special Tests and Provisions - Verification

Student Financial Assistance Cluster

Award year – June 1, 2014 to July 31, 2015

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P148151 and CFDA 84.268, Federal Direct Student Loans, P268K158151

Type of finding – Significant Deficiency and Non-Compliance

Verification of Applications

For each applicant whose Free Application for Federal Student Aid (FAFSA) is selected for verification by the Secretary of the U.S. Department of Education, an institution must verify all of the applicable items, which include household size, number of household members who are in college, adjusted gross income, U.S. income taxes paid, child support paid, food stamps, education credits, individual retirement account deductions, other untaxed income, high school completion status, and identity and statement of educational purpose (Title 34, Code of Federal Regulations (CFR), Sections 668.54 and 668.56, and *Federal Register*, Volume 78, Number 114).

Questioned Cost:	\$0
U.S. Department of Education	

When the verification of an applicant’s eligibility results in any change to a non-dollar item or a change to a single dollar item of \$25 from the applicant’s FAFSA, the institution must submit a correction to the U.S. Department of Education and adjust the applicant’s financial aid package on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR). For the Federal Pell Grant Program, if an applicant’s FAFSA information changes as a result of verification, an institution must recalculate the applicant’s Federal Pell Grant on the basis of the EFC on the corrected ISIR and disburse any additional funds under that award (Title 34, CFR, Section 668.59).

For 5 (8 percent) of 60 students tested, Texas A&M University - Central Texas (University) did not adequately verify all required items, and it did not always update its records and request updated ISIRs as required. For those students, the University did not accurately verify one or more of the following items: income information for tax filers, the amount of child support paid, receipt of Supplemental Nutritional Assistance Program benefits, or number of household members. Those errors occurred because of manual errors the University made during the verification process and because the University does not have an adequate process to monitor verification.

When auditors brought the errors to its attention, the University made corrections to all of the students’ ISIRs. For four of those students, no change in EFC or financial assistance was associated with the errors; however, not properly verifying FAFSA information could result in the University overawarding or underawarding financial assistance. For one student, the errors resulted in an overaward of Federal Pell Grant funds totaling \$818. The University subsequently adjusted the student’s award; therefore, there were no questioned costs.

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300(b)).

The University did not appropriately restrict access to its financial assistance information system, Banner. The University hired a contractor, Ellucian, to host Banner. The contractor is responsible for managing user access at the server, database, and application levels. The contractor established groups to perform administrative functions on the production and application servers. Auditors identified 233 contractor users and 122 client account users who had privileged access to Banner. The contractor was unable to confirm whether all of the users with privileged access were key or actively employed personnel, and it was unable to confirm whether the client accounts had restricted access. As a result, auditors concluded that access was excessive and inappropriate.

The University does not periodically review user access to Banner at the application, server, and database levels. Instead, it relies on its contractor to perform that review. The contractor has policies and procedures requiring periodic

reviews of user access at those levels; however, it did not periodically review user accounts assigned to the server administrator groups to determine the appropriateness of user access.

Allowing excessive or inappropriate access to a system increases the risk of inappropriate changes to the system and data.

Recommendations:

The University should:

- Accurately and adequately verify all required FAFSA information for students selected for verification and request updated ISIRs when required.
- Establish and implement an effective monitoring process for verification.
- Appropriately limit access to Banner to key personnel.
- Establish and implement a periodic review of user access for personnel who have administrative access to Banner on the servers.

Views of Responsible Officials and Corrective Action Plan:

Verification of Applications

Texas A&M University – Central Texas acknowledges and agrees with the findings related to Verification of Applications. The following corrective actions will be taken to address the findings and recommendations:

- *The Office of Student Financial Assistance will develop verification cover pages for each verification group to serve as a guide for advisors. These guides will ensure each required verification item for the respective verification group is reviewed, compare the application data to the information provided on the verification form, and outline the actions necessary for the advisor to ensure corrections are submitted to the U.S. Department of Education. These cover pages will require advisors to initial next to actions to verify steps were completed.*
- *A department manager from the Office of Student Financial Assistance, or designee, will be responsible for reviewing a random sample of students within each verification group to ensure verification is completed in accordance with applicable regulatory requirements. The sample size will equal 10% of the annual number of students for each verification group.*
- *Department procedure manuals will be updated to reflect the modified procedures and processes.*

Implementation Date: March 2016

Responsible Person: Clifton Jones

General Controls

Texas A&M University – Central Texas has made a concerted effort to develop the security processes needed to limit access to Banner and associated software applications. The business owners (Registrar, Comptroller, and Director of Student Financial Assistance) sign off on all requests for access to Banner forms and functions. Once required approvals are obtained on a paper form, the Information Technology department grants access and archives the imaged form.

On December 2, 2015, the Enterprise Applications Steering Committee approved a revised version of the User Management and Periodic Account Review procedure for Banner systems. This procedure specifies that all Banner accounts and access be reviewed during both Spring and Fall semesters. Banner security classes (groups) will be reviewed annually. The Fall 2015 semester account review will be completed in December 2015.

In addition, Texas A&M University – Central Texas has made a concerted effort to develop security processes needed to limit administrative access to Banner systems. As Ellucian (vendor) provides database administrator and other system administration services in the hosted environment, their process was the primary control in this area under the direction of the Texas A&M University – Central Texas Director of Enterprise Applications.

The Texas A&M University – Central Texas CIO and Information Security Officer (ISO) have met with the vendor's managed services team and requested that they review their practices and reduce the number of staff in their hosting environment with administrative access and provide information on these staff members to the institution.

In December 2015, the vendor responded that they have reviewed their process and made the following changes:

- *Ellucian will reduce the number of users with administrative access from 233 to approximately 30 staff members based on their role in providing services to Texas A&M University – Central Texas.*
- *Ellucian will divide the access into 3 levels:*
 - *Standard User*
 - *DBA – Development*
 - *DBA – Production*
- *Ellucian will provide a formal report to the institution's CIO and ISO on a quarterly basis on these staff and their access levels.*

Implementation Date: March 2016

Responsible Person: Todd Lutz

Texas A&M University – Corpus Christi

Reference No. 2015-111

Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A144138; CFDA 84.033, Federal Work-Study Program, P033A144128; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P143425; and CFDA 84.268, Federal Direct Student Loans, P268K153425

Type of finding – Significant Deficiency and Non-Compliance

Satisfactory Academic Progress

A student is eligible to receive Title IV, Higher Education Act (HEA) Program assistance if the student maintains satisfactory progress in his or her course of study according to the institution’s published standards of satisfactory progress that satisfy the provisions of Title 34, Code of Federal Regulations (CFR), Section 668.16(e), and the provisions of Title 34, CFR, Section 668.34 (Title 34, CFR, Section 668.32(f)). An institution’s satisfactory academic progress (SAP) policy should include a qualitative component that consists of grades or comparable factors that are measureable against a norm, and a quantitative component that consists of the pace at which students must progress through their program to ensure that they will graduate within the maximum time frame required to complete their education. The pace at which a student is progressing is calculated by dividing the total number of hours the student has successfully completed by the total number attempted (U.S. Department of Education, 2014-2015 *Federal Student Aid Handbook*).

Questioned Cost:	\$0
U.S. Department of Education	

For an undergraduate program measured in credit hours, a period no longer than 150 percent of the published length of the program as measured in credit hours should be used to determine the maximum time frame quantitative component of SAP (Title 34, CFR, Section 668.34(b)(1)).

Texas A&M University – Corpus Christi (University) did not configure its student financial assistance system correctly. Specifically, the University configured its student financial assistance system, Banner, to calculate the maximum time frame for undergraduate students using 186 hours as the maximum number of hours a student can attempt and still meet SAP requirements, which is 150 percent of 124 hours. However, the majority of the University’s undergraduate degree programs are 120 hours, with some that exceed 124 hours. Therefore, there is a risk that the University could incorrectly determine whether students meet SAP requirements when students are enrolled in programs with fewer than 124 hours.

Not determining maximum hours based on 150 percent of the program length increases the risk that the University’s determination may not identify students whose programs would not result in maximum hours of 186. As a result, those students could receive financial assistance for which they are ineligible or eligible students could be denied financial assistance.

Federal Supplemental Educational Opportunity Grants

The Federal Supplemental Educational Opportunity Grant (FSEOG) program provides grants to eligible undergraduate students. Institutions are required to award FSEOG first to Federal Pell Grant recipients who have the lowest expected family contribution (EFC). If an institution has FSEOG funds remaining after giving FSEOG awards to all Federal Pell Grant recipients, it can then award the remaining FSEOG funds to eligible students with the lowest EFCs who did not receive Federal Pell Grants (Title 34, CFR, Section 676.10).

Based on a review of the full population of student financial assistance recipients, the University awarded \$4,200 in FSEOG assistance to 4 students who did not also receive a Federal Pell Grant; it did not award FSEOG assistance to all other Federal Pell Grant recipients before awarding FSEOG assistance to those 4 students. Those four students had already received their lifetime eligibility amount for Federal Pell Grants and, therefore, they were no longer eligible to receive Federal Pell Grants. The University awards FSEOG based on Federal Pell Grant

eligibility through Banner. Banner was not programmed to confirm that students received Federal Pell Grant funds prior to disbursing FSEOG funds.

After auditors brought those errors to the University's attention, it corrected the FSEOG awards; therefore, there were no questioned costs.

Federal Pell Grants

In selecting students for Federal Pell Grants, an institution must determine whether a student is eligible to receive a Federal Pell Grant for the period of time required to complete his or her first undergraduate baccalaureate course of study (Title 34, CFR, Section 690.6(a)). For each payment period, an institution may award a Federal Pell Grant to an eligible student only after it determines that the student is enrolled in an eligible program as an undergraduate student (Title 34, CFR, Section 690.75(a)).

Based on a review of the full population of student financial assistance recipients, the University awarded \$2,865 in Federal Pell Grant funds to a student who was not eligible for that assistance. The student was enrolled as a post-baccalaureate student in the Fall semester and was not eligible to receive Federal Pell Grant funds. The University runs a report to identify improper Federal Pell Grant awards to post-baccalaureate students during each semester; however, the University disbursed funds to that student after the Fall semester and the report did not identify that student for that semester.

When auditors brought that award to the University's attention, it adjusted that student's award and returned the funds to the U.S. Department of Education; therefore, there were no questioned costs.

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its federal programs (Office of Management and Budget Circular A-133, Subpart C, Section 300(b)).

The University did not maintain adequate user access controls over its student financial assistance system, Banner, and its operating environment. Specifically, 10 users (including 8 programmers) had inappropriate access to Banner screens for awarding and disbursing federal financial assistance. After auditors brought those issues to the University's attention, it removed the inappropriate access.

In addition, the University's security access review for Banner did not address all user security classes; as a result, some users had modify access when they should have had only query access. After auditors notified the University of those errors, it removed the inappropriate modify access for those users.

Allowing users inappropriate or excessive access increases the risk of inappropriate changes to systems and does not allow for proper segregation of duties.

Recommendations:

The University should:

- Update Banner to determine a student's maximum time frame based on 150 percent of program hours.
- Award Federal Pell Grant and FSEOG assistance only to eligible students.
- Limit user access to Banner and ensure that access is appropriate based on job responsibilities.
- Conduct complete security access reviews and assign users to correct roles.

Views of Responsible Officials and Corrective Action Plan:

Financial Aid Management agrees with your findings and recommendations as they pertain to eligibility. Financial Aid Management has made the following changes for the 2015-2016 Financial Aid Year:

The Satisfactory Academic Progress Policy has been updated.

Banner SAP rules have been updated to reflect the correct maximum time frame of 180 hours for the average program length of 120 hours.

Banner awarding and disbursement rules have been updated to ensure that FSEOG will be awarded only to eligible students.

Additional monitoring of Pell awards will be done at the end of every term using existing Argos reports to cross-check student classification with information reported by student on their FAFSA.

Implementation Date: August 2015

Responsible Person: Tracie Perez

General Controls

The University acknowledges the audit findings. The University continues to strengthen its processes to limit user access to Banner and ensure that access is appropriate based on job responsibilities. The University is committed to a comprehensive review of all Banner users, classes, and forms at least annually. A second comprehensive review conducted and completed on December 14, 2015 further verified user classes to have minimum privileges required for employees to complete their job duties.

Implementation Date: December 2015

Responsible Person: Ed Evans

Reference No. 2015-112

Special Tests and Provisions - Verification

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CDFA 84.063, Federal Pell Grant Program, P063P143425; CDFA 84.268, Federal Direct Student Loans, P268K153425; CDFA 84.007, Federal Supplemental Educational Opportunity Grants, P007A144138; CDFA 84.033, Federal Work Study Program, P033A144128; and CDFA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

Verification of Applications

For each applicant whose Free Application for Federal Student Aid (FAFSA) is selected for verification by the Secretary of the U.S. Department of Education, an institution must verify all of the applicable items, which include household size, number of household members who are in college, adjusted gross income, U.S. income taxes paid, child support paid, food stamps, education credits, individual retirement account deductions, other untaxed income, high school completion, and identity and statement of educational purpose (Title 34, Code of Federal Regulations (CFR), Sections 668.54 and 668.56, and *Federal Register*, Volume 78, Number 114).

Questioned Cost:	\$0
U.S. Department of Education	

When the verification of an applicant's eligibility results in any change to a non-dollar item or a change to a single dollar item of \$25 from the applicant's FAFSA, the institution must submit a correction to the U.S. Department of Education and adjust the applicant's financial aid package on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR) (Title 34, CFR, Section 668.59).

For 2 (3 percent) of 62 students tested, Texas A&M University – Corpus Christi (University) did not accurately verify all required items on the students' FAFSAs and did not correct student ISIR information, when required. For those students, the University did not accurately verify one of the following items: adjusted gross income and the amount of child support paid. Those errors occurred because of manual errors the University made during the verification process and because the University does not have an adequate process to monitor verification.

After auditors brought those errors to the University's attention, it made corrections to the students' ISIRs. No change in EFC or financial assistance was associated with the errors; however, not properly verifying FAFSA information could result in the University overawarding or underawarding student financial assistance.

Verification Policies and Procedures

An institution must establish and use written policies and procedures for verifying an applicant's FAFSA information. Those policies must include (1) the time period within which an applicant must provide any documentation requested by the institution in accordance with Title 34, CFR, Section 668.57; (2) the consequences of an applicant's failure to provide required documentation within the specified time period; (3) the method by which the institution notifies an applicant of the results of verification if, as a result of verification, the applicant's EFC changes and results in a change in the applicant's assistance under Title IV, Higher Education Act (HEA) of 1965 programs; (4) the procedures the institution will follow itself or the procedures the institution will require an applicant to follow to correct FAFSA information determined to be in error; and (5) the procedures for making referrals under Title 34, CFR, Section 668.16(g).

An institution's procedures must also provide that it furnish, in a timely manner, to each applicant selected for verification a clear explanation of (1) the documentation needed to satisfy the verification requirements and (2) the applicant's responsibilities with respect to the verification of application information, including the deadlines for completing any required actions and the consequences of failing to complete any required action. Finally, an institution's procedures must provide that an applicant whose FAFSA information is selected for verification is required to complete verification before the institution exercises authority under Section 479A(a) of the HEA to make changes to the applicant's cost of attendance or to the values of the data items required to calculate the EFC (Title 34, CFR, Section 668.53).

The University's verification policies and procedures did not include one of the required elements. Specifically, the University's policies and procedures did not include the procedures for making referrals. Having incomplete policies and procedures increases the risk that the University may not refer potential fraud or criminal misconduct in accordance with federal requirements.

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its federal programs (Office of Management and Budget Circular A-133, Subpart C, Section 300(b)).

The University did not maintain adequate user access controls over its student financial assistance system, Banner, and its operating environment. Specifically, 10 users (including 8 programmers) had inappropriate access to Banner screens for awarding and disbursing federal financial assistance. After auditors brought those issues to the University's attention, it removed the inappropriate access.

In addition, the University's security access review for Banner did not address all user security classes; as a result, some users had modify access when they should have had only query access. After auditors notified the University of those errors, it removed the inappropriate modify access for those users.

Allowing users inappropriate or excessive access increases the risk of inappropriate changes to systems and does not allow for proper segregation of duties.

Recommendations:

The University should:

- Accurately verify all required FAFSA information for applicants selected for verification and request updated ISIRs when required.
- Establish and implement an effective monitoring process for verification.
- Include all required elements in its verification policies and procedures.
- Limit user access to Banner and ensure that access is appropriate based on job responsibilities.
- Conduct complete security access reviews and assign users to correct roles.

Views of Responsible Officials and Corrective Action Plan:

Financial Aid Management agrees with findings and recommendations as they pertain to verification. Financial Aid Management has made the following changes:

Beginning with the 2016-2017 Award Year, TAMUCC will outsource the verification process to ensure accurate and effective verification processing.

The Director will select 100 students who were verified and conduct a complete desk audit annually to validate the accuracy of the verification process.

Financial Aid Management will update the Verification SOP to include procedures for making referrals to the Office of Inspector General.

Implementation Date: March 2016

Responsible Person: Jeannie Gage

General Controls

The University acknowledges the audit findings. The University continues to strengthen its processes to limit user access to Banner and ensure that access is appropriate based on job responsibilities. The University is committed to a comprehensive review of all Banner users, classes, and forms at least annually. A second comprehensive review conducted and completed on December 14, 2015 further verified user classes to have minimum privileges required for employees to complete their job duties.

Implementation Date: December 2015

Responsible Person: Ed Evans

Texas State University

Reference No. 2015-113

Special Tests and Provisions – Disbursements To or On Behalf of Students

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.268, Federal Direct Student Loans, P268K150387 and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T150387

Type of finding – Significant Deficiency and Non-Compliance

If an institution credits a student’s account at the institution with Direct Loans or Teacher Education Assistance for College and Higher Education (TEACH) Grants, no earlier than 30 days before and no later than 30 days after crediting the student’s account, the institution must notify the student or parent of (1) the date and amount of the disbursement, (2) the student’s right or parent’s right to cancel all or a portion of that loan or loan disbursement and have the loan proceeds returned to the holder of that loan, and (3) the procedures and the time by which the student or parent must notify the institution that he or she wishes to cancel the loan (Title 34, Code of Federal Regulations, Section 668.165).

Questioned Cost:	\$0
U.S. Department of Education	

For 2 (5 percent) of 44 students tested who received Direct Loans, Texas State University (University) did not send disbursement notification letters for the Summer 2015 semester. The University’s financial aid system, Banner, has a scheduled job that sends disbursement notification letters to students based on disbursements made prior to that scheduled job initiating. The errors occurred because the University did not always implement the automated process for disbursement notification letters after midnight. When the University implemented the automated process for disbursement notification letters before midnight, disbursement letters were not sent for funds that were disbursed on that day. The University does not have a control to monitor the disbursement notification letter scheduled job and identify when letters are not sent to students. As a result, those two students did not receive Direct Loan disbursement notification letters. While auditors did not identify compliance errors related to TEACH grants in testing, the issue identified above would also affect notification letters to TEACH grant recipients.

Not receiving notifications could impair students’ and parents’ ability to cancel their loans.

Recommendations:

The University should:

- Send disbursement notification letters within 30 days before or after crediting a student’s account with a Direct Loan.
- Strengthen controls over its disbursement notification letter scheduled job to identify when it has not sent required disbursement notification letters to students.

Views of Responsible Officials and Corrective Action Plan:

Two measures have been implemented to address effectively this issue. First, the scheduling of automated disbursement notification jobs was changed to consistently run each day at 12:05 a.m. This job is also no longer dependent upon the successful completion of other financial aid processes and now runs independently.

Secondly, exception reports were created to identify students or parents who have not received the required notifications after the disbursement of funds has occurred. Such an issue could occur, for instance, as the result of systems maintenance that might prevent the scheduled notification jobs from processing. These exception reports are reviewed weekly by the systems team within Financial Aid and Scholarships.

Implementation Date: August 2015

Responsible Person: Dr. Christopher D. Murr

Reference No. 2015-114

Special Tests and Provisions – Return of Title IV Funds

(Prior Audit Issue 2014-124)

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A144122; CFDA 84.063, Federal Pell Grant Program, P063P140387; CFDA 84.268, Federal Direct Student Loans, P268K150387; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T150387

Type of finding – Significant Deficiency and Non-Compliance

When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV assistance earned by the student as of the student’s withdrawal date (Title 34, Code of Federal Regulations (CFR), Section 668.22(a)(1)). If the total amount of Title IV assistance earned by the student is less than the amount that was disbursed to the student or on his or her behalf as of the date of the institution’s determination that the student withdrew, the difference must be returned to the Title IV programs and no additional disbursements may be made to the student for the payment period or period of enrollment (Title 34, CFR, Section 668.22(a)(4)).

Questioned Cost:	\$0
U.S. Department of Education	

An institution must return the amount of Title IV funds for which it is responsible as soon as possible but no later than 45 days after the date of the institution’s determination that the student withdrew (Title 34, CFR, Section 668.22(j)(1)). For an institution that is not required to take attendance, an institution must determine the withdrawal date for a student who withdraws without providing notification to the institution no later than 30 days after the end of the period of enrollment (Title 34, CFR, Section 668.22(j)(2)).

Texas State University (University) did not always return Title IV funds within the required time frames. For 4 (7 percent) of 60 students tested who had a return of Title IV funds, the University did not return those funds, or determine the withdrawal date, within the required time frames. Specifically:

- For one student who officially withdrew, the University did not return Title IV funds within the required 45-day time frame. The University returned funds 46 days after it determined the student withdrew. That occurred because of a manual error the University made in identifying and processing that student’s return of funds.
- For one student who unofficially withdrew, the University did not determine the student’s withdrawal date from a short semester within the required 30-day time frame. It determined the withdrawal date 85 days after the end of the period of enrollment. That occurred because the University’s process is to identify unofficial withdrawals after the end of a full semester, which does not enable it to identify in a timely manner students who withdraw from a short semester.
- For two students who officially withdrew, the University did not determine those students’ withdrawal dates within the required 30-day time frame. That occurred because the University conducted its quality assurance review process after the 30-day time frame for determining that a student withdrew (that process did, however, identify a change in the withdrawal dates and recalculate the amount of funds required to be returned).

Late identification of withdrawals increases the risk that the University will not return unearned funds to the U.S. Department of Education in a timely manner.

Recommendations:

The University should:

- Determine withdrawal dates and return Title IV funds within required time frames.
- Strengthen its quality assurance process to conduct reviews for determining withdrawal dates within required time frames.

Views of Responsible Officials and Corrective Action Plan:

The Financial Aid and Scholarships (FAS) office implemented a corrective action plan in January of 2015 to ensure the accuracy and timeliness of Return to Title IV calculations. The action plan included: 1) performing a 100% re-review on a regular basis to ensure calculations are performed and funds are returned within the federally-specified timeframes; 2) utilizing an exception report to identify students who have withdrawn but do not yet have a Return of Title IV calculation; and 3) hiring an Assistant Director for Compliance to undertake more extensive review and quality control. For three of the four students cited in the above findings (all of whom were official withdrawals), the issue occurred prior to the corrective action plan being implemented in January of 2015. In addition, the quality assurance has been strengthened since January of 2015 by performing more timely re-reviews on at least a monthly basis. Therefore, no further corrective action is needed to address these type of issues.

For the other issue (an unofficial withdrawal finding), FAS will ensure withdrawal dates are determined within the required 30-day timeframe for short semesters by reviewing an exception report to identify any potential unofficial withdrawals outside of the standard term. The Return of Title IV financial aid lead counselor will run the exception report on a regular basis, and the Assistant Director for Compliance will perform timely quality control at the conclusion of each short semester.

Implementation Date: January 2016

Responsible Person: Dr. Christopher D. Murr

Reference No. 2015-115

Special Tests and Provisions – Enrollment Reporting

(Prior Audit Issues 2014-125 and 2013-148)

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P140387 and CFDA 84.268, Federal Direct Student Loans, P268K150387

Type of finding – Significant Deficiency and Non-Compliance

Unless an institution expects to submit its next enrollment reporting roster file to the Secretary of the U.S. Department of Education within the next 60 days, it must notify the Secretary within 30 days if it discovers that a Federal Family Education Loan (FFEL), Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan has been made to or on behalf of a student who (1) enrolled at that institution but has ceased to be enrolled on at least a half-time basis; (2) has been accepted for enrollment at that institution but failed to enroll on at least a half-time basis for the period for which the loan was intended; or (3) has changed his or her permanent address (Title 34, Code of Federal Regulations (CFR), Sections 685.309(b) and 682.610(c)). Effective June 2012, enrollment reporting roster files must also include Federal Pell Grant-only and Federal Perkins Loans recipients (Title 34, CFR, Section 690.83(b)(2), and *Dear Colleague Letter*, March 30, 2012 (GEN-12-06)).

Questioned Cost:	\$ 0
U.S. Department of Education	

When a student does not re-enroll at an institution for the next regular (non-Summer) term without completing the course of study, the student should be reported as withdrawn. In the case of a student who completes a term and does not return for the next term, leaving the course of study uncompleted, the final day of the term in which the student

was last enrolled should be used as the effective date. For three-quarter-time, half-time, and less-than-half-time status, the institution must use the effective date that the student dropped to those particular statuses (*National Student Loan Data Systems (NSLDS) Enrollment Reporting Guide*, Appendix C). The total number of calendar days in a payment period or period of enrollment includes all days within the period that the student was scheduled to complete, except that scheduled breaks of at least five consecutive days are excluded from the total number of calendar days in a payment period or period of enrollment and the number of calendar days completed in that period (Title 34, CFR, Section 668.22(f)(2)(i)).

Texas State University (University) uses the services of the National Student Clearinghouse (NSC) to report status changes to NSLDS. Under this arrangement, the University reports all students enrolled and their status to NSC. NSC then identifies any changes in status and reports those changes when required to NSLDS. Additionally, NSC completes the roster file on the University's behalf and communicates status changes to NSLDS as applicable. Although the University uses the services of NSC, it is still ultimately the University's responsibility to submit timely, accurate, and complete responses to roster files and to maintain proper documentation (*NSLDS Enrollment Reporting Guide*, Chapter 3).

For 2 (3 percent) of 60 students tested who had a status change, the University did not report status changes to NSLDS accurately. Specifically:

- For one student, the University reported the student's graduation to NSC; however, NSC did not report the status change to NSLDS.
- For one student, the University reported the student's drop to half-time enrollment during the Spring term to NSC; however, NSC did not report the status change to NSLDS.

For 5 (8 percent) of 60 students tested who had a status change, the University did not report accurate effective dates to NSLDS. Two of those students were the students discussed above, and the errors discussed above resulted in the effective dates not being reported to NSLDS. The University also did not accurately report the effective dates of students' status changes for three additional students. Specifically:

- For one student who dropped to three-quarter-time enrollment, the University submitted two effective dates for that student's enrollment change to NSC. One date was for the program level and the other date was for the campus level. The University's student financial assistance system extracted the two different dates for that student, and both dates were submitted to NSC. NSC then submitted the campus-level effective date to NSLDS, which was inaccurate.
- The University did not report the correct effective date for one student who never attended a class. The student was reported as full-time at the beginning of the term; however, the student dropped a class (and become three-quarter-time) and then provided documentation of never having attended that class. The University reported the date the student was identified as never having attended the class as the effective date of the status change to three-quarter-time; however, the University should have reported the first day of the term because the student never attended the course and was never full-time.
- The University reported an incorrect effective date for one student who completed a term, withdrew, and did not return for the following term. The University should have reported the final day of the term in which the student was last enrolled as the effective date. However, the University reported the first day of class of the withdrawn term as the effective date.

Not reporting status changes and effective dates accurately and completely could affect determinations that guarantors, lenders, and servicers of student loans make related to in-school status, deferments, grace periods, and repayment schedules, and the federal government's payment of interest subsidies.

Recommendation:

The University should accurately report status changes and effective dates to NSLDS.

Views of Responsible Officials and Corrective Action Plan:

Since NSC does not have the ability to add a student to a school's roster in NSLDS, these changes were not being submitted. NSC is working on an enhancement to add this functionality and plan to have it implemented by the end of the year. Meanwhile, lists will be generated to find students who fall into this category so they can be manually added to the roster in NSLDS. In addition, we will manually spot check students in various statuses to ensure they are reported throughout the current term and into the next term.

Implementation Date: January 2016

Responsible Persons: Melissa Hyatt and Chad Garrett

An upgrade to the batch job that pulls this information was done by the vendor that should resolve this issue. Spot checks will be done to ensure it works properly.

Implementation Date: October 2016

Responsible Persons: Melissa Hyatt and Chad Garrett

Additional training with staff will be done to ensure they are aware and enter the correct date.

Implementation Date: January 2016

Responsible Person: Martha Fraire-Cuellar

Due to system constraints, we are unable to enter a date prior to the day before class's starts. An upgrade to the batch job that pulls this information was done by the vendor to assist with resolution however, we will do additional data entry in another field to capture this date, then create a report to monitor and make sure it is accurately reported to NSC.

Implementation Date: March 2016

Responsible Persons: Melissa Hyatt and Chad Garrett

Texas Tech University

Reference No. 2015-116

Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A144151; CFDA 84.033, Federal Work-Study Program, P033A144151; CFDA 84.063, Federal Pell Grant Program, P063P142328; CFDA 84.268, Federal Direct Student Loans, P268K152328; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T152328; and CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

Cost of Attendance

The determination of the federal student assistance award amount is based on financial need. Financial need is defined as a student’s cost of attendance (COA) minus the expected family contribution (EFC) (Title 20, United States Code (USC), Chapter 28, Subchapter IV, Section 1087kk). The phrase “cost of attendance” refers to the “tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study.” An institution may also include an allowance for books, supplies, transportation, miscellaneous personal expenses, and room and board (Title 20, USC, Chapter 28, Subchapter IV, Section 1087II).

Questioned Cost:	\$0
U.S. Department of Education	

A full-time student is defined as an enrolled student who is carrying a full-time academic workload, as determined by the institution, under a standard applicable to all students enrolled in a particular educational program. For an undergraduate student, an institution’s minimum standard must equal or exceed 12 semester hours. A half-time student is defined as an enrolled student who is carrying a half-time academic workload, as determined by the institution, which amounts to at least half of the workload of the applicable minimum requirement outlined in the definition of a full-time student (Title 34, Code of Federal Regulations, Section 668.2).

Texas Tech University (University) established different COA budgets for students based on classification, residency, living status, aid period, and term enrollment (full-time, three-quarter-time, half-time, and less-than-half-time). The University initially assigns students a full-time COA based on the components listed above. If, for example, a student is enrolled half-time, the University then decreases (prorates) the student’s COA budget for tuition and fees and books and supplies by 50 percent. For the Fall and Spring semesters, the University prorated students’ COA budgets based on actual enrollment for the semester. If a student registered prior to disbursement of financial assistance, which occurs 10 days before the start of a semester, the University prorated the student’s COA budget on the day before disbursement. However, if a student registered after the date of the first proration of COA budgets, the University prorated the student’s COA budget on the 21st class day. For the Summer semester, the University prorated students’ COA budgets based on anticipated enrollment that students self-certified through the University’s financial aid system, Banner. The University does not prorate a student’s COA budget more than once in a semester.

For 4 (6 percent) of 62 students tested, the University incorrectly or inconsistently calculated the COA budgets. Specifically:

- For two students, the University did not prorate the COA budgets based on enrollment level. Those students were enrolled less than full-time; however, the University assigned both students a full-time COA budget.
- For two graduate students enrolled less than full-time, the University did not prorate the COA budgets consistently based on enrollment level. For those students, the University did not prorate the books and supplies component in accordance with enrollment level. In addition, for one of those students, the University did not remove the personal and miscellaneous budget component in accordance with the enrollment level. The University prorated the tuition and fees component correctly for both students.

The COA budget calculation errors occurred because of coding in Banner. Those errors did not result in overawards of financial assistance; however, by incorrectly calculating COA budgets, the University increases the risk of overawarding or underawarding financial assistance to students.

In addition to the errors discussed above, the University used incorrect rates to prorate the COA budgets for all graduate and law students for the Summer semesters. The University's methodology is to prorate less-than-half-time students at 25 percent for the books and supplies and tuition and fees components. However, during the Summer semesters:

- For graduate students with anticipated less-than-half-time enrollment, the University prorated the books and supplies and tuition and fees components at more than 25 percent.
- For law students with anticipated less-than-half-time enrollment, the University prorated the books and supplies component at more than 25 percent. In addition, for law students with anticipated three-quarter-time enrollment, the University prorated the tuition and fees component at less than 75 percent.

Those errors occurred because Banner was programmed with incorrect proration percentages. Auditors did not identify students during testing who were overawarded financial assistance as a result of those proration errors.

Federal Direct Student Loans

The Budget Control Act of 2011 eliminated subsidized loan eligibility for graduate and professional students for loan periods/periods of enrollment beginning on or after July 1, 2012 (U.S. Department of Education *2014-2015 Federal Student Aid Handbook*). Therefore, only undergraduate students are eligible to receive Subsidized Direct Loans, and graduate students are eligible for only Unsubsidized Direct Loans or Direct Parent Loan for Undergraduate Student (PLUS) Loans.

Based on a review of the full population of federal student financial assistance recipients, the University disbursed one graduate student a \$1,980 Subsidized Direct Loan that the student was not eligible to receive. According to the University, that occurred because it awarded and packaged that student's assistance in Spring 2014, while the student was still an undergraduate. The student subsequently submitted an application for graduate school, and the admission decision was made on August 13, 2014. However, the University's graduate school did not update the admission date until after the University had disbursed financial assistance. As a result, the student received the Subsidized Direct Loan for Fall 2014 and Spring 2015 as a graduate student, when the student was not eligible to receive that financial assistance. After auditors brought that error to its attention, the University returned the loan funds to the U.S. Department of Education; therefore, there were no questioned costs.

Recommendations:

The University should:

- Strengthen controls in Banner to prorate students' COA budgets correctly relative to term enrollment, and adjust all budget components consistently.
- Award Subsidized Direct Loans only to eligible undergraduate students.

Views of Responsible Officials and Corrective Action Plan:

- *Beginning with fall 2015, we no longer prorate at disbursement but assign cost of attendance budgets based on anticipated enrollment indicated by the student relative to term enrollment. Once the budget is assigned, no additional proration is performed. Prorating cost of attendance budgets allowed for possible errors.*
 - *If a student fails to complete the required Enrollment Certification, no processing or disbursement activity will occur on the student's application request.*
 - *Should a student answer the enrollment certification incorrectly, an email is required from the student, indicating requested changes. Emails are directed to a specific advisor team to review, make manual updates to reflect student's actual enrollment and note requested update on RHACOMM.*

- *Beginning with fall 2015, we began utilizing an ad hoc report to identify students whose level (UG, GR) does not match their enrollment. The report is administered at mid-term and also at the end of the term and updates are made to students whose level does not match their enrollment matriculation.*

Implementation Date: Fall 2015

Responsible Persons: Paul Blake, Donna Walker, Connie Brown and Shannon Crossland

Reference No. 2015-117

Special Tests and Provisions – Verification

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A144151; CFDA 84.033, Federal Work-Study Program, P033A144151; CFDA 84.063, Federal Pell Grant Program, P063P142328; CFDA 84.268, Federal Direct Student Loans, P268K152328; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T152328; and CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

For each applicant whose Free Application for Federal Student Aid (FAFSA) is selected for verification by the Secretary of the U.S. Department of Education, an institution must verify all of the applicable items, which include household size, number of household members who are in college, adjusted gross income, U.S. income taxes paid, child support paid, food stamps, education credits, individual retirement account deductions, other untaxed income, high school completion status, and identity and statement of educational purpose (Title 34, Code of Federal Regulations (CFR), Sections 668.54 and 668.56, and *Federal Register*, Volume 78, Number 114).

Questioned Cost:	\$0
U.S. Department of Education	

When the verification of an applicant’s eligibility results in any change to a non-dollar item or a change to a single dollar item of \$25 or more from the applicant’s FAFSA, the institution must submit a correction to the U.S. Department of Education and adjust the applicant’s financial aid package on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR). For the Federal Pell Grant Program, if an applicant’s FAFSA information changes as a result of verification, an institution must recalculate the applicant’s Federal Pell Grant on the basis of the EFC on the corrected ISIR and disburse any additional funds under that award (Title 34, CFR, Section 668.59).

For 1 (2 percent) of 64 students tested, Texas Tech University’s (University) financial aid application system, Banner, did not process changes made to that student’s FAFSA; as a result, the student’s ISIR was not updated. The University adequately identified and documented in Banner required changes to the student’s FAFSA for the number of household members and student income information based on its verification process. However, Banner did not process those required changes and the University disbursed financial aid based on an incorrect ISIR. The University was unable to identify the reason that Banner did not process the changes made for that student.

When auditors brought the error to the University’s attention, it corrected the error, requested an updated ISIR for the student, and determined that it had overawarded \$1,100 in Federal Pell Grant assistance to the student. The University corrected that Federal Pell Grant award; therefore, there were no questioned costs.

Recommendation:

The University should verify that it properly processes and updates all required changes to students’ FAFSAs before it disburses financial aid.

Views of Responsible Officials and Corrective Action Plan:

- We will verify required updates to FAFSA changes prior to disbursement.
- Training and internal reviews will continue to ensure required changes are processed correctly.

Implementation Date: Fall 2015

Responsible Persons: Ben Montecillo, Melissa Mullins and Shannon Crossland

Reference No. 2015-118

Special Tests and Provisions – Return of Title IV Funds

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A144151; CFDA 84.033, Federal Work-Study Program, P033A144151; CFDA 84.063, Federal Pell Grant Program, P063P142328; CFDA 84.268, Federal Direct Student Loans, P268K152328; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T152328; and CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV assistance earned by the student as of the student’s withdrawal date (Title 34, Code of Federal Regulations (CFR), Section 668.22(a)(1)). If the total amount of Title IV assistance earned by the student is less than the amount that was disbursed to the student or on his or her behalf as of the date of the institution’s determination that the student withdrew, the difference must be returned to the Title IV programs and no additional disbursements may be made to the student for the payment period or period of enrollment (Title 34, CFR, Section 668.22(a)(4)).

Questioned Cost:	\$0
U.S. Department of Education	

The amount of earned Title IV grant or loan assistance is calculated by (1) determining the percentage of Title IV grant or loan assistance that the student has earned and (2) applying that percentage to the total amount of Title IV grant or loan assistance that was or could have been disbursed to the student for the payment period or period of enrollment as of the student’s withdrawal date. A student earns 100 percent if his or her withdrawal date is after the completion of 60 percent of the payment period or period of enrollment. The unearned amount of Title IV assistance to be returned is calculated by subtracting the amount of Title IV assistance the student earned from the amount of Title IV assistance that was disbursed to the student as of the date of the institution’s determination that the student withdrew (Title 34, CFR, Section 668.22(e)). The institution must return the lesser of the total amount of unearned Title IV grant or loan assistance calculated above or an amount equal to the total institutional charges incurred by the student for the payment period or period of enrollment multiplied by the percentage of Title IV grant or loan assistance that had not been earned by the student (Title 34, CFR, Section 668.22(g)).

The total number of calendar days in a payment period or period of enrollment includes all days within the period that the student was scheduled to complete, except that scheduled breaks of at least five consecutive days are excluded from the total number of calendar days in a payment period or period of enrollment and the number of calendar days completed in that period (Title 34, CFR, Section 668.22(f)(2)(i)).

Texas Tech University (University) did not consistently determine the amount of Title IV funds to return or apply returned Title IV funds to federal programs as required. For 12 (20 percent) of 60 students tested who had returns of Title IV funds, the University made errors in its return calculations. Specifically:

- For eight students, the University incorrectly calculated the institutional charges used to determine the amounts that should have been returned. In addition, for one of those students, the University used the incorrect academic start and end dates in the calculation.

- For two students, the University used the incorrect withdrawal date in the return calculation.
- For one student, the University incorrectly calculated a partial return. The student withdrew from all courses eligible for financial assistance, and the University should have returned all financial assistance. However, the University included institutional charges in the return calculation and, as a result, returned only a portion of the funds that should have been returned.
- For one student, the University did not include the student's loans in the return calculation and it did not return funds in the prescribed order.

Those errors occurred because of manual errors the University made in performing the return calculation, which resulted in miscalculations in its return worksheet. As a result, for 8 of those 12 students, the University returned incorrect amounts.

For 1 (2 percent) of 60 students tested, the University awarded Title IV funds in error to the student after the student withdrew from all courses. The student withdrew from the Fall term and all aid was correctly returned. However, when the University calculated Federal Pell Grant assistance for the Summer term, it disbursed the remaining Federal Pell Grant amount as a Fall term award in error. That occurred because the University did not lock the student's account for the Fall term after it performed the return calculation.

After auditors brought the errors to the University's attention, it performed return calculations again and adjusted the grants and loans associated with students based on the amounts of assistance that it needed to return. As a result, there were no questioned costs.

Recommendation:

The University should enhance its internal controls related to its calculation of Title IV funds required to be returned to the U.S. Department of Education. Specifically, it should review its calculations, including the variables it used, for accuracy.

Views of Responsible Officials and Corrective Action Plan:

We have updated and implemented our R2T4 procedures to include the following steps as well as implementation of quality control review process:

- *Calculate institutional charges using an Accounts Receivable COGNOS report (AR024) based on the date aid is fully disbursed.*
- *After R2T4 Coordinator completes withdrawal, R2T4 documents are reviewed by a second FA staff member who will validate and confirm.*
- *Include all eligible federal aid in R2T4 calculation.*
- *Confirm institutional charges using AR COGNOS report.*
- *Confirm withdrawal date confirmed per SFAWDRL.*
- *Validate amount returned on R2T4 documents match RPAAWRD and RHACOMM.*
- *Verify required Title IV aid returned has been updated on COD.*

Implementation Date: Fall 2015

Responsible Persons: Paul Blake, Cathy Sarabia and Shannon Crossland

Reference No. 2015-119

Special Tests and Provisions – Enrollment Reporting

(Prior Audit Issues 2014-129, 2013-152, 13-132, 12-138, 11-139, and 09-75)

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P142328; CFDA 84.268, Federal Direct Student Loans, P268K152328; and CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

Unless an institution expects to submit its next enrollment reporting roster file to the Secretary of the U.S. Department of Education within the next 60 days, it must notify the Secretary within 30 days if it discovers that a Federal Family Education Loan (FFEL), Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan has been made to or on behalf of a student who (1) enrolled at that institution but has ceased to be enrolled on at least a half-time basis; (2) has been accepted for enrollment at that institution but failed to enroll on at least a half-time basis for the period for which the loan was intended; or (3) has changed his or her permanent address (Title 34, Code of Federal Regulations (CFR), Sections 685.309(b) and 682.610(c)). Effective June 2012, enrollment reporting roster files must also include Federal Pell Grant-only and Federal Perkins Loans recipients (Title 34, CFR, Section 690.83(b)(2), and *Dear Colleague Letter*, March 30, 2012 (GEN-12-06)).

Questioned Cost:	\$0
U.S. Department of Education	

When a student does not re-enroll at an institution for the next regular (non-Summer) term without completing the course of study, the student should be reported as withdrawn. In the case of a student who completes a term and does not return for the next term, leaving the course of study uncompleted, the final day of the term in which the student was last enrolled should be used as the effective date. For three-quarter-time status, half-time status, and less-than-half-time status, the institution must use the effective date on which the student dropped to those particular statuses (*National Student Loan Data System (NSLDS) Enrollment Reporting Guide*, Appendix C).

Texas Tech University (University) uses the services of the National Student Clearinghouse (NSC) to report status changes to the NSLDS. Under this arrangement, the University reports all students enrolled and their status to NSC. NSC then identifies any changes in status and reports those changes when required to NSLDS. Additionally, NSC completes the roster file on the University’s behalf and communicates status changes to NSLDS as applicable. Although the University uses the services of NSC, it is still ultimately the University’s responsibility to submit timely, accurate, and complete responses to roster files and to maintain proper documentation (*NSLDS Enrollment Reporting Guide*, Chapter 3).

For 18 (28 percent) of 64 students tested who had a status change, the University did not report status changes to NSLDS accurately. Specifically:

- For three students who were not enrolled in a term, the University reported those students as having less-than-half-time enrollment instead of being withdrawn with an effective date of the last day of the term last attended. Those errors occurred because of the coding structure in the University’s student information system, Banner, which indicates that a student with zero enrolled hours (coded “NH”) is a less-than-half-time NSC equivalent.
- For nine students who dropped courses, the University did not report status changes when the students dropped courses between the 13th and 45th class days of a term. As a result, the students’ statuses and effective dates were not accurately reflected in NSLDS. The University did not report status changes for students who dropped courses between the 13th and 45th class day because the students would receive a “DG” grade, which counted toward the State’s drop limit and enrollment for state funding.
- For six students who had a status change, the University submitted information to NSC regarding the students’ change in enrollment; however, NSC did not submit those changes to NSLDS.

For 23 (36 percent) of 64 students tested who had a status change, the University did not report accurate effective dates to NSLDS for those status changes. Sixteen of those students were the students discussed above, and the errors discussed above resulted in incorrect effective dates being submitted to NSLDS. The University also did not accurately report the effective dates of status changes for seven additional students. Specifically:

- The University reported incorrect effective dates for five students who completed a term and did not return for the following term. The University should have reported the final day of the term in which those students were last enrolled as the effective date. However, for four of those students, the University reported the day after the final day of the term in which the students were last enrolled because it did not want to give the appearance that the students were withdrawn from their last enrolled term. For the remaining student, the University reported the effective date as the date the student withdrew before the term began, instead of the last class day of the term that the student last attended.
- The University reported an incorrect effective date for one student who was required to enter into a full-time status after the term had begun because of the doctoral program in which the student was enrolled. The University reported the student's effective date to NSLDS as August 9, 2014, rather than September 19, 2014, which was the date on which the University determined that the student was required to enter into full-time status.
- The University reported an incorrect effective date for one student who dropped to three-quarter-time enrollment. The University reported the effective date as November 21, 2014, to NSLDS; however, the student dropped to three-quarter-time enrollment as of September 9, 2014.

Not reporting status changes and effective dates accurately and completely could affect determinations that guarantors, lenders, and servicers of student loans make related to in-school status, deferments, grace periods, repayment schedules, and the federal government's payment of interest subsidies.

Recommendation:

The University should accurately report status changes and effective dates to NSLDS.

Views of Responsible Officials and Corrective Action Plan:

- *We are requesting error reports each time an enrollment file is submitted. Those students' record not transferring from NSC to NSLDS or listed as having errors will be researched and fixed individually.*
- *Any student who enrolls and subsequently withdraws from the University is withdrawn entirely and the record is made inactive. We also run a list of these students and ensure their withdrawal date is the last day of the previous term.*

Implementation Date: Fall 2015

Responsible Persons: Bobbie Brown and Shannon Crossland

University of Houston

Reference No. 2015-120

Eligibility

Special Tests and Provisions - Institutional Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A144166; CFDA 84.033, Federal Work-Study Program, P033A144166; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P142333; CFDA 84.268, Federal Direct Student Loans, P268K152333; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T152333

Type of finding – Significant Deficiency and Non-Compliance

Satisfactory Academic Progress

A student is eligible to receive Title IV, Higher Education Act (HEA) Program assistance if the student maintains satisfactory progress in his or her course of study according to the institution’s published standards of satisfactory progress that satisfy the provisions of Title 34, Code of Federal Regulations (CFR), Section 668.16(e), and the provisions of Title 34, CFR, Section 668.34 (Title 34, CFR, Section 668.32(f)). An institution’s satisfactory academic progress (SAP) policy should include a qualitative component that consists of grades or comparable factors that are measureable against a norm, and a quantitative component that consists of the pace at which students must progress through their program to ensure that they will graduate within the maximum time frame required to complete their education. The pace at which a student is progressing is calculated by dividing the total number of hours the student has successfully completed by the total number attempted (U.S. Department of Education, *2014-2015 Federal Student Aid Handbook*). For a graduate program, the maximum time frame is a period defined by the institution that is based on the length of the educational program (Title 34, CFR, Section 668.34(b)).

Questioned Cost:	\$994,179
U.S. Department of Education	

The University of Houston (University) did not configure its student financial assistance system in accordance with its SAP policy. The University’s policy for calculating the maximum time frame for graduate and law students uses 150 percent of a student’s academic program hours to determine the maximum time frame. However, the University’s student financial assistance system, PeopleSoft, was not configured to limit the maximum time frame for some graduate and law programs to 150 percent of the academic program hours. Auditors identified at least 3 academic programs that were configured in PeopleSoft with maximum hours that exceeded 150 percent of the academic program hours.

Auditors did not identify students during testing who were ineligible for student financial assistance as a result of the issue discussed above. However, not determining maximum time frames correctly increases the risk that graduate and law students could receive financial assistance for which they are not eligible or be denied financial assistance for which they are eligible.

Teacher Education Assistance for College and Higher Education

During federal fiscal year 2015, there was a change in the sequester-required percentage reduction that applied to Teacher Education Assistance for College and Higher Education (TEACH) grants first disbursed during fiscal year 2015. The U.S. Office of Management and Budget calculated the sequester-required reduction percentage for the TEACH grant program to be 7.3 percent for a TEACH grant award with a first disbursement date on or after October 1, 2014, and before October 1, 2015 (*Dear Colleague Letter*, GEN-14-10).

Based on a review of the entire population of federal student financial assistance recipients, the University awarded an incorrect amount for TEACH grant assistance to one student. The University awarded that student \$256 more in TEACH grant assistance than allowed by the sequester. That error occurred because the University manually entered the incorrect amount into PeopleSoft. In addition, because that amount was manually entered, PeopleSoft did not adjust that amount for changes in the sequestration percentage. After auditors brought the error to

the University's attention, it adjusted and corrected the TEACH grant award to that student to reflect the correct amount required by the sequester; therefore, there were no questioned costs.

Federal Pell Grant

When awarding Federal Pell Grant assistance to students, for each payment period, an institution may award a Federal Pell Grant to an eligible student only after it determines that the student is enrolled in an eligible program as an undergraduate student (Title 34, CFR, Section 690.75(a)). Institutions use the payment and disbursement schedules provided each year by the U.S. Department of Education for determining award amounts (Title 34, CFR, Section 690.62(a)). Those schedules provide the maximum annual amount a student would receive for a full academic year for a given enrollment status, estimated family contribution (EFC), and cost of attendance (COA). There are separate schedules for three-quarter-time, half-time, and less-than-half-time students (U.S. Department of Education, *2014-2015 Federal Student Aid Handbook*, and Title 34, CFR, Section 690.63(b)).

Based on a review of the entire population of federal student financial assistance, the University incorrectly calculated and disbursed Federal Pell Grant assistance to 237 students. That occurred because of an error in the University's disbursement process for the Summer term. The University did not configure PeopleSoft to consider the amount of Federal Pell Grant assistance students received during the Fall and Spring terms when determining the amount of the Summer disbursement. As a result, some students received more Federal Pell Grant assistance than they were eligible to receive and other students received less Federal Pell Grant assistance than they were eligible to receive.

After auditors brought the errors to the University's attention, it corrected the process in PeopleSoft and recalculated the amount of Federal Pell Grant assistance that students were eligible to receive for the Summer term. The University subsequently adjusted students' award amounts and either disbursed additional funds or returned funds to the U.S. Department of Education. Therefore, there were no questioned costs.

Eligibility and Certification Approval Report

Each institution's most recent *Eligibility and Certification Approval Report* (ECAR) lists the institution's main campus and any additional approved locations. For any other locations at which an institution offers 50 percent or more of an eligible program during the audit period, the institution must either submit an application for approval of that location or notify the U.S. Department of Education of that location (Title 34, CFR, Sections 600.20(c) and 600.21(a)(3)). An institution may not disburse Title IV, HEA Program assistance to students at that location before it reports to the U.S. Department of Education about that location (Title 34, CFR, Section 600.21(d)). Additionally, an institution must report to the U.S. Department of Education, no later than 10 days after the change occurs, any change in the name or address of any branch or previously reported location and the closure of a branch or previously reported location (Title 34, CFR, Section 600.21(a)).

The University's most recent ECAR was not accurate and did not include all additional locations. Specifically:

- The University reported four locations incorrectly on its ECAR. The University did not report the correct name or address for three of those locations. The University closed the fourth location in 2004 but did not remove that location from its ECAR.
- The University has additional locations in Houston, Peru, the United Arab Emirates, Ukraine, and the People's Republic of China that offer 50 percent or more of an eligible program. However, the University did not include those locations on its most recent ECAR. In addition, the University did not notify the U.S. Department of Education about those locations. The University did not disburse any federal financial assistance to students who attended the unreported international locations during the 2014-2015 award year. However, it disbursed a total of \$994,179 in federal student financial assistance to 203 students at the unreported Houston locations during the 2014-2015 award year. Of those disbursements:
 - \$549,869 was associated with CFDA 84.268, Federal Direct Student Loans, award number P268K152333.
 - \$425,679 was associated with CFDA 84.063, Federal Pell Grant Program, award number P063P142333.
 - \$14,000 was associated with CFDA 84.007, Federal Supplemental Educational Opportunity Grants, award number P007A144166.
 - \$4,631 was associated with CFDA 84.033, Federal Work-Study Program, award number P033A144166.

All of the above amounts were considered questioned costs.

Those errors occurred because the University did not adequately review its ECAR to ensure that it reported all locations at which it offers more than 50 percent of an eligible program. Not updating the ECAR and not notifying the U.S. Department of Education about additional locations could result in students receiving financial assistance for ineligible programs.

Recommendations:

The University should:

- Configure PeopleSoft to align with its SAP policy by defining a maximum time frame based on 150 percent of the educational program for graduate and law students.
- Award students the correct amount of TEACH grants according to annual limits.
- Award students the correct amount of Federal Pell Grant assistance for an award year.
- Update its ECAR as required and ensure that it does not disburse financial assistance to students at locations that are not on its ECAR.

Views of Responsible Officials and Corrective Action Plan:

Satisfactory Academic Progress

We have modified our policies and procedures to include an annual verification of maximum hours with leadership in each graduate program. We will use this information to configure PeopleSoft to align with our SAP policy of maximum time frame based on 150 percent of the educational program for graduate and law students.

Implementation Date: November 2015

Responsible Persons: Scott Moore and Anushah Ahmed

Teacher Education Assistance for College and Higher Education

We have amended our policies and procedures to include a biennial review of TEACH Grant award amounts at the end of each payment period. This will help ensure that students are awarded the correct amount of TEACH Grant.

Implementation Date: November 2015

Responsible Persons: Scott Moore and Candida Dubose

Federal Pell Grant

To help ensure all students are awarded the correct amount of Federal Pell Grant assistance, we will modify the query used to verify Pell Grant maximum amounts for summer awards and disbursements to include data elements currently missing.

Implementation Date: June 2016

Responsible Persons: Scott Moore, Lety Gallegos and Candida Dubose

Eligibility and Certification Approval Report

We have updated the ECAR to accurately reflect all of our locations. To help ensure continued accuracy of reported locations and that financial assistance is not disbursed to students at locations not on the ECAR, we have modified our policies and procedures to include a review 60 days prior to the start of each payment period.

For international locations, we have created a query which will run monthly to ensure that no students at international locations are eligible for federal aid.

Implementation Date: November 2015

Responsible Persons: Chris Stanich and Scott Moore

Reference No. 2015-121

Special Tests and Provisions – Verification

(Prior Audit Issue 2014-139)

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A144166; CFDA 84.033, Federal Work-Study Program, P033A144166; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P142333; CFDA 84.268, Federal Direct Student Loans, P268K152333; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T152333

Type of finding – Significant Deficiency and Non-Compliance

For each applicant whose Free Application for Federal Student Aid (FAFSA) is selected for verification by the Secretary of the U.S. Department of Education, an institution must verify all of the applicable items, which include household size, number of household members who are in college, adjusted gross income, U.S. income taxes paid, child support paid, food stamps, education credits, individual retirement account deductions, other untaxed income, high school completion status, and identity and statement of educational purpose (Title 34, Code of Federal Regulations (CFR), Sections 668.54 and 668.56, and *Federal Register*, Volume 78, Number 114).

Questioned Cost:	\$0
U.S. Department of Education	

When the verification of an applicant’s eligibility results in any change to a non-dollar item or a change to a single dollar item of \$25 from the applicant’s FAFSA, the institution must submit a correction to the U.S. Department of Education and adjust the applicant’s financial aid package on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR). For the Federal Pell Grant Program, if the applicant’s FAFSA information changes as a result of verification, an institution must recalculate the applicant’s Federal Pell Grant on the basis of the EFC on the corrected ISIR and disburse any additional funds under that award (Title 34, CFR, Section 668.59).

For 4 (6 percent) of 62 students tested, the University of Houston (University) did not accurately verify some of the required items on the FAFSA; therefore, it did not subsequently update its records and request updated ISIRs as required. For those four students, the University did not accurately verify one of the following items: education credits, U.S. income taxes paid, and untaxed pension amounts. Those errors occurred because of manual errors the University made during its verification process and because the University does not have an adequate control to monitor verification.

When auditors brought the errors to the University’s attention, it made corrections to those four students’ ISIRs. Specifically:

- For two students, the original EFC was overstated. One of those students was eligible for an additional \$375 in Federal Pell Grant funds, and the University subsequently disbursed additional Federal Pell Grant funds. There was no change in financial assistance for the other student.

- For two students, the original EFC was understated, which resulted in \$600 in overawards of Federal Pell Grant funds. The University subsequently adjusted those students’ awards; therefore, there were no questioned costs.

Not properly verifying FAFSA information could result in the University overawarding or underawarding student financial assistance.

Recommendations:

The University should:

- Accurately verify all required FAFSA information for students selected for verification and request updated ISIRs when required.
- Establish and implement an effective monitoring process for verification.

Views of Responsible Officials and Corrective Action Plan:

We have changed our process to verify all required FAFSA information for students selected for verification by implementing a second level review for each student with a completed file. This review process will check for accuracy before marking a file “complete” and we will request updated ISIRs when required.

Implementation Date: October 2015

Responsible Persons: Scott Moore and Candida Dubose

Reference No. 2015-122

Special Tests and Provisions - Disbursements To or On Behalf of Students

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.268, Federal Direct Student Loans, P268K152333; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T152333; and CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

If an institution credits a student’s account at the institution with Direct Loan, Federal Perkins Loan, or Teacher Education Assistance for College and Higher Education (TEACH) Grants Program funds, no earlier than 30 days before and no later than 30 days after crediting the student’s account, the institution must notify the student or parent of (1) the date and amount of the disbursement; (2) the student’s right or parent’s right to cancel all or a portion of that loan, loan disbursement, TEACH grant, or TEACH grant disbursement; and (3) the procedures and the time by which the student or parent must notify the institution that he or she wishes to cancel the loan, loan disbursement, TEACH grant, or TEACH grant disbursement (Title 34, Code of Federal Regulations, Section 668.165).

Questioned Cost:	\$0
U.S. Department of Education	

For 15 (41 percent) of 37 disbursements tested that required a disbursement notification letter, the University of Houston (University) did not send disbursement notification letters within the required time frames. Those errors occurred for disbursements made late in the Fall term and the Spring term because of errors in the batch processes the University used to (1) identify students to whom it was required to send disbursement notification letters and (2) send those disbursement notification letters. Although auditors did not identify compliance errors related to Perkins Loan or TEACH grant recipients, the University used those same batch processes to identify and send disbursement notification letters to the recipients of those types of financial assistance.

The University identified and corrected the errors in its batch processes in March and sent the required disbursement notification letters at that time to students who received disbursements late in the Fall term and in the Spring term. However, not receiving disbursement notification letters in a timely manner could impair students' and parents' ability to cancel their loans.

Recommendation:

The University should strengthen controls over its batch processes to ensure that it sends disbursement notification letters within 30 days before or after crediting a student's account with loans or a TEACH grant.

Views of Responsible Officials and Corrective Action Plan:

We have strengthened control of our batch processes by generating an email to appropriate staff members when a batch processing instance fails or errors. This will help ensure that disbursement notification letters are sent within 30 days before or after crediting a student's account with loans or a TEACH grant.

Implementation Date: March 2015

Responsible Persons: Lety Gallegos and Scott Moore

Reference No. 2015-123

Special Tests and Provisions – Return of Title IV Funds

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A144166; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P142333; CFDA 84.268, Federal Direct Student Loans, P268K152333; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T152333

Type of finding – Significant Deficiency and Non-Compliance

When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date (Title 34, Code of Federal Regulations (CFR), Section 668.22(a)(1)). If the total amount of Title IV assistance earned by the student is less than the amount that was disbursed to the student or on his or her behalf as of the date of the institution's determination that the student withdrew, the difference must be returned to the Title IV programs and no additional disbursements may be made to the student for the payment period or period of enrollment (Title 34, CFR, Section 668.22(a)(4)).

Questioned Cost:	\$0
U.S. Department of Education	

The amount of earned Title IV grant or loan assistance is calculated by (1) determining the percentage of Title IV grant or loan assistance that the student has earned and (2) applying that percentage to the total amount of Title IV grant or loan assistance that was or could have been disbursed to the student for the payment period or period of enrollment as of the student's withdrawal date. A student earns 100 percent if his or her withdrawal date is after completion of 60 percent of the payment period or period of enrollment (Title 34, CFR, Section 668.22(e)). The institution must return the lesser of the total amount of unearned Title IV grant or loan assistance calculated above or an amount equal to the total institutional charges incurred by the student for the payment period or period of enrollment multiplied by the percentage of Title IV grant or loan assistance that had not been earned by the student (Title 34, CFR, Section 668.22(g)).

The total number of calendar days in a payment period or period of enrollment includes all days within the period that the student was scheduled to complete, except that scheduled breaks of at least five consecutive days are excluded

from the total number of calendar days in a payment period or period of enrollment and the number of calendar days completed in that period (Title 34, CFR, Section 668.22(f)(2)(i)).

The University of Houston (University) did not correctly determine the 60 percent completion point for the Spring term. Specifically, for 12 (20 percent) of 61 students tested, the University did not correctly calculate the amount of Title IV funds earned or the amount of funds to be returned because of an incorrect determination of the number of days in the payment period. The University incorrectly used 9 days for its spring break period when it determined the length of enrollment for the Spring term, instead of 8 days. As a result, the University incorrectly determined the 60 percent completion point for return calculations and for determining whether students had sufficiently completed the payment period or period of enrollment. The error in the determination of the number of days in the enrollment period impacted the percent completion used in the return calculation by less than half a percent. As a result:

- For eight of those students, the University returned an incorrect amount of Title IV funds.
- Four of those students had a withdrawal date at the 60 percent completion point and had sufficiently completed the payment period and would not be required to return Title IV funds; however, the University calculated and returned Title IV funds for those students.

Auditors identified an additional 9 students who withdrew at the 60 percent completion point who had sufficiently completed the payment period and would not have required a return of Title IV funds.

When auditors brought the errors to University's attention, it performed the return calculation again for the 12 students discussed above and adjusted the amount of funds returned accordingly; therefore, there were no questioned costs.

Auditors determined that the error discussed above affected a total of 91 students in the Spring term. Depending on the withdrawal date, those students may have earned more of their funds than the University determined, or they may have been required to return more funds to the U.S. Department of Education than the University determined.

Not accurately determining the date of scheduled breaks for terms when calculating return amounts increases the risk that the University will not return the correct amount of Title IV assistance to the U.S. Department of Education or may return funds that students have earned.

Recommendation:

The University should accurately determine the number of days in scheduled breaks and calculate returns of Title IV funds correctly based on the period of enrollment excluding scheduled breaks.

Views of Responsible Officials and Corrective Action Plan:

Beginning fall 2015 we implemented the delivered PeopleSoft Return to Title IV Module, which provides the functionality of basing the calendar directly on the Academic Calendar for the University. This will help ensure accurate determination of the number of days in the scheduled breaks, and calculate returns of Title IV correctly based on the period of enrollment excluding scheduled breaks.

Implementation Date: September 2015

Responsible Persons: Scott Moore and Candida Dubose

Reference No. 2015-124

Special Tests and Provisions – Enrollment Reporting

(Prior Audit Issues 2014-140, 2013-165, 13-147, 12-153, 11-154, 10-98, 09-87, 08-74, and 07-58)

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P142333; and CFDA 84.268, Federal Direct Student Loans, P268K152333

Type of finding – Significant Deficiency and Non-Compliance

Unless an institution expects to submit its next enrollment reporting roster file to the Secretary of the U.S. Department of Education within the next 60 days, it must notify the Secretary within 30 days if it discovers that a Federal Family Education Loan (FFEL), Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan has been made to or on behalf of a student who (1) enrolled at that institution but has ceased to be enrolled on at least a half-time basis; (2) has been accepted for enrollment at that institution but failed to enroll on at least a half-time basis for the period for which the loan was intended; or (3) has changed his or her permanent address (Title 34, Code of Federal Regulations (CFR), Sections 685.309(b) and 682.610(c)). Effective June 2012, enrollment reporting roster files must also include Federal Pell Grant-only and Federal Perkins Loans recipients (Title 34, CFR, Section 690.83(b)(2), and *Dear Colleague Letter*, March 30, 2012 (GEN-12-06)).

Questioned Cost:	\$0
U.S. Department of Education	

When a student completes one academic program and then enrolls in another academic program at the same institution, the institution must report two separate enrollment transactions: one showing the completion of the first program and its effective date and credential level, and the other showing the enrollment in the second program and its effective date (*Dear Colleague Letter*, March 20, 2012 (GEN-12-06)).

The University of Houston (University) uses the services of the National Student Clearinghouse (NSC) to report status changes to the National Student Loan Data System (NSLDS). Under this arrangement, the University reports all students enrolled and their status to NSC. NSC then identifies any changes in status and reports those changes when required to NSLDS. Additionally, NSC completes the roster file on the University’s behalf and communicates status changes to NSLDS as applicable. Although the University uses the services of NSC, it is still ultimately the University’s responsibility to submit timely, accurate, and complete responses to roster files and to maintain proper documentation (*NSLDS Enrollment Reporting Guide*, Chapter 3).

For 6 (10 percent) of 60 students tested who had a status change, the University did not report status changes or effective dates to NSLDS accurately. Specifically:

- For five students with status changes, the University did not report the correct effective date to NSLDS. In addition, for one of those students, the University reported an incorrect enrollment status to NSLDS. Those errors occurred because of changes the University made to the query it used to identify students with changes in enrollment levels. The query did not always return the correct status type or effective date for a status change.
- The University did not accurately report to NSLDS one student who graduated in the Fall term and subsequently enrolled in a new program in the Spring term. The University reported that student’s graduated and enrollment status to NSC; however, NSC did not report the graduated status correctly to NSLDS. The University does not have a control to ensure that the information it reports to NSC is subsequently submitted to NSLDS.

Not reporting changes and effective dates accurately and completely could affect the determinations that guarantors, lenders, and servicers of student loans make related to in-school status, deferments, grace periods, and repayment schedules, as well as the federal government’s payment of interest subsidies.

Recommendation:

The University should accurately report all status changes and effective dates to NSLDS.

Views of Responsible Officials and Corrective Action Plan:

To accurately report all status changes and effective dates to NSLDS, we have adjusted the query used to pull students with changes to their enrollment schedule to help ensure that enrollment reporting is accurate within the 30 day federal window.

We determined that the reporting error of the student who graduated and re-enrolled was due to timing. The timing of the reporting schedule has been altered to correct this error.

Implementation Date: September 2015

Responsible Person: Debbie Henry

University of North Texas

Reference No. 2015-125

Eligibility

Special Tests and Provisions – Institutional Eligibility

(Prior Audit Issue 2014-146)

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A144085; CFDA 84.033, Federal Work-Study Program, P033A144085; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P142293; CFDA 84.268, Federal Direct Student Loans, P268K152293; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T152293

Type of finding – Significant Deficiency and Non-Compliance

Cost of Attendance

The determination of the federal student financial assistance award amount is based on financial need. Financial need is defined as being equal to a student’s cost of attendance (COA), minus the expected family contribution (EFC) (Title 20, United States Code (USC), Chapter 28, Subchapter IV, Section 1087kk). The phrase “cost of attendance” refers to the “tuition and fees normally assessed for a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study.” An institution may also include an allowance for books, supplies, transportation, miscellaneous personal expenses, and room and board (Title 20, USC, Chapter 28, Subchapter IV, Section 1087ll).

Questioned Cost:	\$0
U.S. Department of Education	

For Title IV programs, the EFC is the amount a student and his or her family are expected to pay for educational programs and is computed by the federal central processor and included on the student’s Institutional Student Information Record (ISIR) provided to the institution. Awards must be coordinated among the various programs and with other federal and non-federal assistance to ensure that total assistance is not awarded in excess of the student’s financial need (Title 34, Code of Federal Regulations (CFR), Sections 668.2 and 673.5).

For students who apply for loans, the COA includes the fees required to receive those loans. The COA may also include the fees required for non-federal student loans (that is, non-federal loans that must be considered as estimated financial assistance when packaging a student’s aid). An institution can use either the exact loan fees charged to a student or an average of fees charged to borrowers of the same type of loan at the institution. To be included in the COA, any loan fees for private loans must be charged to the borrower during the period of enrollment for which the loan is intended (U.S. Department of Education, *2014-2015 Federal Student Aid Handbook*).

For 15 (24 percent) of 62 students tested, the University of North Texas (University) incorrectly or inconsistently calculated COA. Specifically:

- For 13 of those students, the University included loan fees for Direct PLUS Loans in the COA for all dependent students, regardless of whether those students received that type of loan. The University asserted that it implemented a process to manually remove the loan fees as part of an end-of-year process for students who did not receive a loan. However, the University had not completed that review for all students with loan fees at the time of the audit. For 12 of those students, the errors did not result in overawards of financial assistance. However, one student was overawarded a total of \$48 as a result of this issue. The University reviewed that student as part of its end-of-year process, and it removed the loan fees for that student; however, it did not evaluate that student’s total financial assistance to ensure that it did not exceed the adjusted COA. After auditors brought that error to its attention, the University corrected the overaward; therefore, there were no questioned costs.
- For two students, the University assigned COAs prior to receiving the students’ ISIRs, and its student financial assistance system, PeopleSoft, assigned default values for the COAs. As a result, the COA components for room and board and miscellaneous personal expenses were assigned incorrect values, which resulted in incorrect COAs being calculated. However, those errors did not result in overawards of financial assistance.

Making incorrect COA calculations could result in underawards or overawards of financial assistance.

Satisfactory Academic Progress

A student is eligible to receive Title IV, Higher Education Act (HEA) Program assistance if the student maintains satisfactory progress in his or her course of study according to the institution's published standards of satisfactory progress that satisfy the provisions of Title 34, CFR, Section 668.16(e), and the provisions of Title 34, CFR, Section 668.34 (Title 34, CFR, Section 668.32(f)). An institution's satisfactory academic progress (SAP) policy should include a qualitative component that consists of grades or comparable factors that are measureable against a norm, and a quantitative component that consists of the pace at which students must progress through their program to ensure that they graduate within the maximum time frame required to complete their education. The pace at which a student is progressing is calculated by dividing the total number of hours the student has successfully completed by the total number attempted (U.S. Department of Education *2014-2015 Federal Student Aid Handbook*).

An institution must establish a reasonable SAP policy for determining whether an otherwise eligible student is making satisfactory academic progress in his or her educational program and may receive assistance under the Title IV, HEA Program. The Secretary of the U.S. Department of Education considers an institution's policy to be reasonable if the policy is at least as strict as the policy the institution applies to a student who is not receiving assistance under the Title IV, HEA Program (Title 34, CFR, Section 668.34(a)).

The policy should specify the pace at which a student must progress through his or her educational program to ensure that the student will complete the program within the maximum time frame, as defined in Title 34, CFR, Section 668.34(b), and provide for measurement of the student's progress at each evaluation. An institution calculates the pace at which the student is progressing by dividing the cumulative number of hours the student has successfully completed by the cumulative number of hours the student has attempted. In making that calculation, the institution is not required to include remedial courses (Title 34, CFR, Section 668.34(a)(5)).

For an undergraduate program measured in credit hours, a period no longer than 150 percent of the published length of the program as measured in credit hours should be used to determine the maximum time frame for the quantitative component of SAP. For a graduate program, institutions define that period based on the length of the educational program (Title 34, CFR, Section 668.34(b)(1) and (3)).

The University's SAP policy did not meet certain federal requirements at the beginning of the award year. As a result, for 2 (3 percent) of 62 students tested, the University did not correctly determine their SAP status. The policy allowed students to progress through an academic program at a pace that did not ensure that they would graduate within the maximum time frame. The policy specified a minimum number of hours that must be completed based on the number of hours enrolled within each semester of a financial assistance year. However, the policy did not consider cumulative hours, which could result in a pace that would not ensure that a student would graduate within the maximum time frame. In addition, the SAP policy was less strict than the University's academic policy for graduate students. Specifically, the SAP policy allowed graduate students to complete their degrees in a time frame that exceeded the academic policy.

The University incorrectly disbursed financial assistance to the two students discussed above who did not meet SAP requirements. Specifically, the University disbursed \$14,074 in Federal Direct Student Loans and \$1,440 in Federal Pell Grants to those students. After auditors brought those errors to its attention, the University corrected the awards for both of the students. For one student, the University returned \$3,216 in Direct Loans and \$1,440 in Federal Pell Grants to the U.S. Department of Education. For the other student, the University notified the student who then filed a SAP appeal. The student filed the required documentation and the appeal was approved. Therefore, the student was determined to be eligible for the \$10,858 received in Federal Direct Student Loans. As a result, there are no questioned costs.

In November 2014, the University implemented a new SAP policy that corrected the policy errors identified above and, after that correction, the SAP policy met all federal requirements.

Federal Pell Grant

An institution must disburse a Federal Pell Grant to an eligible student who is otherwise qualified to receive that disbursement (Title 34, CFR, Section 690.61). A student may decline all or part of a disbursement of Federal Pell Grant funds that the student is otherwise eligible to receive. To decline Federal Pell Grant funds, a student must deliver to the institution a signed, written statement clearly indicating that the student is declining Federal Pell Grant funds for which he or she is otherwise eligible and that the student understands that those funds may not be available after the award year. The institution must, if necessary, submit any adjustment records for the student to the Common Origination and Disbursement (COD) System (U.S. Department of Education, *Dear Colleague Letter*, GEN-12-18).

The University did not disburse Federal Pell Grant funds to one student who was eligible to receive those funds.

The University asserted that the student did not accept the award; therefore, it canceled the award. However, the University did not obtain a written statement from the student declining the Federal Pell Grant funds; therefore, it should have disbursed the funds for which the student was eligible. Based on the student's COA and EFC, the student was eligible to receive \$1,090 for the Fall semester. The student was not eligible to receive financial assistance in the Spring semester because the student did not meet SAP requirements. After auditors brought the error to its attention, the University disbursed the Federal Pell Grant funds to the student.

Recommendations:

The University should:

- Include loan fees in COA only for students who receive loans and ensure that it does not make overawards of financial assistance as a result of removing the loan fees.
- Calculate each student's COA based on the correct budget.
- Continue to ensure that its SAP policy meets federal requirements by calculating the quantitative pace requirement on a cumulative basis, rather than an annual basis; ensuring that the policy requires students to graduate within the maximum time frame; and making the SAP policy at least as strict as its academic policy.
- Disburse Federal Pell Grant funds to all eligible students.

Views of Responsible Officials and Corrective Action Plan:

Cost of Attendance (COA)

Management implemented changes last year in August 2014 to include loan fees in the COA budget for students who receive loans and ensure that the changes do not cause overawards of financial assistance as a result of removing the loan fees. Management modified the existing process to make adjustments more frequently throughout the year.

Management implemented changes to identify students who have default values within the COA and have an ISIR to calculate each student's COA based on the correct budget.

Implementation Date: July 2015

Responsible Persons: Dena Guzman-Torres and Lacey Thompson

Satisfactory Academic Progress

Management implemented changes in the middle of the term last year in November 2014, after it was identified by the auditors, to its SAP policy to meet federal requirements by calculating the quantitative pace requirement on a cumulative basis, rather than an annual basis; to ensure students graduate within the maximum time frame to make the SAP policy as strict as its academic policy.

Implementation Date: November 2014

Responsible Persons: Dena Guzman-Torres and Lacey Thompson

Pell Grants

Management implemented changes to ensure the disbursement of Federal Pell Grant funds to all eligible students.

Implementation Date: July 2015

Responsible Persons: Abby Goynes and Lacey Thompson

Reference No. 2015-126

Special Tests and Provisions – Enrollment Reporting

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award Numbers – CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P142293; and CFDA 84.268, Federal Direct Student Loans, P268K152293

Type of finding – Significant Deficiency and Non-Compliance

Unless an institution expects to submit its next enrollment reporting roster file to the Secretary of the U.S. Department of Education within the next 60 days, it must notify the Secretary within 30 days if it discovers that a Federal Family Education Loan (FFEL), Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan has been made to or on behalf of a student who (1) was enrolled at that institution but has ceased to be enrolled on at least a half-time basis; (2) has been accepted for enrollment at that institution but failed to enroll on at least a half-time basis for the period for which the loan was intended; or (3) has changed his or her permanent address (Title 34, Code of Federal Regulations (CFR), Sections 685.309(b) and 682.610(c)). Effective June 2012, enrollment reporting roster files must also include Federal Pell Grant-only and Federal Perkins Loans recipients (Title 34, CFR, Section 690.83(b)(2), and *Dear Colleague Letter*, March 30, 2012 (GEN-12-06)).

Questioned Cost:	\$0
U.S. Department of Education	

The University of North Texas (University) uses the services of the National Student Clearinghouse (NSC) to report status changes to the National Student Loan Data System (NSLDS). Under this arrangement, the University reports all students enrolled and their status to NSC. NSC then identifies any changes in status and reports those changes when required to NSLDS. Additionally, NSC completes the roster file on the University’s behalf and communicates status changes to NSLDS as applicable. Although the University uses the services of NSC, it is still ultimately the University’s responsibility to submit timely, accurate, and complete responses to roster files and to maintain proper documentation (*NSLDS Enrollment Reporting Guide*, Chapter 3).

For 4 (7 percent) of 60 students who had a status change, the University submitted inaccurate effective dates to NSLDS. That occurred because the University had identified errors in its February 2015 report submission to NSC and, therefore, delayed submission of its enrollment report. That delay caused the effective dates to be reflected inaccurately in NSLDS.

Not reporting effective dates accurately could affect determinations that guarantors, lenders, and servicers of student loans make related to in-school status, deferments, grace periods, repayment schedules, and the federal government’s payment of interest subsidies.

Recommendation:

The University should accurately report effective dates to NSLDS.

Views of Responsible Officials and Corrective Action Plan:

Management is attentive to the U.S. Department of Education requirements regarding reporting dates of student enrollment status changes. Management has implemented a change to the internal National Student Clearinghouse Enrollment Report to help ensure the accuracy enrollment change dates.

Implementation Date: August 2015

Responsible Person: Bryan Heard

Reference No. 2015-127

**Activities Allowed or Unallowed
Allowable Costs/Cost Principles**

Research and Development Cluster

Award year – September 18, 2008 to February 28, 2016

Award number – CFDA 12.800, Air Force Defense Research Sciences Program, FA8650-08-C-5226

Type of finding – Significant Deficiency and Non-Compliance

An institution's method for distribution of payroll charges must recognize the principle of after-the-fact confirmation or determination so that costs distributed represent actual costs, unless a mutually satisfactory alternative agreement is reached. Direct cost activities and facilities and administrative cost activities may be confirmed by responsible persons with suitable means of verification that the work was performed. For professorial and professional staff, reports will be prepared each academic term, but no less frequently than every six months (Title 2, Code of Federal Regulations, Section 220, Appendix A J.10.b.(2)(b) and J.10.c.(2)(e)).

Questioned Cost:	\$68,236
U.S. Department of Defense	

During this audit, the University of North Texas's (University) Office of General Counsel disclosed to auditors that the University conducted an internal investigation related to the effort that one of its researchers charged to a federal award. The University determined that the associated payroll charges of \$68,236 resulted from unintentional errors related to the effort that researcher reported. In response to the increased risk related to payroll charges, auditors tested additional payroll related expenditures at the University but did not identify any additional instances of noncompliance or control deficiencies.

The University performs effort certification once each semester (usually two months after a semester ends) for only salaried employees based on payroll allocation. The principal investigator is responsible for reviewing and approving effort certifications for each employee.

Recommendations:

The University should:

- Coordinate the repayment of all questioned costs with the awarding agency.
- Improve controls related to the review and approval of effort charged to federal awards to help ensure that all charges are based on the effort contributed to federal awards.

Views of Responsible Officials and Corrective Action Plan:

- 1) *The University of North Texas will deduct \$68,236 in questioned costs from the next invoice submitted to the awarding agency. Supporting documentation will be provided to the State Auditor's Office.*

Implementation Date: February 29, 2016

Responsible Persons: Dr. David Schultz and Britt Krhovjak

- 2) *A regular training regimen is being implemented with all principal investigators involved in federally funded research. The training includes reinforcement of requirements for supporting documentation for hours worked and allocation of effort.*

Implementation Date: September 30, 2016

Responsible Persons: Dr. David Schultz and Britt Krhovjak

University of Texas at Arlington

Reference No. 2015-128

Eligibility

Special Tests and Provisions - Institutional Eligibility

(Prior Audit Issues 2014-148, 2013-170, 13-154, and 12-156)

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A134172; CFDA 84.033, Federal Work-Study Program, P033A134172; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P132335; CFDA 84.268, Federal Direct Student Loans, P268K142335; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T142335

Type of finding – Significant Deficiency and Non-Compliance

Cost of Attendance

The determination of the federal student financial assistance award amount is based on financial need. Financial need is defined as a student’s cost of attendance (COA) minus the expected family contribution (EFC) (Title 20, United States Code (USC), Chapter 28, Subchapter IV, Section 1087kk). The phrase “cost of attendance” refers to the “tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study.” An institution may also include an allowance for books, supplies, transportation, miscellaneous personal expenses, and room and board (Title 20, USC, Chapter 28, Subchapter IV, Section 1087ll).

Questioned Cost:	\$0
U.S. Department of Education	

A full-time student is defined as an enrolled student who is carrying a full-time academic workload, as determined by the institution, under a standard applicable to all students enrolled in a particular educational program. For an undergraduate student, an institution’s minimum standard must equal or exceed 12 semester hours. A half-time student is defined as an enrolled student who is carrying a half-time academic workload, as determined by the institution, which amounts to at least half of the workload of the applicable minimum requirement outlined in the definition of a full-time student (Title 34, Code of Federal Regulations (CFR), Section 668.2).

The University of Texas at Arlington (University) establishes different COA budgets for students based on class level (undergraduate or graduate); degree program; in-state or out-of-state residency; living status (on campus, off campus, or at home); and term enrollment (full-time, three-quarter-time, half-time, and less-than-half-time). Prior to an award year, the University requests that students submit their anticipated enrollment to the financial aid office if they plan to enroll less than full-time. The University assigns a full-time COA to students who do not respond to the University’s request for anticipated enrollment. The University adjusts the COA manually if a student indicates enrollment will be anything other than full-time enrollment. Otherwise, the University’s financial aid system, PeopleSoft, updates the COA based on actual enrollment.

For 2 (3 percent) of 63 students tested, the University incorrectly calculated the COA. Specifically, for those two students, the University made manual adjustments to the COAs, which prevented PeopleSoft from adjusting the COA based on actual enrollment. As a result, for one student the COA was higher than it should have been; however, that did not result in an overaward of financial assistance. For the other student, the COA was lower than it should have been; however, that did not affect the amount of financial assistance that student was eligible to receive.

After auditors brought the errors to the University’s attention, it adjusted the students’ COA calculations and determined that neither student was underawarded or overawarded financial assistance. However, incorrect COA calculations could result in underawards or overawards of financial assistance.

Federal Pell Grant

When awarding Federal Pell Grant assistance to students, for each payment period, an institution may award a Federal Pell Grant to an eligible student only after it determines that the student is enrolled in an eligible program as an undergraduate student (Title 34, CFR, Section 690.75(a)). Institutions use the payment and disbursement schedules provided each year by the U.S. Department of Education for determining award amounts (Title 34, CFR, Section 690.62). Those schedules provide the maximum annual amount a student would receive for a full academic year for a given enrollment status, EFC, and COA. There are separate schedules for three-quarter-time, half-time, and less-than-half-time students (U.S. Department of Education *2014-2015 Federal Student Aid Handbook*, and Title 34, CFR, Section 690.63(b)).

For 4 (50 percent) of 8 students tested who received Federal Pell Grants, the University did not award those students Federal Pell Grant funds for the Summer term. The University's financial aid year begins with the Summer term, which is the first opportunity for students to receive financial assistance. However, the University awards Federal Pell Grant assistance in the Summer term only if a student requests assistance and meets the eligibility requirements. As a result, the University did not award Federal Pell Grant assistance in the Summer term in which those four students were eligible to receive that assistance; however, all four students received the full amount of Federal Pell Grant assistance they were eligible to receive for the Fall and Spring terms of the financial aid year.

Satisfactory Academic Progress

A student is eligible to receive Title IV, Higher Education Act Program assistance if the student maintains satisfactory progress in his or her course of study according to the institution's published standards of satisfactory progress that satisfy the provisions of Title 34, CFR, Section 668.16(e), and the provisions of Title 34, CFR, Section 668.34 (Title 34, CFR, Section 668.32(f)). An institution's satisfactory academic progress (SAP) policy should include a qualitative component that consists of grades or comparable factors that are measureable against a norm and a quantitative component that consists of the pace at which students must progress through their program to ensure that they will graduate within the maximum time frame required to complete their education. The pace at which a student is progressing is calculated by dividing the total number of hours the student has successfully completed by the total number attempted (U.S. Department of Education *2014-2015 Federal Student Aid Handbook*).

For an undergraduate program measured in credit hours, a period no longer than 150 percent of the published length of the program as measured in credit hours should be used to determine the maximum time frame for the quantitative component of SAP (Title 34, CFR, Section 668.34(b)(1)).

The University's SAP policy does not meet all federal requirements. The policy allows students to progress through an academic program at a pace that does not ensure that they will graduate within the maximum time frame. The policy specifies a minimum number of hours that a student must complete based on the number of hours enrolled in a financial assistance year. However, the policy does not consider cumulative hours, which could result in a pace that would not ensure that a student graduated within the maximum time frame.

During testing, auditors did not identify students who would be ineligible for student financial assistance as a result of the SAP policy issue. However, calculating pace on a financial aid year basis and in a manner that does not ensure graduation within the maximum time frame increases the risk that students will not graduate within the maximum time frame required and, therefore, will be ineligible for federal financial assistance.

Calculating the pace of progression through an academic program by each financial aid year, rather than by students' cumulative hours, increases the risk that the University could award financial assistance to ineligible students who exceed the maximum hours for an academic program.

Recommendations:

The University should:

- Calculate each student's COA based on the correct budget.

- Award students the correct amount of Federal Pell Grants according to their enrollment status for the Summer, Fall, and Spring terms.
- Update its SAP policy to meet federal requirements by calculating the quantitative pace requirement on a cumulative basis, rather than an annual basis, and by ensuring that the policy requires students to graduate within the maximum time frame.

Views of Responsible Officials and Corrective Action Plan:

Cost of Attendance

The University agrees it should assign the correct COA to each student and has reduced the number of budgets for the current award year.

Implementation Date: March 2015

Responsible Person: Karen Krause

Federal Pell Grant

The University agrees it should have awarded Pell to eligible applicant's student for the summer header. An automated process has been implemented to ensure Pell is awarded to eligible students enrolled in the summer term.

Implementation Date: May 2015

Responsible Person: Karen Krause

Satisfactory Academic Progress

The University will review and update our Satisfactory Academic Progress Policy to ensure the correct cumulative hours are used in measuring the pace of progression.

Implementation Date: May 2016

Responsible Persons: Karen Krause and Tanya Vittitow

Reference No. 2015-129

Special Tests and Provisions – Verification

(Prior Audit Issues 2014-149, 2013-171, 13-155, and 12-158)

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A134172; CFDA 84.033, Federal Work-Study Program, P033A134172; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P132335; CFDA 84.268, Federal Direct Student Loans, P268K142335; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T142335

Type of finding – Significant Deficiency and Non-Compliance

For each applicant whose Free Application for Federal Student Aid (FAFSA) is selected for verification by the Secretary of the U.S. Department of Education, an institution must verify all of the applicable items, which include household size, number of household members who are in college, adjusted gross income, U.S. income taxes paid, child support paid, food stamps, education credits, individual retirement account deductions, other untaxed income, high school completion, and identity and statement of educational purpose (Title 34, Code of Federal Regulations (CFR), Sections 668.54 and 668.56; and *Federal Register* Volume 78, Number 114). When the verification of an applicant’s eligibility results in any change to a non-dollar item or a change to a single dollar item of \$25 from the applicant’s original FAFSA, the institution must submit a correction to the U.S. Department of Education and adjust the applicant’s financial aid package on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR). For the Federal Pell Grant Program, if an applicant’s FAFSA information changes as a result of verification, an institution must recalculate the applicant’s Federal Pell Grant on the basis of the EFC on the corrected ISIR and disburse any additional funds under that award (Title 34, CFR, Section 668.59).

Questioned Cost:	\$0
U.S. Department of Education	

For 15 (25 percent) of 61 students tested, the University of Texas at Arlington (University) did not accurately verify all required items on the students’ FAFSAs, and it did not always update its records and request updated ISIRs as required. Specifically:

- For 14 students who were not tax-filers, the University did not verify the students’ income. Based on information the University provided, the University did not verify income for a total of 1,408 students who (1) did not indicate they had or would complete an Internal Revenue Service (IRS) tax return on their FAFSA or (2) reported that they were not going to file an income tax return and had no income. Those errors occurred because the University did not configure the verification checklist assignment process in its financial aid system correctly for students who were not tax-filers. In addition, for one of those students, the University also did not accurately verify the parents’ tax deferred pension amount due to a manual error. The University followed up with the 14 students tested; the University also asserted that it would follow up with the remaining 1,394 students and make corrections as necessary.
- For one student, the University did not accurately verify income for one parent who submitted IRS Form 4868 *Application for Automatic Extension of time to File U.S. Individual Income Tax Return*. The University permitted the parent to provide a signed statement in lieu of an IRS form W-2; however, the signed statement did not include the parent’s source of income or the reason an IRS form W-2 was not available. That occurred due to a manual error the University made during the verification process.

Not properly verifying FAFSA information could result in the University overawarding or underawarding student financial assistance. However, the 15 errors identified during testing did not result in changes to the students’ EFCs and did not result in overawards or underawards of financial assistance.

Recommendation:

The University should accurately verify all required FAFSA information for students selected for verification and request updated ISIRs when required.

Views of Responsible Officials and Corrective Action Plan:

Non-Tax Filer

The University agrees it should have accurately verified the income of student that identified as non tax-filers. The error occurred in system set-up and has been corrected. All students for the audit period have been reviewed and corrective actions taken if required.

Implementation Date: August 2015

Responsible Person: Jason Young

Income Verification

The University agrees it should accurately verify the income for all parents selected for verification. Additional training has been provided to prevent future manual errors.

Implementation Date: August 2015

Responsible Person: Jason Young

Reference No. 2015-130

Special Tests and Provisions – Disbursements To or On Behalf of Students

(Prior Audit Issue 2014-150)

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A134172; CFDA 84.033, Federal Work-Study Program, P033A134172; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P132335; CFDA 84.268, Federal Direct Student Loans, P268K142335; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T142335

Type of finding – Significant Deficiency and Non-Compliance

If a student transfers from one institution to another institution during the same award year, the institution to which the student transfers must request from the Secretary of the U.S. Department of Education, through the National Student Loan Data System (NSLDS), updated information about that student so that it can make certain eligibility determinations. The institution may not make a disbursement to that student for seven days following its request, unless it receives the information from NSLDS in response to its request or obtains that information directly by accessing NSLDS and the information it receives allows it to make the disbursement (Title 34, Code of Federal Regulations, Section 668.19).

Questioned Cost:	\$0
U.S. Department of Education	

The University of Texas at Arlington (University) did not always perform required reviews of transfer students prior to disbursing student financial assistance. For one student tested who transferred during the academic year, the University did not obtain updated loan history information from NSLDS for the current year before it disbursed financial assistance. The University did not add that student to its transfer monitoring list because of manual errors it made in identifying transfer students. The University does not have a process to identify all students who transferred during the academic year.

During testing, auditors did not identify students to whom the University overawarded financial assistance as a result of the issue discussed above. However, not obtaining updated NSLDS information prior to disbursing funds increases the risk that the University could overaward financial assistance to students who received financial assistance at another institution.

Recommendation:

The University should develop and implement a process to identify all students who transfer during the award year and review information from NSLDS before it disburses financial assistance.

Views of Responsible Officials and Corrective Action Plan:

The University agrees it should ensure that required students are added to the transfer monitoring list and has implemented and automated procedure for ensuring students are added to the list.

Implementation Date: October 2015

Responsible Person: Beth Reid

Reference No. 2015-131

Special Tests and Provisions – Enrollment Reporting

(Prior Audit Issues 2014-152 and 2013-173)

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P132335; and CFDA 84.268, Federal Direct Student Loans, P268K142335

Type of finding – Significant Deficiency and Non-Compliance

Unless an institution expects to submit its next enrollment reporting roster file to the Secretary of the U.S. Department of Education within the next 60 days, it must notify the Secretary within 30 days if it discovers that a Federal Family Education Loan (FFEL), Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan has been made to or on behalf of a student who (1) enrolled at that institution but has ceased to be enrolled on at least a half-time basis; (2) has been accepted for enrollment at that institution but failed to enroll on at least a half-time basis for the period for which the loan was intended; or (3) has changed his or her permanent address (Title 34, Code of Federal Regulations, Sections 685.309(b) and 682.610(c) and *Dear Colleague Letter*, April 14, 2014 (GEN-14-07)). Effective June 2012, enrollment reporting roster files must also include Federal Pell Grant-only and Federal Perkins Loans recipients (Title 34, CFR, Section 690.83(b)(2), and *Dear Colleague Letter*, March 30, 2012 (GEN-12-06)).

Questioned Cost:	\$0
U.S. Department of Education	

Institutions are required to use the date of a student’s withdrawal for purposes of reporting enrollment status changes to the Secretary of the U.S. Department of Education and determining when a refund or return of Title IV funds must be paid (Title 34, CFR, Section 685.305(c)). In addition, the *National Student Loan Data System (NSLDS) Enrollment Reporting Guide* states that, in the absence of a formal withdrawal, the last recorded date of attendance should be reported as the status change date (*NSLDS Enrollment Reporting Guide*, Appendix C).

The University of Texas at Arlington (University) uses the services of the National Student Clearinghouse (NSC) to report status changes to NSLDS. Under this arrangement, the University reports all students enrolled and their status to NSC. NSC then identifies any changes in status and reports those changes when required to NSLDS. Additionally, NSC completes the roster file on the University’s behalf and communicates status changes to NSLDS, as applicable. Although the University uses the services of NSC, it is still ultimately the University’s responsibility to submit timely, accurate, and complete responses to roster files and to maintain proper documentation (*NSLDS Enrollment Reporting Guide*, Chapter 3).

The University did not report students who unofficially withdraw from all courses for a term to NSLDS. The University determined the last date of attendance for students who withdrew without providing official notification for the purposes of determining when a refund or return of Title IV funds must be paid; however, it did not report those students as withdrawn to NSLDS.

Not reporting student status changes accurately and completely could affect determinations that guarantors, lenders, and servicers of student loans make related to in-school status, deferments, grace periods, repayment schedules, and the federal government's payment of interest subsidies.

Recommendation:

The University should report all student status changes to NSLDS.

Views of Responsible Officials and Corrective Action Plan:

The University is updating its procedures to automate reporting to NSLDS for students that are unofficial withdrawals.

Implementation Date: February 2016

Responsible Person: Dr. Wallace Wasson

University of Texas at Austin

Reference No. 2015-132

Special Tests and Provisions – Enrollment Reporting

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P142336; CFDA 84.268, Federal Direct Student Loans, P268K152336; and CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

Unless an institution expects to submit its next enrollment reporting roster file to the Secretary of the U.S. Department of Education within the next 60 days, it must notify the Secretary within 30 days if it discovers that a Federal Family Education Loan (FFEL), Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan has been made to or on behalf of a student who (1) enrolled at that institution but has ceased to be enrolled on at least a half-time basis; (2) has been accepted for enrollment at that institution but failed to enroll on at least a half-time basis for the period for which the loan was intended; or (3) has changed his or her permanent address (Title 34, Code of Federal Regulations (CFR), Sections 685.309(b) and 682.610(c)). Effective June 2012, enrollment reporting roster files must also include Federal Pell Grant-only and Federal Perkins Loans recipients (Title 34, CFR, Section 690.83(b)(2), and *Dear Colleague Letter*, March 30, 2012 (GEN-12-06)).

Questioned Cost:	\$0
U.S. Department of Education	

The University of Texas at Austin (University) uses the services of the National Student Clearinghouse (NSC) to report status changes to the National Student Loan Data System (NSLDS). Under this arrangement, the University reports all students enrolled and their status to NSC. NSC then identifies any changes in status and reports those changes when required to NSLDS. Additionally, NSC completes the roster file on the University’s behalf and communicates status changes to NSLDS as applicable. Although the University uses the services of NSC, it is still ultimately the University’s responsibility to submit timely, accurate, and complete responses to roster files and to maintain proper documentation (*NSLDS Enrollment Reporting Guide*, Chapter 3).

For 3 (5 percent) of 60 students tested who had a status change, the University did not report status changes or effective dates to NSLDS accurately. Specifically:

- For two students, the University accurately reported those students’ less-than-full-time enrollment status and effective dates to NSC; however, NSC did not report the status change to NSLDS. The NSC reported only a graduation status for those two students to NSLDS; however, the University had reported one of those students to NSC as having three-quarter-time enrollment and the other student as having less-than-half-time enrollment.
- For one student, the University inaccurately reported the effective date of the student’s withdrawal to NSLDS because of a manual error it made inputting the student’s withdrawal date into the information that it submitted to NSC.

Those errors occurred because of manual errors the University made in submitting status changes and because the University does not have a process to ensure that the student status changes it reports to NSC are accurately reported to NSLDS.

Not reporting student status changes accurately and completely could affect determinations that guarantors, lenders, and servicers of student loans make related to in-school status, deferments, grace periods, repayment schedules, and the federal government’s payment of interest subsidies.

Recommendations:

The University should:

- Accurately report all student status changes to NSLDS.

- Establish and implement a monitoring process to ensure that the status changes it reports to NSC are accurately reported to NSLDS.

Views of Responsible Officials and Corrective Action Plan:

The University concurs with the finding. The Office of the Registrar intermittent enrollment status affecting the determinations made by guarantors and were not reported by NSC have been updated on the NSLDS website on 8/12/2015. The University of Texas at Austin will make sure that the final enrollment changes that are reported to NSC are submitted to NSLDS. Following the submission of this roster to NSLDS, The University of Texas at Austin will submit degree files to NSC for updates and subsequent submission of graduated students to NSLDS.

The Office of the Registrar agrees that a typo with the withdrawal date was reported for a student. The withdrawal date of 2/3/15 was reported instead of 2/13/15. This error was corrected on 8/12/15. Because the date submitted was an earlier date rather than the later date, no interest subsidy would have been lost by the federal government. The Office of the Registrar will have a second staff member review manually updated unofficial withdrawal records.

Implementation Date: August 2016

Responsible Person: Vasanth Srinivasa

Reference No. 2015-133

Special Tests and Provisions – Student Loan Repayments

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award number – CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

Under the Federal Perkins Loan Program, institutions are permitted to grant forbearance to the borrower. That forbearance may include temporary cessation of payments, allowing an extension of time for making payments, or temporarily accepting smaller payments than previously were scheduled. The institution is required to receive a request for forbearance and supporting documentation from the borrower. An institution may grant forbearance if (1) the amount of the payments the borrower is obligated to make on Title IV loans each month is collectively equal to or greater than 20 percent of the borrower’s total monthly gross income, (2) the institution determines that the borrower should qualify for the forbearance due to poor health or for other acceptable reasons, or (3) the Secretary of the U.S. Department of Education authorizes a period of forbearance due to a national military mobilization or other national emergency (Title 34, Code of Federal Regulations, Section 674.33(d)).

Questioned Cost:	\$0
U.S. Department of Education	

For 2 (3 percent) of 62 of students tested, the University of Texas at Austin (University) did not obtain adequate documentation to support its rationale for granting loan forbearance to those students. Those errors occurred because the University did not require supporting documentation at the time of a request for forbearance, as required. Because the University did not have supporting documentation for those students’ requests for forbearance, auditors could not determine whether the students were qualified for forbearance on their Federal Perkins Loan.

By not requiring adequate documentation of the reason for the forbearance request, the University increases the risk that it could grant forbearance to a student who does not qualify for that forbearance.

Recommendation:

The University should strengthen its controls over the forbearance process to require adequate documentation of the reason for the forbearance, and it should retain that documentation as support for granting the forbearance.

Views of Responsible Officials and Corrective Action Plan:

The University concurs with the finding. Student Accounts Receivable (SAR) has changed the forbearance process as of August 12, 2015 to require borrowers to include in their written request for forbearance the reason they are requesting forbearance. Documentation will be retained in the borrowers' loan files.

Implementation Date: August 2015

Responsible Person: Joanna Sollinger

Reference No. 2015-134

Equipment and Real Property Management

(Prior Audit Issues 2014-155, 2013-176, 13-161, and 12-170)

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

Equipment

A recipient's equipment records for equipment acquired with federal funds and federally owned equipment must be maintained accurately and include all of the following: a description of the equipment; manufacturer's serial number, model number, federal stock number, national stock number, or other identification number; the source of the equipment, including the award number; whether title vests in the recipient or the federal government; acquisition date and cost; the percentage of federal participation in the cost of the equipment; location and condition of the equipment; unit acquisition cost; and ultimate disposition data for the equipment (Title 2, Code of Federal Regulations (CFR), Section 215.34(f)).

Questioned Cost:	\$0
U.S. Department of Defense	
U.S. Department of Energy	
U.S. Department of Health and Human Services	
National Science Foundation	

In addition, the University of Texas at Austin's (University) *Handbook of Business Procedures* requires that an inventory tag with a bar code be affixed to new equipment items that are capitalized (items with a unit cost of \$5,000 or more) or controlled (certain items with a unit cost of \$500 to \$4,999.99).

The University did not always maintain adequate property records for its equipment items or adequately safeguard its equipment. Specifically, for 13 (21 percent) of 62 equipment items tested, the University's property records were inaccurate. For each of those 13 items, the property records for 1 or more of the following was inaccurate: item location, information on the transfer of an item to another higher education institution, inventory tag number, or serial number. The University also did not appropriately safeguard and maintain 6 of those 13 equipment items; those 6 equipment items had total acquisition costs of \$94,475. Specifically, the University transferred two of those equipment items to another higher education institution before it completed its required process for property records, and it was unable to locate the remaining four equipment items at the time of the audit.

In addition, the University did not affix required asset tags to 9 (15 percent) of 60 equipment items tested.

The errors discussed occurred because the University did not always follow its policies and procedures or because it did not enter property records accurately and completely into its asset management system. Not properly maintaining property records and not adequately safeguarding equipment increases the risk that equipment may be lost or stolen.

Physical Inventory

A recipient must conduct a physical inventory of equipment and reconcile the results with equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records must be investigated to determine the causes of the difference. The recipient must, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment. A control system also must be in effect to ensure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment must be investigated and fully documented; if the equipment was owned by the federal government, the recipient must promptly notify the federal awarding agency (Title 2, CFR, Section 215.34(f)).

The University’s *Handbook of Business Procedures* states that when a unit administrator becomes aware that an item of equipment is missing, a diligent search must be performed until the item is found or until it is established that the equipment is lost or has been stolen. The *Handbook of Business Procedures* also specifies sanctions for a department with lost or stolen property in excess of 2 percent of the department’s total inventory, including a fine of 50 percent of the lost inventory.

The University conducted a physical inventory of equipment during fiscal year 2015 in eight cycles, which staggered the time frame between department inventories. Auditors reviewed the physical inventory dated August 28, 2015, and identified 15 departments that had missing equipment items in excess of 2 percent of their individual inventory. However, the University did not notify those departments that they were not in compliance with policy and it did not impose the sanctions specified in its policy. Due to a lack of documentation, auditors were unable to determine whether the University took action to resolve the discrepancies identified during the physical inventory.

Not following up on discrepancies identified in a physical inventory increases the risk that the University could improperly dispose of equipment items purchased with federal funds.

The issues above affected the following awards:

CFDA No.	CFDA Title	Award Number	Award Year
12.300	Basic and Applied Scientific Research	N00024-07-D-6200/0394 CLN 0001 ACN AA_AB	July 21, 2011 to December 20, 2014
12.300	Basic and Applied Scientific Research	N00024-07-D-6200-0530 CLN 0003 ACN AA	January 29, 2013 to July 28, 2015
12.300	Basic and Applied Scientific Research	N00024-07-D-6200-0538 CLN 0003 ACN AA AB	September 27, 2013 to September 26, 2015
12.431	Basic Scientific Research	W911NF-14-1-0393	July 7, 2014 to July 6, 2015
12.800	Air Force Defense Research Sciences Program	SP0022325-PROJ0007152 (the University received award funds via a pass-through from Northwestern University)	January 15, 2014 to April 30, 2015
12.800	Air Force Defense Research Sciences Program	FA9550-11-1-0062	July 15, 2011 to January 14, 2016
47.070	Computer and Information Science and Engineering	CNS-1419152	October 1, 2014 to September 30, 2017
81.049	Office of Science Financial Assistance Program	DE-SC0001091	August 1, 2009 to April 30, 2015

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CFDA No.	CFDA Title	Award Number	Award Year
81.132	Geologic Sequestration Site Characterization	DE-FE0001941	December 8, 2009 to September 30, 2014
81.134	Industrial Carbon Capture and Storage (CCS) Application	FE0001941	December 8, 2009 to September 30, 2014
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	LOA# 1, 1 R01 EB015007-01,02	May 1, 2012 to April 30, 2015
93.838	Lung Diseases Research	5R01HL117164-01A1,02,03	August 15, 2013 to May 31, 2017

Recommendations:

The University should:

- Strengthen controls to ensure that it updates and maintains accurate and complete property records.
- Strengthen controls to ensure that it adequately safeguards its equipment to prevent loss, damage, or theft.
- Strengthen controls over its physical inventory, and follow up on equipment items identified as missing during its physical inventory.

Views of Responsible Officials and Corrective Action Plan:

The University concurs with the finding.

Management at The University of Texas at Austin is committed to ensuring the overall financial integrity relative to inventory oversight. Several steps will be taken by the University to demonstrate our commitment to enhancing inventory controls. The reorganization and revision of the Handbook of Business Procedures (HBP) will increase the utility of the document and afford central inventory a cleaner compliance source in which to direct stakeholders to. Formalized training courses will be created and taught by central inventory in order to better align department processes and procedures with the HBP. Central inventory will also pursue additional opportunities to reach out to the university's business officers to further emphasize the importance of inventory compliance. Inventory Services will continuously seek to identify and implement policy improvements to ensure adequate controls over property management.

Implementation Date: August 2016

Responsible Person: Kristen Walker

Reference No. 2015-135

**Period of Availability of Federal Funds
Period of Performance**

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

Period of Availability of Federal Funds

When a funding period is specified, a recipient may charge to a grant only allowable costs resulting from obligations incurred during the funding period and any preaward costs authorized by the federal awarding agency (Title 2, Code of Federal Regulations (CFR), Section 215.28). Unless the federal awarding agency authorizes an extension, a recipient must liquidate all obligations incurred under the award not later than 90 calendar days after the funding period or the date of completion as specified in the terms and conditions of the award or in agency implementing instructions (Title 2, CFR, Section 215.71(b)).

Questioned Cost:	\$0
U.S. Department of Defense	

The University of Texas at Austin (University) did not always incur costs within the period of availability and did not always liquidate its obligations within the required time period. For 1 (2 percent) of 49 transactions tested, the University did not incur the cost within the funding period and did not liquidate the obligation associated with the cost within the required time frame. The University incurred the \$89 obligation 63 days after the end of the funding period, and it liquidated the obligation 93 days after the end of the funding period. The University asserted that it posted the transaction to the account due to an accounting system error. The federal contract those costs were associated with included a clause which waived entitlement of residual dollars up to \$500 at the time of project close-out for either the sponsor or the University. Those costs were within that residual clause threshold; therefore, there are no questioned costs.

In addition, for 20 (63 percent) of 32 adjustments tested, the University did not make those adjustments within 90 days after the end of the period of availability. It made those adjustments between 97 and 337 days after the period of availability. For 19 of those adjustments, in December 2014 the University’s Applied Research Laboratories identified an error in the allocation of fringe benefits for a large number of employees. The Applied Research Laboratories corrected and reallocated the fringe benefits in its accounting system, and those corrections were then transferred to the University’s accounting system, which caused an additional delay in the recording of the adjustments. As a result, those adjustments caused a delay in the close out of those grants and caused delays in the processing of other adjustments. The remaining adjustment was delayed due to the lack of departmental approval on a voucher in the University’s accounting system. All costs associated with those adjustments were otherwise allowable; therefore, there were no questioned costs.

Not properly closing out awards increases the risk that unallowable costs could be charged to federal awards.

Period of Performance

A non-federal entity may charge to the federal award only allowable costs incurred during the period of performance and any costs incurred before the federal awarding agency or pass-through entity made the federal award that were authorized by the federal awarding agency or pass-through entity (Title 2, CFR, Section 200.309).

The University’s *Hand book of Business Procedures*’ travel section prohibits reimbursement of (1) gratuities on non-local accounts, (2) food costs incurred at the duty headquarters unless the expenses are mandatory, and (3) non-food items on a meal receipt.

For 3 (17 percent) of 18 transactions tested, the University incurred unallowable transactions prior to the period of performance for the federal award, and it included those transactions in other preaward costs. The University reimbursed a total of \$155 for gratuity included in taxi fares, food items purchased at duty headquarters on the day of travel, and non-food items on a meal reimbursement. The University reviewed and approved the travel reimbursement requests; however, that review was not sufficient to identify the unallowable costs. After auditors brought those errors

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to the University’s attention, it returned the funds to the federal awarding agency; therefore, there were no questioned costs.

Not properly reviewing and approving transactions increases the risk that the University could charge unallowable costs to federal awards.

The following awards were affected by the period of availability issues discussed above:

CFDA No.	CFDA Title	Award Number	Award Year
12.000	U.S. Department of Defense	N00024-07-D-6200-0616 CLN 0003 ACN AA	January 28, 2014 to January 27, 2015
12.000	U.S. Department of Defense	N00024-07-D-6200-0468 CLN 0001 ACN AA AB	June 5, 2012 to December 4, 2014
12.000	U.S. Department of Defense	N00024-07-D-6200-0534 CLN 0003 ACN AA	May 10, 2013 to May 31, 2015
12.000	U.S. Department of Defense	N00024-07-D-6200-0628 CLN 0003 ACN AA	April 17, 2014 to April 16, 2015
12.000	U.S. Department of Defense	N00024-07-D-6200-0582 CLN 0003 ACN AA	August 27, 2013 to August 26, 2014
12.000	U.S. Department of Defense	N00024-07-D-6200-0533 CLN 0003 ACN AA	April 4, 2013 to September 30, 2014
12.000	U.S. Department of Defense	N00024-07-D-6200-0455 CLN 0003 ACN AA	August 14, 2012 to August 13, 2014
12.000	U.S. Department of Defense	N00024-07-D-6200-0650 CLN 0003 ACN AA	June 3, 2014 to September 30, 2014
12.300	Basic and Applied Scientific Research	26-0797-24-2 CLIN 4011	June 11, 2013 to July 31, 2014
12.300	Basic and Applied Scientific Research	26-0797-24-3 CLIN 4021	June 11, 2013 to July 31, 2014
12.300	Basic and Applied Scientific Research	N00024-07-D-6200/0194 CLN 0001 ACN AA	June 18, 2009 to December 30, 2014
12.300	Basic and Applied Scientific Research	N00014-06-G-0218, DO 0029	October 14, 2008 to November 13, 2014
12.910	Research and Technology Development	D11AP00263 AMD 0003	April 20, 2011 to April 19, 2014

The following award was affected by the period of performance issues discussed above:

CFDA No.	CFDA Title	Award Number	Award Year
12.000	Department of Defense	HR0011-15-C0095	July 1, 2015 to December 31, 2015

Recommendations:

The University should:

- Strengthen its closeout process to ensure that it closes grant accounts in its accounting system within the required 90-day closeout period.
- Charge only allowable costs to federal awards within the period of performance.

Views of Responsible Officials and Corrective Action Plan:

Period of Availability

The University concurs with the finding.

The adjustments related to the ARL were a result of an error in calculating fringe benefits on their internal payroll accounting software programming. The error has been corrected and should not be a problem in the future. The University will continue to improve its processes as necessary to avoid adjustment issues within the period of availability.

Implementation Date: January 2016

Responsible Person: David G. Dockwiller

Period of Performance

The University concurs with the finding.

The department has been notified about this finding and has been provided with travel procedures and processes so that the issue does not occur in the future.

Implementation Date: January 2016

Responsible Person: David G. Dockwiller

Reference No. 2015-136

Reporting

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

Recipients are responsible for managing, monitoring, and reporting performance for each project, program, subaward, function, or activity supported by the award (Title 2, Code of Federal Regulations (CFR), Sections 215.51 and 215.52). Recipients use the Federal Financial Reporting Standard Form (SF-425) to report financial activity. The U.S. Office of Management and Budget provides specific instructions for completing the SF-425, including definitions and requirements of key reporting elements.

Questioned Cost: \$0

National Aeronautics and
Space Administration
Nuclear Regulatory Commission
U.S. Department of Defense
U.S. Department of Energy

The University of Texas at Austin (University) did not ensure that it reported all information in its financial reports on the correct basis. Specifically, for 16 (27 percent) of 60 financial reports tested, the University did not report indirect costs on a cumulative basis, as required. Instead, the University reported indirect costs on a reporting period basis. That occurred because the University relied on an outdated set of instructions for the SF-425, and those instructions did not specify that indirect costs should be reported cumulatively. The University’s automated system was designed to generate the SF-425 report using an outdated form that did not report indirect costs on a cumulative basis. Therefore, additional SF-425 reports that the automated system generated also would have been reported on an outdated form and may not have been complete, depending on federal agency reporting requirements. While the University did not report indirect costs on a cumulative basis, it specified on the financial reports that the indirect costs pertained to the period for which it was reporting; therefore, the University submitted factually correct financial reports.

While the University reviews all of its financial reports prior to submitting them, that review was not sufficient to ensure that the financial reports were accurate and complete. Submitting inaccurate reports increases the risk that federal agencies could rely on inaccurate information to manage and monitor their awards.

The issues discussed above related to the reporting of indirect costs affected the following awards:

CFDA No.	CFDA Title	Award Number	Award Year
12.351	Basic Scientific Research – Combating Weapons of Mass Destruction	HDTRA1-12-1-0018	May 7, 2012 to August 31, 2016
12.351	Basic Scientific Research – Combating Weapons of Mass Destruction	HDTRA-1-13-1-0031	January 14, 2013 to August 13, 2015
12.351	Basic Scientific Research – Combating Weapons of Mass Destruction	HDTRA1-11-1-0005	August 8, 2011 to August 7, 2016
12.910	Research and Technology Development	FA8650-11-1-7159, P03	September 7, 2011 to June 15, 2015
12.910	Research and Technology Development	N66001-14-2-4051; UTA14-001109	September 1, 2014 to December 31, 2015
43.001	Science	NNX11AE42G	June 1, 2011 to May 31, 2015
77.008	U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	NRC-HQ-13-G-38- 0029	August 1, 2013 to July 31, 2017
81.086	Conservation Research and Development	DE-EE0005763/0004	September 1, 2013 to November 30, 2016
81.089	Fossil Energy Research and Development	DE-FE0023919/ 0002	October 1, 2014 to September 30, 2018

Recommendation:

The University should use the most current federal reporting instructions and forms and report cumulative indirect costs on its SF-425 reports.

Views of Responsible Officials and Corrective Action Plan:

The University concurs with the finding.

The template for the SF-425 has been updated both internally and on UT Direct website to reflect the current rendition of the form.

Implementation Date: January 2016

Responsible Person: David G. Dockwiller

University of Texas at Dallas

Reference No. 2015-137

**Activities Allowed or Unallowed
Allowable Costs/Cost Principles**

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

Direct Costs (Payroll)

As a general policy, the National Science Foundation (NSF) limits salary compensation for senior project personnel to no more than two months of their regular salary in any one year. That limit includes salary compensation received from all NSF-funded grants. Effort must be documented in accordance with the applicable cost principles. If anticipated, any compensation for such personnel in excess of two months must be disclosed in the proposal budget, justified in the budget justification, and specifically approved by NSF in the award notice (National Science Foundation *Grant Proposal Guide*, Chapter II, Section C(2)(g)).

Questioned Cost:	\$28
National Science Foundation	
U.S. Department of Commerce	
U.S. Department of Defense	
U.S. Department of Health and Human Services	

In addition, institutions must maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300(b)).

For 1 (3 percent) of 39 payroll transactions tested that were subject to salary restrictions, the University of Texas at Dallas (University) did not comply with salary restrictions for key personnel. Specifically, the University paid more than two months of an employee’s salary from an NSF grant and, therefore, did not comply with the NSF restriction that no more than two month’s regular salary may be attributed to NSF grants. After auditors brought that error to the University’s attention, it removed the excess salary from the federal grant account; therefore, there were no questioned costs. Although the University’s Office of Sponsored Projects reviews grant proposal budgets for compliance with salary restrictions for federal awards, the University did not have a documented process to monitor compliance with salary restrictions on a recurring basis.

In addition, for 12 (20 percent) of 60 payroll transactions tested, the University did not maintain documentation of review and approval for some employees’ appointments to federal awards. The University had three different methods for establishing personnel appointments to federal awards, including a fiscal budgeting process, a spreadsheet for summer appointments, and personnel action forms. All three methods required review and approval from the Office of Post Award Management. For the 12 errors identified, the University used the fiscal budgeting process for personnel appointments and did not have evidence of review and approval from the Office of Post Award Management. Without consistent documentation of employee appointments to federal awards, the University could incur unallowable payroll costs.

Direct Costs (Non-payroll)

Allowable costs charged to federal programs must be reasonable, be allocable to sponsored agreements, be given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstance, and conform to any limitations or exclusions set forth in cost principles or in the sponsored agreement as to types or amounts of cost items (Title 2, Code of Federal Regulations, Section 220, Appendix A, C(2)).

Two (3 percent) of 67 direct cost transactions tested at the University were unallowable. Specifically, the University reimbursed \$28 in gratuity charges included in taxi fares as part of two travel reimbursements. The University reviewed and approved travel reimbursement requests; however, that review was not sufficient to identify the unallowable costs. The University’s *Reimbursement and Non Reimbursement for Other Travel Expenses* policy excludes reimbursement of tips or gratuities of any kind. For one additional transaction, the University processed a transfer without documented approval from the Office of Post Award Management. That occurred because the

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University did not consistently follow its review and approval process to ensure that transactions complied with applicable requirements. Not properly reviewing and approving transactions increases the risk that the University could charge unallowable costs to federal awards.

The following awards were affected by the issues discussed above:

CFDA No.	CFDA Title	Award Number	Award Year	Questioned Costs
11.000	U.S. Department of Commerce	UTA13-000444 (the University received the funds as a pass-through from the University of Texas at Austin)	April 1, 2013 to December 31, 2015	\$ 0
12.000	U.S. Department of Defense	SC1313401 (the University received the funds as a pass-through from Charles River Analytics, Inc.)	November 8, 2013 to December 31, 2014	0
12.300	Basic and Applied Scientific Research	2145 (the University received the funds as a pass-through from Princeton University)	July 1, 2013 to February 14, 2016	0
12.300	Basic and Applied Scientific	N00014-14-1-0152	January 1, 2014 to December 31, 2017	0
12.420	Military Medical Research and Development	W81XWH-11-2-0194	June 1, 2014 to October 29, 2015	0
12.800	Air Force Defense Research Sciences Program	SO#10220-001 (the University received the funds as a pass-through from COBHAM Plc.)	October 21, 2011 to December 31, 2014	0
47.041	Engineering Grants	EEC-1338735	September 1, 2013 to August 31, 2016	0
47.049	Mathematical and Physical	1460654	March 1, 2015 to February 28, 2018	12
47.050	Geosciences	1541227	July 1, 2013 to May 31, 2017	0
47.070	Computer and Information Science and Engineering	CNS-1348558	February 1, 2014 to January 31, 2015	16

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<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>	<u>Questioned Costs</u>
47.070	Computer and Information Science and Engineering	IIS-0845484	June 1, 2009 to August 31, 2016	0
47.075	Social, Behavioral, and Economic Sciences	SES-1230091	September 15, 2012 to August 31, 2015	0
47.075	Social, Behavioral, and Economic Sciences	BCS-1124479	April 1, 2013 to February 29, 2016	0
93.173	Research Related to Deafness and Communication Disorders	R01DC010433	April 1, 2010 to March 31, 2016	0
93.173	Research Related to Deafness and Communication Disorders	300255 (the University received the funds as a pass-through from MGH Institute of Health Professions)	December 1, 2013 to November 30, 2015	0
93.310	Trans-NIH Research Support	1 DP2 HD080349	September 30, 2013 to August 31, 2018	0
Total Questioned Costs				<u>\$ 28</u>

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300(b)).

The University did not consistently maintain high-profile user accounts at the application level. Specifically, one user had inappropriate access to the PeopleSoft financials and human resources applications. As part of its review process, the University identified the inappropriate access and removed that user’s access during the audit. In addition, one developer for the Effort Certification System had both database administrator access and server administrator access.

Allowing users inappropriate or excessive access to applications increases the risk of inappropriate changes to systems and does not allow for proper segregation of duties.

Recommendations:

The University should:

- Comply with all applicable salary restrictions for federal awards.
- Establish and implement a monitoring control to ensure compliance with salary restrictions.
- Strengthen its controls over personnel appointments to federal awards.

- Charge only allowable costs to federal awards.
- Strengthen its review and approval process to ensure that transactions that it charges to federal awards comply with policies and are allowable.
- Limit access to its information systems based upon users' job responsibilities.

Views of Responsible Officials and Corrective Action Plan:

Allowable Cost

UT Dallas agrees with the recommendations to improve controls over the monitoring of salary restrictions, personnel appointments and allowable cost review. In September 2015, the University developed guidelines to aid departments in the financial management of an award. These guidelines outline the specific requirements and follow the cost accounting standards as prescribed in OMB 2 CFR Part 200 (Uniform Guidance) and University policies. The guidelines will help eliminate inconsistent accounting treatment of project related costs and the potential of unallowable costs being charged to federally funded projects.

Salary Restrictions – the University will develop a process to monitor the National Science Foundation (NSF) expenditures to ensure there are no employees that exceed the salary restrictions. The process will include monthly reports and documentation of reviews.

Personnel Appointments – the University will strength its controls over personnel appointments by ensuring that appropriate approvals are obtained for all appointments on federal awards. This process will help build an institution-wide awareness of associated procedures.

The University has implemented improvements to the review and approval process for expenses to ensure sufficient documentation, justification and allowability as specified in the Uniform Guidance.

Implementation Date: April 2016

Responsible Person: Kelly McKinney

General Controls

UT Dallas agrees with the recommendation to improve controls over information systems access. The University conducts formal user access reviews of PeopleSoft financials and human resources applications on a quarterly basis. These reviews are in place to ensure that user access is based on current job duties. For high profile users, a same day alerts will be implemented for any access changes allowing for up-to-date access review.

Implementation Date: March 2016

Responsible Person: Jai Chitkara

Reference No. 2015-138

Cash Management

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

Interest on Advances

A recipient must maintain advances of federal funds in interest-bearing accounts unless (1) the recipient receives less than \$120,000 in federal awards per year, (2) the best reasonably available interest-bearing account would not be expected to earn interest in excess of \$250 per year on federal cash balances, or (3) the depository would require an average or minimum balance so high that it would not be feasible within the expected federal and non-federal cash resources (Title 2, Code of Federal Regulations (CFR), Section 215.22(k)). For entities to which the Cash Management Improvement Act (CMIA) and its implementing regulations do not apply, interest earned on federal advances deposited in interest-bearing accounts must be remitted annually to the U.S. Department of Health and Human Services. Interest amounts up to \$250 per year may be retained by the recipient for administrative expense. State universities and hospitals must comply with CMIA as it pertains to interest (Title 2, CFR, Section 215.22(l)). In addition, Title 31, CFR, Section 205, which implements the CMIA, specifies that a state interest liability accrues from the day federal funds are credited to a state account to the day the state pays out the federal funds for federal assistance program purposes (Title 31, CFR, Section 205.15).

Questioned Cost:	\$44,090
U.S. Department of Defense	

The University of Texas at Dallas (University) did not have a process to track, calculate, and remit interest earned on federal funds by individual federal award. Instead, the University tracked its cash position at an aggregate level for all federal awards combined, rather than at the individual federal award level. Additionally, the University did not have policies and procedures governing its management of advances of federal funds.

The University identified two federal awards for which it had potentially received advances of federal funds according to its records. Auditors determined that both of those federal awards required that advances of funds be maintained in interest-bearing accounts. Auditors also determined that the University received federal funds in advance of making expenditures for both of those federal awards; one of those federal awards had advances in excess of expenditures for a total of 82 calendar days during fiscal year 2015. However, auditors determined that interest would not have exceeded the administrative cost allowance of \$250 on funds the University received in advance of expenditures for those two federal awards; therefore, the University was not required to remit interest to the federal government.

Because the University did not track federal awards with interest-bearing requirements individually, auditors could not determine whether any other federal awards earned interest that would need to be remitted to the federal government. If the University does not track advances in interest-bearing accounts by federal award, it cannot earn or remit to the federal government interest exceeding \$250 per year on funds it received in advance of expenditures.

The following awards were affected by the issues discussed above:

CFDA No.	CFDA Title	Award Number	Award Year
12.420	Military Medical Research and Development	W81XWH-11-2-0194	September 30, 2011 to October 29, 2015
12.420	Military Medical Research and Development	W81XWH-11-2-0195	September 30, 2011 to October 29, 2015

Cash Management

A state must minimize the time between the drawdown of federal funds from the federal government and the disbursement of those funds for federal program purposes. The timing and amount of funds transfers must be as close as is administratively feasible to a state’s actual cash outlay for direct program costs and the proportionate share of any allowable indirect costs (Title 31, CFR, Section 205.33(a)).

To minimize the time between drawdown of federal funds and disbursement, the University operates on a reimbursement basis under which it bases its drawdowns of federal funds only on expended amounts.

The University did not always minimize the time between the drawdown of federal funds and the disbursement of those funds. Specifically, for 3 (8 percent) of 40 drawdowns tested, the University either (1) did not have sufficient support to demonstrate that it followed its draw process or (2) drew down funds that were not supported by paid expenditures. Specifically:

- The University did not have sufficient documented support for the amounts it requested for two of those drawdowns. The University requested a total of \$44,090 in those two drawdowns that was not supported by paid expenditures. Therefore, that amount was considered questioned costs.
- The University requested and drew down \$28,815 more than the paid expenditures recorded in its financial system, PeopleSoft, for one of those drawdowns. However, the University subsequently identified that error and reduced the amount of two subsequent drawdowns, which it processed 8 days and 49 days after the initial drawdown. Therefore, those funds were not considered questioned costs.

Those errors occurred because the University did not document its review and approval of drawdowns and reimbursement requests prior to submitting them to the appropriate federal agency or pass-through entity.

The following awards were affected by the issues discussed above:

<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>	<u>Questioned Costs</u>
12.300	Basic and Applied Scientific Research	N00014-14-1-0030	November 1, 2013 to October 31, 2016	\$ 0
12.800	Air Force Defense Research Sciences Program	FA9550-12-1-0082	April 1, 2012 to September 30, 2015	32,115
12.800	Air Force Defense Research Sciences Program	FA9550-13-1-0095	March 15, 2013 to March 14, 2017	4,930
12.800	Air Force Defense Research Sciences Program	FA9550-14-1-0173	July 1, 2014 to June 30, 2017	3,002
12.800	Air Force Defense Research Sciences Program	FA9550-14-1-0119	September 1, 2014 to August 31, 2017	2,215
12.800	Air Force Defense Research Sciences Program	FA9550-14-1-0394	September 30, 2014 to September 29, 2017	1,828
Total Questioned Costs				\$ 44,090

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300(b)).

The University did not consistently maintain high-profile user accounts at the application level. Specifically, one user had inappropriate access to the PeopleSoft financials and human resources applications. As part of its review process, the University identified the inappropriate access and removed that user's access during the audit. In addition, one developer for the Effort Certification System had both database administrator access and server administrator access.

Allowing users inappropriate or excessive access to applications increases the risk of inappropriate changes to systems and does not allow for proper segregation of duties.

Recommendations:

The University should:

- Develop and implement a process to track, calculate, and remit interest it earns on federal funds by individual federal award.
- Develop and implement policies and procedures to manage advances of federal funds.
- Strengthen controls over its drawdown process to ensure that drawdowns are accurate and supported by its accounting records.
- Limit access to its information systems based upon users' job responsibilities.

Views of Responsible Officials and Corrective Action Plan:

Cash Management

UT Dallas agrees with the recommendations to improve controls over advances of federal funds and the drawdown process. The University has reviewed all listed awards to ensure that no inaccurate or unsupported drawdowns were performed. Although no inaccurate cash requests were discovered, the University will retain improved documentation of historical drawdowns from the related federal application (Wide Area Work Flow – WAWF). This will ensure the University's ability to retrieve and review previous cash requests.

The University will develop and implement procedures for tracking and remitting interest earned on federal funds which will include management of federal advances. New procedures will also contain guidelines for the preparation, review and approval of drawdowns to ensure accuracy.

Implementation Date: August 2016

Responsible Person: Greg Argueta

General Controls

UT Dallas agrees with the recommendation to improve controls over information systems access. The University conducts formal user access reviews of PeopleSoft financials and human resources applications on a quarterly basis. These reviews are in place to ensure that user access is based on current job duties. For high profile users, a same day alerts will be implemented for any access changes allowing for up-to-date access review.

Implementation Date: March 2016

Responsible Person: Jai Chitkara

Reference No. 2015-139

Period of Availability of Federal Funds

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

When a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period and any preaward costs authorized by the federal awarding agency (Title 2, Code of Federal Regulations (CFR), Section 215.28). Unless the federal awarding agency authorizes an extension, a recipient shall liquidate all obligations incurred under the award not later than 90 calendar days after the funding period or the date of completion as specified in the terms and conditions of the award or in agency implementing instructions (Title 2, CFR, Section 215.71).

Questioned Cost:	\$1,112
U.S. Department of Commerce	
U.S. Department of Defense	
U.S. Department of Health and Human Services	
National Science Foundation	

The University of Texas at Dallas (University) did not always incur costs within the period of availability and did not always liquidate its obligations within the required time period. Specifically:

- The University did not incur costs associated with two transactions tested within the period of availability. One of those transactions was for payroll costs totaling \$488 that the University incurred 15 days after the period of availability. The other transaction comprised costs totaling \$624 that the University incurred 63 days after the period of availability, and the University liquidated those obligations 168 days after the period of availability. The costs associated with those two transactions are considered questioned costs totaling \$1,112.
- The University incurred the associated costs within the period of availability for 2 (40 percent) of 5 transactions tested; however, it did not liquidate those obligations within the required time frame. The University liquidated the obligations 106 to 161 days after the period of availability.
- The University did not make 8 (62 percent) of 13 adjustments tested within 90 days after the end of the period of availability. It made those adjustments 91 to 1,095 days after the period of availability as a result of the University’s grant close-out process.

The University did not perform its grant close-out process within a reasonable time after the end of the period of availability. Specifically, the University made adjustments to federal awards and liquidated expenses more than 90 days after the period of availability because it did not close the federal grant accounts in its financial management system. The University’s financial management system had automated controls to prohibit the liquidation of expenditures more than 45 days after the period of availability; however, the University routinely overrode those controls to charge expenditures to and process adjustments against federal awards.

Making expenditures and adjustments after the period of availability increases the risk that the University could spend federal funds improperly, which could affect its ability to obtain future grant funding.

The following awards were affected by the period of availability issues discussed above:

CFD A No.	CFDA Title	Award Number	Award year	Questioned Cost
11.008	NOAA Mission-Related Education Awards	2013-2014-004 (the University received funds as a pass-through from the University of Puerto Rico at Mayaguez)	June 1, 2013 to May 31, 2014	\$ 0
12.000	Department of Defense	SC1313401	November 8, 2013 to December 31, 2014	488

UNIVERSITY OF TEXAS AT DALLAS

<u>CFD A No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award year</u>	<u>Questioned Cost</u>
12.300	Basic and Applied Scientific Research	FA8750-12-1-0188	April 24, 2012 to April 23, 2015	0
47.041	Engineering Grants	CBET-1064574	September 1, 2011 to August 31, 2014	0
47.049	Mathematical and Physical Sciences	PHY-1027781	October 1, 2010 to September 30, 2014	624
47.070	Computer and Information Science Engineering	IIP-1339941	April 1, 2013 to April 30, 2014	0
47.070	Computer and Information Science Engineering	CCF0728851	September 15, 2007 to August 31, 2012	0
47.070	Computer and Information Science Engineering	CNS-1016343	August 1, 2010 to July 31, 2014	0
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	R21NS078656 (the University received funds as a pass-through from the University of Texas Southwestern Medical Center)	September 1, 2012 to August 31, 2014	0
Total Questioned Costs				<u>\$ 1,112</u>

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300(b)).

The University did not consistently maintain high-profile user accounts at the application level. Specifically, one user had inappropriate access to the PeopleSoft financials and human resources applications. As part of its review process, the University identified the inappropriate access and removed that user's access during the audit. In addition, one developer for the Effort Certification System had both database administrator access and server administrator access.

Allowing users inappropriate or excessive access to applications increases the risk of inappropriate changes to systems and does not allow for proper segregation of duties.

Recommendations:

The University should:

- Improve its grant close-out process to ensure that it closes grant accounts in its financial management system within required time periods.
- Ensure that it incurs expenditures only during the period of availability.
- Limit access to its information systems based upon users' job responsibilities.

Views of Responsible Officials and Corrective Action Plan:

Period Availability

UT Dallas agrees with the recommendations to improve controls over award close-outs and transactions outside the period of availability. In September 2015, the University developed period of performance guidelines to aid departments in the financial management of awards. The guidelines detail period of performance requirements for grants, contracts and sub-awards at the University. The procedure is consistent with The Office of Management and Budget Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) – 2 CFR 200 – 200.77.

UT Dallas has developed a procedure for the financial reporting and closeout of sponsored projects. The procedure details period of performance deadlines and the implementation has improved the process of approving expenditures after the award end date as part of the project closeout.

Implementation Date: Complete

Responsible Person: Kelly McKinney

General Controls

UT Dallas agrees with the recommendation to improve controls over information systems access. The University conducts formal user access reviews of PeopleSoft financials and human resources applications on a quarterly basis. These reviews are in place to ensure that user access is based on current job duties. For high profile users, a same day alerts will be implemented for any access changes allowing for up-to-date access review.

Implementation Date: March 2016

Responsible Person: Jai Chitkara

Reference No. 2015-140

Reporting

Research and Development Cluster

Award years – May 1, 2012 to February 15, 2015; August 15, 2010 to May 14, 2016; and February 1, 2013 to March 31, 2015

Award numbers – CFDA 81.135, Advanced Research Projects Agency – Energy, DE-AR0000210; CFDA 81.049, Office of Science Financial Assistance Program, DE-FG0208ER46491; and CFDA 93.286, Discovery and Applied Research for Technological Innovations to Improve Human Health, 7R21EB014563-02

Type of finding – Significant Deficiency and Non-Compliance

Recipients are responsible for managing, monitoring, and reporting performance for each project, program, subaward, function, or activity supported by an award (Title 2, Code of Federal Regulations (CFR), Sections 215.51 and 215.52). Recipients use the Federal Financial Report Standard Form (SF-425) to report financial activity. The U.S. Office of Management and Budget provides specific instructions for completing the SF-425, including definitions and requirements of key reporting elements.

Questioned Cost:	\$0
U.S. Department of Energy U.S. Department of Health and Human Services	

The University of Texas at Dallas (University) did not ensure that its financial reports were accurate and supported by applicable accounting records. Specifically, for 3 (5 percent) of 60 financial reports tested, the University did not accurately report either the cash receipts amount or the cash disbursements total, or it was unable to provide accounting support for the reported recipient share of expenditures. Those errors occurred because the University did not have a documented review and approval process to ensure that financial reports were complete and accurate, and it did not consistently maintain support for the information it used to prepare the reports.

Inaccurate information in financial reports increases the risk that federal agencies could rely on inaccurate information to manage and monitor awards.

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300(b)).

The University did not consistently maintain high-profile user accounts at the application level. Specifically, one user had inappropriate access to the PeopleSoft financials and human resources applications. As part of its review process, the University identified the inappropriate access and removed that user’s access during the audit. In addition, one developer for the Effort Certification System had both database administrator access and server administrator access.

Allowing users inappropriate or excessive access to applications increases the risk of inappropriate changes to systems and does not allow for proper segregation of duties.

Recommendations:

The University should:

- Develop and implement policies and procedures for reviewing and approving financial reports to ensure that financial reports are accurate and supported by accounting records.
- Maintain supporting documentation for the information it uses to prepare financial reports.
- Limit access to its information systems based upon users’ job responsibilities.

Views of Responsible Officials and Corrective Action Plan:

Reporting

UT Dallas agrees with the recommendations to improve controls over the review and approval of financial reports and maintaining report supporting documentation. A financial reporting and closeout of sponsored projects procedure has been developed to ensure the timely processing of all final transactions. In addition, procedures for the preparation, review, approval and retention of financial reports and supporting documentation will be implemented.

Implementation Date: August 2016

Responsible Person: Greg Argueta

General Controls

UT Dallas agrees with the recommendation to improve controls over information systems access. The University conducts formal user access reviews of PeopleSoft financials and human resources applications on a quarterly basis. These reviews are in place to ensure that user access is based on current job duties. For high profile users, a same day alerts will be implemented for any access changes allowing for up-to-date access review.

Implementation Date: March 2016

Responsible Person: Jai Chitkara

University of Texas at El Paso

Reference No. 2015-141

Eligibility

Special Tests and Provisions – Verification

(Prior Audit Issues 13-164, 11-171, and 11-170)

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grant, P007A144176; CFDA 84.033, Federal Work-Study Program, P033A144176; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P142338; CFDA 84.268, Federal Direct Student Loans, P268K152338; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T152338; CFDA 93.264, Nurse Faculty Loan Program, E01HP27044; CFDA 84.408, Postsecondary Education Scholarships for Veteran’s Dependents, E0AHP18915; and CFDA 93.925, Scholarships for Disadvantaged Students, T08HP25261

Type of finding – Significant Deficiency and Non-Compliance

Cost of Attendance

The determination of the federal student financial assistance award amount is based on financial need. Financial need is defined as a student’s cost of attendance (COA) minus the expected family contribution (EFC) (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087kk). The phrase “cost of attendance” refers to the “tuition and fees normally assessed for a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study.” An institution may also include an allowance for books, supplies, transportation, miscellaneous personal expenses, and room and board (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087ll).

Questioned Cost:	\$0
U.S. Department of Education U.S. Department of Health and Human Services	

For Title IV programs, the EFC is the amount a student and his or her family are expected to pay for educational expenses and is computed by the federal central processor and included on the student’s Institutional Student Information Record (ISIR) provided to the institution. Awards must be coordinated among the various programs and with other federal and non-federal assistance to ensure that total assistance is not awarded in excess of the student’s financial need (Title 34, Code of Federal Regulations (CFR), Sections 668.2 and 673.5).

The University of Texas at El Paso (University) did not always update the COA in its student financial assistance system, Banner. Specifically, the University did not update the budget group for a full-time, non-resident graduate student living off-campus to the correct amount, which resulted in Banner specifying a COA for that budget group that was \$2,938 more than it should have been. In addition, Banner could not accurately determine the financial need for those students. The University determined that four students were assigned to that budget group for the 2014-2015 award year. Auditors identified at least four other COA budgets that were not updated correctly in Banner. Not updating the COA increases the risk that students in that budget group could be overawarded financial assistance.

Enrollment Level

A full-time student is defined as an enrolled student who is carrying a full-time academic workload, as determined by the institution, under a standard applicable to all students enrolled in a particular educational program. For an undergraduate student, an institution’s minimum standard must equal or exceed 12 semester hours. A half-time student is defined as an enrolled student who is carrying a half-time workload, as determined by the institution, which amounts to at least half of the workload of the applicable minimum requirement outlined in the definition of a full-time student (Title 34, CFR, Section 668.2).

The University assigns all students a COA budget based on full-time enrollment and determines the amount of financial assistance the student is eligible to receive based on that COA budget. The University has an automated control that calculates a student’s need and COA at half-time and three-quarter-time enrollment to determine the lowest level of enrollment at which that student’s awards could be disbursed without resulting in an overaward of

financial assistance. In addition, Banner will not disburse funds to a student whose enrollment level drops below that level.

The University did not always adjust awards for enrollment levels prior to disbursement. For 1 (2 percent) of 66 students tested, the University awarded the student assistance that exceeded the student's COA based on the student's enrollment level. The University assigned the student a full-time COA budget and disbursed student financial assistance for two terms based on full-time enrollment. However, the student was enrolled half-time for one term. As a result, that student's COA budget was overstated by \$1,829. The student received Unsubsidized Direct Loans, Direct PLUS loans, and a nonfederal scholarship. Because the Direct Loan funds had been fully disbursed, the University was not required to adjust the loans for the overaward. Therefore, there were no questioned costs.

That error occurred because the University did not design its automated controls to ensure that students enrolled less than full-time were not overawarded financial assistance based on enrollment level. Specifically, the University did not update the COA budgets correctly in Banner, and automated controls relied on those budgets. As a result, the automated control to determine the need at the lowest enrollment level at which a student would be overawarded would not have determined an accurate need, which increased the risk that a student could be overawarded financial assistance.

Satisfactory Academic Progress

A student is eligible to receive Title IV, Higher Education Act (HEA) Program assistance if the student maintains satisfactory progress in his or her course of study according to the institution's published standards of satisfactory progress that satisfy the provisions of Title 34, CFR, Section 668.16(e), and the provisions of Title 34, CFR, Section 668.34 (Title 34, CFR, Section 668.32(f)). An institution's satisfactory academic progress (SAP) policy should include a qualitative component that consists of grades or comparable factors that are measureable against a norm, and a quantitative component that consists of the pace at which students must progress through their program to ensure that they will graduate within the maximum time frame required to complete their education. The pace at which a student is progressing is calculated by dividing the total number of hours the student has successfully completed by the total number attempted (U.S. Department of Education *2014-2015 Federal Student Aid Handbook*).

For an undergraduate program measured in credit hours, a period no longer than 150 percent of the published length of the program as measured in credit hours should be used to determine the maximum time frame quantitative component of SAP (Title 34, CFR, Section 668.34(b)).

Additionally, credit hours from another institution that are accepted toward a student's educational program must count as both attempted and completed hours (Title 34, CFR, Section 668.34(a)(6)).

The University's SAP policy did not meet certain federal requirements. The policy allows for students to progress through an academic program at a pace that does not ensure that they will graduate within the maximum time frame. While the policy specifies that students must complete at least 75 percent of attempted hours, it also includes a minimum number of hours that must be completed based on the cumulative number of hours enrolled, and it does not include transfer hours. The University configured Banner to calculate pace based on a minimum number of hours that must be completed based on the cumulative number of hours enrolled, which does not always ensure that students have completed at least 75 percent of attempted hours.

Although auditors did not identify students during testing who would be ineligible for student financial assistance as a result of that issue, calculating pace in a manner that does not ensure graduation within the maximum time frame increases the risk that students will not graduate within the maximum time frame required and, therefore, would be ineligible for federal financial assistance.

Additionally, the University did not always follow its SAP policy. For 1 (2 percent) of 66 students tested, the University awarded student financial assistance to the student when the student was not meeting satisfactory academic progress requirements. The University appropriately placed that student on a probation status after the student submitted an appeal for the Fall term. However, at the end of that term, the student was not meeting the requirements of the probation and should have been ineligible to receive assistance in the Spring term. That error occurred because the University did not evaluate the student's progress at the end of the Fall term, as required by its

policy. That resulted in the student being disbursed a total of \$717 in Federal Pell Grant assistance. The University subsequently returned that overaward to the U.S. Department of Education; therefore, there were no questioned costs.

Federal Supplemental Educational Opportunity Grant

In selecting among eligible students for Federal Supplemental Educational Opportunity Grant (FSEOG) awards in each award year, an institution shall select those students with the lowest EFC who will also receive Federal Pell Grants in that year (Title 34 CFR, Section 676.10).

Based on a review of all federal student financial assistance recipients, the University awarded 66 students FSEOG assistance when those students did not also receive Federal Pell Grant assistance. Those students were incorrectly awarded a total of \$43,500 in FSEOG. Those errors occurred because the University's identification of FSEOG recipients did not consider students who had exceeded their Federal Pell Grant lifetime eligibility limit but were otherwise eligible to receive FSEOG assistance. After auditors brought those errors to the University's attention, it corrected the FSEOG assistance awarded to those students; therefore, there were no questioned costs.

Nurse Faculty Loan Program

Students who receive a Nurse Faculty Loan Program (NFLP) loan must be enrolled full-time or part-time in an eligible advanced education nursing degree program (master's or doctoral) that offers an education component to prepare qualified nurse faculty. The total amount of NFLP loans made to a student should cover the full or partial tuition and fees for the academic year. Full support includes the cost of tuition, fees, books, laboratory expenses, and other reasonable education expenses. NFLP loans do not include stipend support (for example, living expenses, student transportation cost, room/board, and personal expenses) (Title 42, United States Code, Sections 297n-1(b)(4) and 297n-1(c)(4), and Health Resources and Services Administration (HRSA) Announcement HRSA 14-072).

For 2 (67 percent) of 3 students who received NFLP loans, the University disbursed loans to those students in amounts that exceeded their qualified educational expenses. Those errors occurred because the University makes NFLP awards manually, and University staff were not aware of the requirements for NFLP loans. After auditors brought those errors to the University's attention, it determined actual tuition and fees and other necessary education expenses for those students and canceled the portion of the loans that exceed that amount. Therefore, there were no questioned costs.

Federal Pell Grant Program

For the Federal Pell Grant program, institutions use the payment and disbursement schedules provided each year by the U.S. Department of Education for determining award amounts (Title 34, CFR, Section 690.62). Those schedules provide the maximum annual amount a student would receive for a full academic year for a given enrollment status, EFC, and COA. There are separate schedules for three-quarter-time, half-time, and less-than-half-time enrollment levels (U.S. Department of Education *2014-2015 Federal Student Aid Handbook*, and Title 34, CFR, Section 690.63(b)).

For 1 (2 percent) of 66 students tested, the University did not award and disburse a Federal Pell Grant for which the student was eligible. Specifically, that student was eligible to receive \$717 in Federal Pell Grant assistance. That occurred because the University's process is to award student financial assistance for only the Summer term to students who submit an application to the financial aid office. That student did not submit an application for Summer assistance; therefore, the University did not award Federal Pell Grant assistance to that student for the Summer term.

Other Compliance Requirements

Although the general control weaknesses described below apply to special tests and provisions – verification, auditors identified no compliance issues regarding that compliance requirement.

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300(b)).

The University did not consistently maintain high-profile user accounts at the application level for its student financial assistance application system, Banner. Specifically, one student worker had inappropriate access to update certain fund rules in Banner, which establishes awarding rules and eligibility requirements for federal financial assistance. That occurred because the University did not periodically review user access to the application, database, and servers for Banner to determine the appropriateness of users' access based on their job responsibilities. The University also did not periodically review administrative access to its network.

In addition, auditors identified accounts for users whose employment had been terminated on the database server. The University had not disabled those accounts in accordance with its policy. That occurred because the University upgraded server hardware for the database and did not complete the process of updating file settings, which included user settings such as account lockouts and default passwords. After auditors brought that issue to the University's attention, it locked the accounts for the users whose employment had been terminated and restored the password parameters. Auditors reviewed the server access log and confirmed that the users whose employment had been terminated had not logged into the server since the hardware upgrade.

Allowing users inappropriate or excessive access to systems increases the risk of inappropriate changes to systems and does not allow for proper segregation of duties.

Recommendations:

The University should:

- Update Banner with accurate COA budgets.
- Design its automated controls to prevent overawards to students based on their levels of enrollment.
- Update its SAP policy to meet federal requirements by requiring students to graduate within the maximum time frame.
- Apply its SAP policy consistently to all students.
- Award FSEOG assistance only to eligible students.
- Verify that the amounts of NFLP loans it awards do not exceed students' qualified educational expenses for the year.
- Award Federal Pell Grants to students who are eligible for those grants.
- Limit access to its information systems based on job responsibilities.
- Establish and implement a documented process to perform a formal, periodic review of user access to its key information systems.

Views of Responsible Officials and Corrective Action Plan:

Cost of Attendance for all budget groups will be developed by the Director and/or Associate Director of Financial Aid. The Assistant Director will input the COA's into Banner and check for accuracy. The Assistant Director will review COA weekly and any discrepancies will be reviewed and modified if necessary.

Implementation Date: January 2016

Responsible Persons: Ron Williams and Hilda Pena

Please see Cost of Attendance... once the University improves the way in which COA is reviewed and modified, then the automated system controls should pick up the correct enrollment status and the correct corresponding Cost of Attendance for all students.

Implementation Date: January 2016

Responsible Persons: Ron Williams and Hilda Pena

The University understands the complexity of the 75% calculation and will take this into account when it updates its policy for the 2016-2017 award year which will ensure that an undergraduate student will complete their required degree plan (usually 120 credit hours) within the 150% maximum time frame.

In addition, current University policy removes academic history for students who take an administrative withdrawal for a semester. A change will be made to the SAP calculation to add the disbursement hours for the administratively withdrawn semester to the total cumulative attempted hours in order to account for the missing term.

Implementation Date: March 2016

Responsible Person: Ron Williams

System disbursement rules have been updated to not allow the disbursement of FSEOG if the student is not eligible for a Pell Grant unless eligibility was lost due to LEU within the award year.

Implementation Date: November 2015

Responsible Person: Ron Williams

UTEP will automate awarding of NFLP funds. In the meantime, all NFLP will be manually reviewed by the Assistant Director for Loan Processing to ensure accuracy.

Implementation Date: March 2016

Responsible Persons: Ron Williams and Maria Carrizales

The University will run a listing of all Summer enrolled Pell eligible applicants with remaining eligibility. Awards will be calculated and posted to the students' accounts.

Implementation Date: May 2016

Responsible Person: Ron Williams

Enterprise Computing will work with the Financial Aid office to establish what job codes within the University's structure should belong to the Banner security classes that control access to the data.

Implementation Date: January 2016

Responsible Person: Edgar Luna

Enterprise Computing will work with the Financial Aid office to establish a quarterly review process to ensure that membership in those “controlled” Banner security classes up-to-date and adjust as necessary.

Implementation Date: February 2016

Responsible Person: Edgar Luna

University of Texas Health Science Center at Houston

Reference No. 2015-142

Cash Management

Activities Allowed or Unallowed

Allowable Costs/Cost Principles

Equipment and Real Property Management

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

Interest

A recipient must maintain advances of federal funds in interest-bearing accounts unless (1) the recipient receives less than \$120,000 in federal awards per year, (2) the best reasonably available interest-bearing account would not be expected to earn interest in excess of \$250 per year on federal cash balances, or (3) the depository would require an average minimum balance so high that it would not be feasible within the expected federal and non-federal cash resources (Title 2, Code of Federal Regulations (CFR), Section 215.22(k)). For those entities for which the Cash Management Improvement Act (CMIA) and its implementing regulations do not apply, interest earned on federal advances deposited in interest-bearing accounts must be remitted annually to the U.S. Department Health and Human Services. Interest amounts up to \$250 per year may be retained by the recipient for administrative expense. State universities and hospitals must comply with CMIA as it pertains to interest (Title 2, CFR, Section 215.22(1)). In addition, Title 31, CFR, Section 205, which implements the CMIA, requires a state interest liability to accrue if federal funds are received by a state prior to the day the state pays out the funds for federal assistance program purposes. A state interest liability accrues from the day federal funds are credited to a state account to the day the state pays out the federal funds for federal assistance program purposes (Title 31, CFR, Section 205.15).

Questioned Cost:	\$328.31
U.S. Department of Defense	

The University of Texas Health Science Center at Houston (Health Science Center) did not remit to the federal government interest earned on federal funds received in advance of program expenses. The Health Science Center’s process was to calculate and remit interest earned on individual awards if that interest exceeded the \$250 allowance for administrative costs. As a result of that process, the Health Science Center did not remit the interest it earned on advances of federal funds if individual awards earned less than \$250 in interest. The Health Science Center should have remitted \$328.31 in interest associated with 19 federal awards, excluding the \$250 allowance for administrative expense, to the federal government. Auditors calculated the amount of interest that the Health Science Center should have remitted using interest rates that the Health Science Center provided.

The following awards were affected by the issue described above:

<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>	<u>Interest Earned</u>
12.420	Military Medical Research and Development	W81XWH-08-2-0150	August 1, 2008 to July 31, 2015	\$ 42.81
12.420	Military Medical Research and Development	W81XWH-08-2-0131	August 1, 2008 to July 31, 2015	41.86
12.420	Military Medical Research and Development	W81XWH-08-2-0134	August 1, 2008 to July 31, 2015	58.51

UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON

CFDA No.	CFDA Title	Award Number	Award Year	Interest Earned
12.420	Military Medical Research and Development	W81XWH-08-2-0135	August 1, 2008 to July 31, 2015	131.57
12.420	Military Medical Research and Development	W81XWH-11-2-0056	December 1, 2010 to November 30, 2015	65.04
12.420	Military Medical Research and Development	W81XWH-11-1-0023	February 15, 2011 to February 14, 2015	17.88
12.420	Military Medical Research and Development	W81XWH-11-1-0460	June 1, 2011 to November 30, 2015	36.13
12.420	Military Medical Research and Development	W81XWH-11-1-0240	September 1, 2011 to February 28, 2015	28.14
12.420	Military Medical Research and Development	W81XWH-12-1-0014	April 1, 2012 to May 31, 2015	8.46
12.420	Military Medical Research and Development	W81XWH-08-2-0142	August 1, 2008 to December 31, 2014	0.10
12.420	Military Medical Research and Development	W81XWH-12-1-0504	September 15, 2012 to September 14, 2015	0.21
12.420	Military Medical Research and Development	W81XWH-12-1-0481	September 30, 2012 to September 29, 2015	13.11
12.420	Military Medical Research and Development	W81XWH-12-1-0612	September 30, 2012 to March 29, 2015	7.88
12.420	Military Medical Research and Development	W81XWH-13-1-0190	July 1, 2013 to June 30, 2016	3.99
12.420	Military Medical Research and Development	W81XWH-13-1-0452	September 23, 2013 to September 22, 2016	1.10
12.420	Military Medical Research and Development	W81XWH-13-1-0489	September 30, 2013 to September 29, 2016	0.15
12.420	Military Medical Research and Development	W81XWH-14-2-0016	July 5, 2014 to July 4, 2016	0.16
12.420	Military Medical Research and Development	W81XWH-14-1-0593	September 29, 2014 to September 28, 2016	9.52

UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON

<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>	<u>Interest Earned</u>
12.420	Military Medical Research and Development	W81XWH-14-1-0112	September 15, 2014 to September 14, 2016	111.69
	Less allowance for interest that the Health Science Center can retain			(\$250.00)
			Total Questioned Costs	<u>\$ 328.31</u>

Other Compliance Requirements

Although the general control weaknesses described below apply to activities allowed and unallowed, allowable costs/cost principles, and equipment and real property management, auditors identified no compliance issues regarding those compliance requirements.

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300(b)).

The Health Science Center did not consistently maintain user accounts for its information systems. Specifically, auditors identified the following:

- Two user accounts had inappropriate access to the PeopleSoft Financials and Human Resources servers. The Health Science Center asserted that it had disabled the users' access to those accounts, but it could not provide documentation showing that it had disabled that access upon the termination of those users' employment.
- One developer with the vendor for the Health Science Center's time and effort certification system had both server administrator access and database administrator access.

Those errors occurred because (1) the Health Science Center did not conduct formal periodic reviews of user access for the servers and (2) the Health Science Center's vendor did not conduct formal periodic review of its servers and databases. Allowing users inappropriate or excessive access increases the risk of inappropriate changes to systems and does not allow for proper segregation of duties.

Recommendations:

The Health Science Center should:

- Revise its process to remit interest earned in excess of the administrative cost allowance on all federal research and development award advances per year.
- Consistently limit access to its information systems based on users' job responsibilities, and conduct periodic reviews to identify inappropriate access.

Views of Responsible Officials and Corrective Action Plan:

The University will remit interest earned in excess of the administrative cost allowance on all federal research and development award advances per year. We have revised our interest remission process accordingly. In addition, a total of \$328.31 will be refunded to the federal government. Consistent with the audit recommendation, the two user accounts have been removed from the LDAP instance that manages only shell access to the PeopleSoft HCM and FMS servers. Access to these servers requires access to the university network which is granted by the Enterprise LDAP instance.

When an employee is terminated in the HCM system, their user id is locked immediately in the enterprise LDAP directory. With no access to the network, the PeopleSoft HCM and FMS servers are inaccessible. Additionally, the university will request that the vendor of its time and effort certification system designate separate individuals as server administrator and database administrator so these duties are segregated.

Implementation Date: February 2016

Responsible Person: Ronald Perez

Reference No. 2015-143

Period of Availability of Federal Funds

(Prior Audit Issue 2014-157)

Research and Development Cluster

Research and Development Cluster – ARRA

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

When a funding period is specified, a recipient may charge to a grant only allowable costs resulting from obligations incurred during the funding period and any preaward costs authorized by the federal awarding agency (Title 2, Code of Federal Regulations (CFR), Section 215.28). Unless the federal awarding agency authorizes an extension, a recipient must liquidate all obligations incurred under the award not later than 90 calendar days after the funding period or the date of completion as specified in the terms and conditions of the award or in agency implementing instructions (Title 2, CFR, Section 215.71).

Questioned Cost:	\$0
U.S. Department of Health and Human Services	

The University of Texas Health Science Center at Houston (Health Science Center) did not always incur costs within the period of availability and did not always liquidate its obligations within the required time period. Specifically:

- For 1 (2 percent) of 60 transactions tested, the Health Science Center did not incur the cost within the funding period and did not liquidate the obligation within 90 days after the end of the funding period. The Health Science Center incurred the \$155 cost associated with that transaction 15 days after the end of the funding period and liquidated the obligation 102 days after the end of the funding period. The Health Science Center subsequently reversed that cost; therefore, it was not considered a questioned cost.
- For 3 (5 percent) of 60 transactions tested, the Health Science Center incurred the costs within the period of availability; however, it did not liquidate the obligations within required time frames. It liquidated those obligations between 91 and 172 days after the end of the funding period.

The issues discussed above increase the risk of non-compliance with period of availability requirements in applicable laws, regulations, and the provisions of federal grant agreements.

In addition, for 28 (47 percent) of 60 transactions tested, the Health Science Center recorded federal expenditures that it incurred outside of the period of availability. That occurred because the Health Science Center had requested and expected to receive extensions on those awards; however, it did not receive extensions prior to expending the funds. The Health Science Center received those awards as pass-throughs from other non-federal entities. While the Health Science Center identified the costs as federal and charged them to federal award accounts in its financial accounting system, it asserted that it had not received federal reimbursement for those expenditures; therefore, there were no questioned costs. At the time of the audit, the transactions discussed above were associated with federal awards that were 91 to 215 days past the end of their funding periods. The Health Science Center initially paid for those transactions with institutional funds with the intent of seeking federal reimbursement if and when it received award extensions. However, the significant delays in securing those extensions and the potential to not receive extensions

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for certain awards increase the risk of non-compliance with period of availability requirements and/or federal expenditure reporting errors.

The following awards were affected by the first two period of availability issues discussed above:

CFDA No.	CFDA Title	Award Number	Award Year
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	HHSC 529-14-0121-00001	May 5, 2014 to October 31, 2014
93.855	Allergy and Infectious Diseases Research	1R41AI093261-01	September 1, 2011 to June 30, 2014
93.728	ARRA - Strategic Health IT Advanced Research Projects (SHARP)	90TR0004	April 1, 2010 to November 30, 2014
93.531	PPHF - Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - financed solely by Prevention and Public Health Funds	CTG-ILA-UNI/N130000005	September 29, 2012 to September 29, 2014

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300(b)).

The Health Science Center did not consistently maintain user accounts for its information systems. Specifically, auditors identified the following:

- Two user accounts had inappropriate access to the PeopleSoft Financials and Human Resources servers. The Health Science Center asserted that it had disabled the users’ access to those accounts, but it could not provide documentation showing that it had disabled that access upon the termination of those users’ employment.
- One developer with the vendor for the Health Science Center’s time and effort certification system had both server administrator access and database administrator access.

Those errors occurred because (1) the Health Science Center did not conduct formal periodic reviews of user access for the servers and (2) the Health Science Center’s vendor did not conduct formal periodic review of its servers and databases. Allowing users inappropriate or excessive access increases the risk of inappropriate changes to systems and does not allow for proper segregation of duties.

Recommendations:

The Health Science Center should:

- Strengthen its closeout process to ensure that it closes grant accounts in its accounting system within the required 90-day closeout period.
- Strengthen processes to reduce or eliminate the time between original award end dates and the dates on which it secures award extensions.

- Consistently limit access to its information systems based on users' job responsibilities, and conduct periodic reviews to identify inappropriate access.

Views of Responsible Officials and Corrective Action Plan:

The University will strengthen its closeout process, including additional oversight and staff training to ensure that grants are closed out within the 90-day closeout period.

The University will maintain more proactive communication between its pre- and post-award teams and departmental administrators to improve timeliness and follow-up on award extensions.

Consistent with the audit recommendation, the two user accounts have been removed from the LDAP instance that manages only shell access to the PeopleSoft HCM and FMS servers. Access to these servers requires access to the university network which is granted by the Enterprise LDAP instance. When an employee is terminated in the HCM system, their user id is locked immediately in the enterprise LDAP directory. With no access to the network, the PeopleSoft HCM and FMS servers are inaccessible. Additionally, the university will request that the vendor of its time and effort certification system designate separate individuals as server administrator and database administrator so these duties are segregated.

Implementation Date: February 2016

Responsible Person: Ronald Perez

Reference No. 2015-144

Reporting

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

Financial Reporting

Recipients are responsible for managing, monitoring, and reporting performance for each project, program, subaward, function, or activity supported by the award (Title 2, Code of Federal Regulations (CFR), Sections 215.51 and 215.52). Recipients use the Federal Financial Reporting Standard Form (SF-425) to report financial activity. The U.S. Office of Management and Budget provides specific instructions for completing the SF-425, including definitions and requirements of key reporting elements.

Questioned Cost:	\$0
U.S. Department of Health and Human Services	

The University of Texas Health Science Center at Houston (Health Science Center) did not ensure that its financial reports were accurate and complete. Specifically, the Health Science Center incorrectly reported the accounting basis for 7 (28 percent) of 25 financial reports tested. While the Health Science Center prepared the financial reports with the correct accrual accounting basis, it asserted that the federal reporting system selected the cash basis of accounting incorrectly, and the Health Science Center did not change the applicable basis of accounting prior to submitting the financial reports.

In addition, for 10 (40 percent) of 25 financial reports tested, the Health Science Center did not report indirect costs on a cumulative basis, as required. Instead, the Health Science Center reported indirect costs on an annual basis because it relied on an outdated set of instructions for the SF-425, which did not specify that indirect costs should be reported cumulatively. While the Health Science Center did not report costs on a cumulative basis, it specified on the financial reports that the indirect costs pertained to the current year; therefore, the Health Science Center submitted factually correct financial reports.

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While the Health Science Center reviewed its financial reports prior to submitting them, that review was not sufficient to ensure that the financial reports were accurate and complete. Inaccurate information in financial reports increases the risk that federal agencies could rely on inaccurate information to manage and monitor their awards. The issues above affected the following awards:

CFDA No.	CFDA Title	Award Number	Award Year
93.110	Maternal and Child Health Federal Consolidated Programs	5T73MC22236-04-00	July 1, 2011 to June 30, 2015
93.136	Injury Prevention and Control Research and State and Community Based Programs	5R01CE002135-03	September 30, 2012 to September 29, 2015
93.297	Teenage Pregnancy Prevention Program	5TP1AH000072-05	September 1, 2014 to August 31, 2015
93.307	Minority Health and Health Disparities Research	5U24MD006941-05	September 20, 2011 to June 30, 2016
93.307	Minority Health and Health Disparities Research	5R24MD007975-03	April 25, 2013 to December 31, 2015
93.610	Health Care Innovation Awards (HCIA)	1C1CMS331044-03-00	July 1, 2012 to June 30, 2016
93.837	Cardiovascular Diseases Research	5UM1HL087318-09	March 1, 2012 to February 28, 2019
93.838	Lung Diseases Research	5P01HL114457-03	June 1, 2013 to May 31, 2018
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	5U01NS043127-14	December 1, 2012 to November 30, 2015
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	5R01NS087541-02	April 1, 2014 to March 31, 2018
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	5P50NS044227-10	September 30, 2008 to April 30, 2015
93.855	Allergy and Infectious Diseases Research	1R56AI110432-01	April 1, 2014 to January 14, 2015
93.865	Child Health and Human Development Extramural Research	5U10HD040545-16	April 1, 2011 to March 31, 2016

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300(b)).

The Health Science Center did not consistently maintain user accounts for its information systems. Specifically, auditors identified the following:

- Two user accounts had inappropriate access to the PeopleSoft Financials and Human Resources servers. The Health Science Center asserted that it had disabled the users' access to those accounts, but it could not provide documentation showing that it had disabled that access upon the termination of those users' employment.
- One developer with the vendor for the Health Science Center's time and effort certification system had both server administrator access and database administrator access.

Those errors occurred because (1) the Health Science Center did not conduct formal periodic reviews of user access for the servers and (2) the Health Science Center's vendor did not conduct formal periodic review of its servers and databases. Allowing users inappropriate or excessive access increases the risk of inappropriate changes to systems and does not allow for proper segregation of duties.

Recommendations:

The Health Science Center should:

- Strengthen controls to ensure that the federal financial reports that it submits are complete and accurate.
- Consistently limit access to its information systems based on users' job responsibilities, and conduct periodic reviews to identify inappropriate access.

Views of Responsible Officials and Corrective Action Plan:

The University will strengthen controls to ensure that the federal financial reports it submits are complete and accurate. We have revised procedures to ensure that the federal financial reports are marked as accrual basis and that indirect costs are reported on a cumulative basis.

Consistent with the audit recommendation, the two user accounts have been removed from the LDAP instance that manages only shell access to the PeopleSoft HCM and FMS servers. Access to these servers requires access to the university network which is granted by the Enterprise LDAP instance. When an employee is terminated in the HCM system, their user id is locked immediately in the enterprise LDAP directory. With no access to the network, the PeopleSoft HCM and FMS servers are inaccessible. Additionally, the university will request that the vendor of its time and effort certification system designate separate individuals as server administrator and database administrator so these duties are segregated.

Implementation Date: February 2016

Responsible Person: Ronald Perez

Reference No. 2015-145

Subrecipient Monitoring

Special Tests and Provisions – R3 – Subrecipient Monitoring

(Prior Audit Issue 2014-158)

Research and Development Cluster

Research and Development Cluster – ARRA

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

Preaward Requirements

At the time of a subaward, the pass-through entity must identify to the subrecipient the federal award information, including the Catalog of Federal Domestic Assistance (CFDA) title and number, award name and number, whether the award is research and development, the name of the federal awarding agency, and applicable compliance requirements (U.S. Office of Management and Budget (OMB) Circular A-133, Subpart D, Section 400(d) and Title 2, Code of Federal Regulations (CFR), Section 200.331(a)).

Questioned Cost:	\$0
U.S. Department of Education U.S. Department of Health and Human Services	

Pass-through entities must take steps to ensure that the subrecipient is not suspended or debarred (Title 2, CFR, Section 215.13; Title 2, CFR, Section 200.213; and Title 2, CFR, Section 180.300). Beginning October 1, 2010, an agency may not make an award to an entity until it has obtained a valid Data Universal Numbering System (DUNS) number for that entity (Title 2, CFR, Sections 25.105 and 25.205).

For 5 (13 percent) of 39 subawards tested, the University of Texas Health Science Center at Houston (Health Science Center) did not accurately provide or obtain all required information prior to awarding the subaward.

The Health Science Center (1) did not always provide the correct CFDA number and compliance requirements imposed on the subrecipient, (2) did not maintain documentation showing that it obtained a DUNS number for a non-American Recovery and Reinvestment Act (ARRA) subaward prior to issuing that subaward, and (3) did not obtain a suspension and debarment certification from a subrecipient. The Health Science Center used the Federal Demonstration Partnership (FDP) subaward template for its subaward agreement with subrecipients; however, it did not consistently or accurately complete all fields in that template. In addition to using the FDP template for its subaward agreements, the Health Science Center uses other attachments for the DUNS number and suspension and debarment certification; however, it did not consistently use those attachments.

Providing inadequate federal award information to subrecipients and not obtaining all required information could lead to improper reporting of federal awards. In addition, not determining whether subrecipients are suspended or debarred increases the risk of subawards being made to suspended or debarred entities.

During-the-award Monitoring

As a pass-through entity, the Health Science Center is required by U.S. Office of Management and Budget Circular A-133, Subpart D, Section 400(d), to monitor the activities of subrecipients to ensure that federal awards are used in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

Effective December 26, 2014, the *Uniform Grant Guidance* requires pass-through entities to evaluate each subrecipient’s risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring (Title 2, CFR, Section 200.331(b)). The pass-through entity must monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring must include (1) reviewing financial and performance reports, (2) following up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies, and (3) issuing a management decision for audit findings (Title 2, CFR, Section 200.331(d)). Depending on the pass-through entity’s assessment of risk posed by the subrecipient, the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals: (1) providing subrecipients with training and technical assistance on program-

related matters, (2) performing on-site reviews of the subrecipient's program operations, and (3) arranging for agreed-upon procedures engagements (Title 2, CFR, Section 200.331(e)).

For 5 (20 percent) of 25 subawards tested, the Health Science Center did not consistently monitor subrecipient activities during the subaward periods to provide reasonable assurance that the subrecipients administered the subawards in compliance with federal requirements. Specifically, for those five subawards, the Health Science Center reviewed and approved subrecipient invoices prior to payment; however, those invoices did not contain sufficient detail for the Health Science Center to determine whether the expenditures were for allowable activities and costs or whether the expenditures complied with other federal and subaward requirements. For example, one subrecipient invoice included a \$16,143 line item labeled "Outside Services"; however, the subaward budget did not include costs for that category and there was no further information on the invoice regarding the type of expenses that invoice covered.

In addition, the Health Science Center did not document its assessment of the risk of noncompliance for each subrecipient and its determination of the appropriate level of subrecipient monitoring. The Health Science Center asserted that it placed subrecipients into two risk categories: low-risk or high-risk. The Health Science Center also asserted that it would review reimbursement invoices for low-risk subrecipients, and that it would review financial statements and determine whether any additional monitoring procedures were necessary for high-risk subrecipients. However, the Health Science Center did not document that process, and auditors could not determine the level of risk or the monitoring activities identified as necessary for all 14 subawards tested that were issued under the *Uniform Grant Guidance*.

Not assessing risk, not identifying appropriate monitoring activities, and having insufficient monitoring procedures for subrecipients increases the risk that the Health Science Center would not detect subrecipients' noncompliance with federal requirements.

Subrecipient Audits

The Health Science Center must ensure that a subrecipient that expends \$500,000 or more in federal awards during the subrecipient's fiscal year obtains an OMB Circular A-133 Single Audit and provides a copy of the audit report to the Health Science Center within nine months of the end of the subrecipient's audit. In addition, the Health Science Center must issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and follow up to ensure that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to obtain the required audits, the Health Science Center must take appropriate action using sanctions (OMB Circular A-133 Subpart D, Section 400(d), and Title 2, CFR, Section 200.331(f)).

For 6 (15 percent) of 39 subawards tested, the Health Science Center did not obtain the required subrecipient Single Audit report. The Health Science Center's process was to send confirmation letters to its subrecipients regarding whether they had obtained the required audit and whether there were any material findings. However, the Health Science Center did not consistently send that letter to its subrecipients.

Not ensuring that subrecipients obtain required audits increases the risk that deficiencies could go unaddressed.

Special Tests and Provisions – R3 – Subrecipient Monitoring

The American Recovery and Reinvestment Act (Recovery Act) of 2009 required recipients to (1) agree to maintain records that identify adequately the source and application of Recovery Act awards; (2) separately identify to each subrecipient, and document at the time of subaward and at the disbursement of funds the federal award number, CFDA number, and the amount of Recovery Act funds; and (3) require their subrecipients to include on their schedules of expenditures of federal awards information to specifically identify Recovery Act funding (Title 2, CFR, Section 176.210).

For 1 (50 percent) of 2 Recovery Act subawards tested, the Health Science Center did not identify Recovery Act information when it disbursed Recovery Act funds to that subrecipient. The Health Science Center's process was to include that information in a letter that it provided to subrecipients at the time of disbursement. However, the Health Science Center did not consistently send that letter.

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Inadequate identification of Recovery Act information at the time of disbursement could result in subrecipients incorrectly reporting Recovery Act funds in their schedules of expenditures of federal awards.

The following awards were affected by the issues discussed above.

CFDA No.	CFDA Title	Award Number	Award Year
84.305	Education Research, Development and Dissemination	R305A140386-15	July 1, 2014 to June 30, 2018
93.113	Environmental Health	5R01ES023563-02	August 11, 2014 to April 30, 2019
93.135	Centers for Research and Demonstration for Health Promotion and Disease Prevention	3U48DP001949-05S1	September 30, 2010 to September 29, 2015
93.142	NIEHS Hazardous Waste Worker Health and Safety Training	5U45ES019360-05	August 17, 2010 to July 31, 2015
93.242	Mental Health Research Grants	5R01MH100021-03	April 1, 2013 to February 28, 2018
93.283	Centers for Disease Control and Prevention: Investigations and Technical Assistance	15-2772 11520-FB44 (the Health Science Center received funds as a pass-through from the University of South Carolina)	September 30, 2014 to September 29, 2015
93.297	Teenage Pregnancy Prevention Program	5TP1AH000072-04-01	September 1, 2010 to August 31, 2014
93.297	Teenage Pregnancy Prevention Program	5TP1AH000072-05	September 1, 2014 to August 31, 2015
93.361	Nursing Research	5R01NR013707-03	June 7, 2013 to March 31, 2018
93.393	Cancer Cause and Prevention Research	5R21CA181901-02	July 15, 2014 to June 30, 2016
93.535	Affordable Care Act (ACA) Childhood Obesity Research Demonstration	5U18DP003367-04	September 30, 2014 to September 29, 2015
93.728	ARRA - Strategic Health IT Advanced Research Projects (SHARP)	90TR0004	April 1, 2010 to November 20, 2014
93.837	Cardiovascular Diseases Research	5R01HL102830-04	July 7, 2010 to May 31, 2015
93.837	Cardiovascular Diseases Research	5UM1HL087318-09	March 1, 2012 to February 28, 2019
93.837	Cardiovascular Diseases Research	5R01HL109597-05	August 22, 2011 to June 30, 2016

CFDA No.	CFDA Title	Award Number	Award Year
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	5R01NS087541-02	April 1, 2014 to March 31, 2018
93.855	Allergy and Infectious Diseases Research	5P01AI077774-05	August 1, 2009 to July 31, 2015
93.855	Allergy and Infectious Diseases Research	1R01AI110432-01A1 / RAI110432B	January 15, 2015 to December 31, 2019
93.859	Biomedical Research and Research Training	5R01GM060419-16	September 20, 2013 to May 31, 2017
93.865	Child Health and Human Development Extramural Research	5R01HD067694-05	April 1, 2011 to March 31, 2016

Recommendations:

The Health Science Center should:

- Strengthen its procedures to ensure that it consistently (1) accurately provides all required award information to subrecipients and (2) obtains all required information, including a DUNS number and suspension and debarment certification, from subrecipients prior to making a subaward.
- Document its assessment of the risk of noncompliance for each subrecipient and its determination of the level of monitoring needed for each subrecipient.
- Consistently monitor subrecipients' activities to ensure that subrecipients' expenditures are allowable and comply with award requirements.
- Strengthen controls to ensure that it obtains required audits from subrecipients.
- Strengthen its process to ensure that it identifies at the time of disbursement all required Recovery Act information.

Views of Responsible Officials and Corrective Action Plan:

The University has analyzed its processes and subsequently enhanced its training and implemented a more thorough review process to prevent the errors identified from reoccurring. Additionally, the University will update its monitoring procedure to include its documented process for assessing risk of subrecipients.

Consistent with the audit recommendation, the University will obtain reasonable documentation from the subrecipient to ensure that "Other costs" are allowable and comply with award requirements.

The University has provided additional staff training to strengthen our process to ensure that it identifies at the time of disbursement all required Recovery Act information.

Implementation Date: March 2016

Responsible Person: Karen Niemeier

Reference No. 2015-146

Special Tests and Provisions – Key Personnel

Research and Development Cluster

Award years – November 1, 2013 to October 31, 2015 and September 15, 2010 to July 31, 2015

Award numbers – CFDA 12.420, Military Medical Research and Development, 1R01AR064066-01 and CFDA 93.866, Aging Research, 5U01AG033183-05

Type of finding – Significant Deficiency and Non-Compliance

A recipient of federal awards must obtain approval from federal awarding agencies for changes to a key person specified in the application or federal award and the disengagement from the project for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator (Office of Management and Budget, Circular A-110, Sections .25(c)(2) and (3), and Title 2, Code of Federal Regulations, Section 200.308(c)(1)).

Questioned Cost:	\$0
U.S. Department of Defense U.S. Department of Health and Human Services	

The University of Texas Health Science Center at Houston (Health Science Center) did not consistently obtain approval from the federal awarding agency for changes in the level of effort of key personnel as specified in award documents. Specifically, 2 (3 percent) of 60 key personnel tested did not perform the level of effort required in the award, and the Health Science Center did not obtain prior approval from the federal awarding agency. The Health Science Center requires departments to inform its Post Award Finance department of changes to key personnel. The Post Award Finance department then determines whether approval from the federal sponsor is needed prior to those changes being made; however, the Health Science Center did not follow that process consistently.

Not obtaining prior approval of reductions in or other changes to key personnel may result in federal sponsors being unaware of changes to key personnel.

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300(b)).

The Health Science Center did not consistently maintain user accounts for its information systems. Specifically, auditors identified the following:

- Two user accounts had inappropriate access to the PeopleSoft Financials and Human Resources servers. The Health Science Center asserted that it had disabled the users’ access to those accounts, but it could not provide documentation showing that it had disabled that access upon the termination of those users’ employment.
- One developer with the vendor for the Health Science Center’s time and effort certification system had both server administrator access and database administrator access.

Those errors occurred because (1) the Health Science Center did not conduct formal periodic reviews of user access for the servers and (2) the Health Science Center’s vendor did not conduct formal periodic review of its servers and databases. Allowing users inappropriate or excessive access increases the risk of inappropriate changes to systems and does not allow for proper segregation of duties.

Recommendations:

The Health Science Center should:

- Consistently obtain approval from federal awarding agencies for changes in level of effort for key personnel prior to making those changes.
- Consistently limit access to its information systems based on users’ job responsibilities, and conduct periodic reviews to identify inappropriate access.

Views of Responsible Officials and Corrective Action Plan:

The University has enhanced its training by providing more proactive communication and training materials to departmental effort coordinators during the pre-certification period.

Consistent with the audit recommendation, the two user accounts have been removed from the LDAP instance that manages only shell access to the PeopleSoft HCM and FMS servers. Access to these servers requires access to the university network which is granted by the Enterprise LDAP instance. When an employee is terminated in the HCM system, their user id is locked immediately in the enterprise LDAP directory. With no access to the network, the PeopleSoft HCM and FMS servers are inaccessible. Additionally, the university will request that the vendor of its time and effort certification system designate separate individuals as server administrator and database administrator so these duties are segregated.

Implementation Date: February 2016

Responsible Person: Karen Niemeier

University of Texas Medical Branch at Galveston

Reference No. 2015-147

Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A154177; CFDA 84.033, Federal Work-Study Program, P033A154177; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P140485; CFDA 84.268, Federal Direct Student Loans, P268K150485; CFDA 93.342, Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students, Award Number Not Applicable; CFDA 93.364, Nursing Student Loans, Award Number Not Applicable; and CFDA 93.925, Scholarships for Health Professions Students from Disadvantaged Backgrounds, T08HP25312

Type of finding – Significant Deficiency and Non-Compliance

Cost of Attendance

The determination of the federal student financial assistance award amount is based on financial need. Financial need is defined as a student’s cost of attendance (COA) minus the expected family contribution (EFC) (Title 20, United States Code (USC), Chapter 28, Subchapter IV, Section 1087kk). The phrase “cost of attendance” refers to the “tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study.” An institution may also include an allowance for books, supplies, transportation, miscellaneous personal expenses, and room and board (Title 20, USC, Chapter 28, Subchapter IV, Section 1087ll).

Questioned Cost:	\$4,911
U.S. Department of Education U.S. Department of Health and Human Services	

For Title IV programs, the EFC is the amount a student and his or her family are expected to pay for educational expenses and is computed by the federal central processor and included on the student’s Institutional Student Information Report (ISIR) provided to the institution. Awards must be coordinated among the various programs and with other federal and non-federal assistance to ensure that total assistance is not awarded in excess of the student’s financial need (Title 34, Code of Federal Regulations (CFR), Sections 668.2 and 673.5).

A full-time student is defined as an enrolled student who is carrying a full-time academic workload, as determined by the institution, under a standard applicable to all students enrolled in a particular educational program. For an undergraduate student, an institution’s minimum standard must equal or exceed 12 semester hours. A half-time student is defined as an enrolled student who is carrying a half-time academic workload, as determined by the institution, which amounts to at least half of the workload of the applicable minimum requirement outlined in the definition of a full-time student (Title 34, CFR, Section 668.2).

The University of Texas Medical Branch at Galveston (Medical Branch) uses full-time COA budgets for all students receiving student financial assistance, regardless of each student’s academic workload. As a result, for 20 (32 percent) of 62 students tested, the Medical Branch based the students’ COA on full-time enrollment when those students were enrolled less than full-time for one or more terms during the award year. Using a full-time COA budget to estimate COA for students who attend less than full-time increases the risk of awarding financial assistance that exceeds financial need.

Because the Medical Branch developed only full-time COA budgets to determine COA, auditors could not determine whether the students in the sample tested who were attending less than full-time were awarded financial assistance that exceeded their financial need for the 2014-2015 award year.

Federal Pell Grant Awards

For the Federal Pell Grant program, institutions use the payment and disbursement schedules provided each year by the U.S. Department of Education for determining award amounts (Title 34, CFR, Section 690.62). Those schedules

provide the maximum annual amount a student would receive for a full academic year for a given enrollment status, EFC, and COA. There are separate schedules for three-quarter-time, half-time, and less-than-half-time students (U.S. Department of Education *2014-2015 Federal Student Aid Handbook*).

For 1 (2 percent) of 62 students tested, the Medical Branch did not award and disburse a Federal Pell Grant for which that student was eligible. Specifically, that student was eligible to receive \$4,297 in Federal Pell Grant assistance. According to the Medical Branch, that occurred because of manual errors in the award packaging process. After auditors brought the issue to the Medical Branch's attention, it reviewed the entire population of students and identified an additional 11 students who did not receive Federal Pell Grant assistance totaling \$20,991 that they were eligible to receive. Subsequently, the Medical Branch awarded and disbursed Federal Pell Grant assistance to all 12 students.

Federal Award Limits

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300(b)).

The U.S. Department of Education has established annual, and in some cases aggregate, limits for awarded federal aid (Title 34, CFR, Section 685.203). Direct Loans have annual and aggregate limits that are the same for all students at a given grade level and dependency status. In general, a loan may not be more than the amount the borrower requests, the borrower's cost of attendance, the borrower's maximum borrowing limit, or the borrower's unmet financial need (U.S. Department of Education *2014-2015 Federal Student Aid Handbook*).

The U.S. Department of Health and Human Services has established annual and aggregate limits for the Nursing Student Loan (NSL) program (Health Resources and Services Administration (HRSA), *Student Financial Aid Guidelines*, Chapter 4). Annual limits are determined for students depending on their academic year in the program, and an overall aggregate limit is established that students' total loans for all years may not exceed (Title 42, USC, Chapter 6A, Subchapter VI, Part E, Section 297b).

For 3 (5 percent) of 62 students tested, the Medical Branch disbursed Direct Loans in amounts that exceeded the aggregate limits. The Medical Branch exceeded the aggregate limits of the combined subsidized and unsubsidized loans for a graduate student, the undergraduate subsidized limit for an undergraduate student, and the combined subsidized and unsubsidized loans for another undergraduate student.

The Medical Branch's financial assistance system, PeopleSoft, appropriately identified those students as exceeding their aggregate limits based on the students' ISIRs; however, financial aid staff cleared a hold placed on those students' assistance without checking the aggregate limits. That occurred because the Medical Branch did not have a process during the award year to review students' aggregate limits prior to awarding and disbursing Direct Loans. After auditors identified those overawards, the Medical Branch contacted the students and obtained a reaffirmation confirmation from one of those student's loan servicers. Therefore, there were no questioned costs associated with that student's overaward. However, the overawards associated with the remaining two students resulted in questioned costs totaling \$4,911 associated with CFDA 84.268, Federal Direct Student Loans, award number P268K150485.

Additionally, the Medical Branch does not have a process to review students' aggregate NSL assistance prior to awarding and disbursing NSL funds. Auditors identified 5 students (in the sample of 62 students tested) who received NSL funds in the 2014-2015 award year. The Medical Branch asserts that it is unlikely a student would exceed the aggregate limit based on the annual limits and the length of its nursing programs; however, auditors were unable to determine whether those five students exceeded the aggregate limit.

Not having a process to review students' aggregate awards increases the risk that students could be awarded more financial assistance than they are eligible to receive.

Satisfactory Academic Progress

Institutions must establish a reasonable satisfactory academic progress (SAP) policy for determining whether an otherwise eligible student is making satisfactory academic progress in his or her educational program and may receive

Title IV assistance. An institution's SAP policy should specify (1) the grade point average (GPA) that a student must achieve at each evaluation or, if GPA is not an appropriate qualitative measure, a comparable assessment measured against a norm and (2) the pace at which a student must progress through his or her educational program to ensure that the student will complete the program within the program's maximum time frame. It should also describe how a student's GPA and pace of completion are affected by incompletes, withdrawals, repetitions of courses, and transfers of credits from other institutions. An institution calculates the pace at which the student is progressing by dividing the cumulative number of hours the student has successfully completed by the cumulative number of hours the student has attempted. In making this calculation, credit hours from another institution that are accepted toward the student's educational program must count as both attempted and completed hours (Title 34, CFR, Section 668.34).

A student is eligible to receive Title IV, Higher Education Act program assistance if the student maintains satisfactory progress in his or her course of study according to the institution's published standards of satisfactory progress that satisfy the provisions of Title 34, CFR, Section 668.16(e), and, if applicable, the provisions of Title 34, CFR, Section 668.34 (Title 34, CFR, Section 668.32(f)). A student is making satisfactory progress if, at the end of the second year, the student has a GPA of at least a "C" or its equivalent, or has academic standing consistent with the institution's requirements for graduation (Title 34, CFR, Section 668.34(a)(4)(ii)).

The Medical Branch evaluates SAP for all students at the end of each term. If a student is not meeting SAP requirements, the Medical Branch places the student in a warning status for financial assistance, which allows the student to continue to receive financial assistance for one term. A student who continues to not meet SAP requirements for a second term is suspended from financial assistance and is not eligible to receive Title IV assistance until the student either meets SAP requirements or submits an appeal. If the Medical Branch approves an appeal, the student is placed on probation for financial assistance and is eligible to receive financial assistance for one term.

The Medical Branch's SAP policy does not meet certain federal requirements. Specifically:

- The SAP policy does not specify a qualitative measure or a pace requirement for students in the Medical Branch's School of Medicine.
- The SAP policy does not specify how a student's GPA is affected by repeated courses.
- The SAP policy does not specify how pace of completion is affected by course incompletes, withdrawals, repetitions, or transfers of credit from other institutions. In addition, the Medical Branch does not include credit hours from other institutions that are accepted towards the student's education program in its pace calculation.
- The SAP policy incorrectly requires the Medical Branch to calculate the pace at which a student is progressing using the number of hours a student attempted and completed in a term, rather than the cumulative number of hours the student attempted and completed.
- The SAP policy does not specify the basis on which a student may file an appeal.

In addition, the Medical Branch did not evaluate SAP for all students as required by its policy. The Medical Branch did not identify 6 (10 percent) of 62 students tested who did not meet SAP requirements. Those errors occurred because (1) the Medical Branch did not evaluate SAP for all students at the end of the Fall term, as required by its policy, and (2) the reports the Medical Branch used to evaluate SAP were not adequately designed or operating effectively to identify students who were not meeting SAP requirements. Although those six students were not meeting SAP, they would have been placed in a warning status for financial assistance in accordance with the Medical Branch's policy and would have been eligible for the financial assistance they received; therefore, there were no questioned costs.

In addition, the Medical Branch did not have a process to evaluate SAP for students in the School of Medicine. While auditors did not identify any students in the School of Medicine who were not meeting SAP requirements, there is a risk that this group of students could receive financial assistance for which they are not eligible.

Recommendations:

The Medical Branch should:

- Establish COA budgets for students enrolled less than full-time and determine each student’s COA and financial need based on the student’s academic workload.
- Award Federal Pell Grants to students who are eligible for those grants.
- Establish and implement a process that ensures students’ total awards do not exceed aggregate award limits.
- Ensure that its SAP policy meets federal requirements and that it evaluates SAP for all students.

Views of Responsible Officials and Corrective Action Plan:

Following the census date of each term, UTMB will identify students enrolled less than full-time and revise the tuition/fee component of COA to actual cost. In addition, for students enrolled less than half-time, the COA will be revised to include only tuition/fees, books, and supplies. An audit report will be run toward the end of each term to ensure that all Pell eligible students have been awarded and disbursed the correct Pell Grant awards. An additional audit report will be run weekly to identify students with a SAR comment code indicating that they are close to or may have exceeded their aggregate loan or Pell Grant limits. The Director will review student awards against NSLDS and make corrections to the student’s awards as necessary. Monitoring of Federal Perkins Loan aggregate limits is done manually by accessing data in NSLDS for Perkins borrowers to ensure they have not reached or exceeded the limit. To determine if nursing students have reached or exceeded the aggregate limit for the NSL loan, the NCAS application is reviewed for all students awarded NSL to determine if they ever attended another nursing school. If they have, we will then contact that school to find out how much, if any, NSL funds the student has borrowed. The SAP policy and procedures have been revised to meet all federal requirements.

Implementation Date: September 2015

Responsible Person: Carol Cromie

Reference No. 2015-148

Special Tests and Provisions – Verification

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A154177; CFDA 84.033, Federal Work-Study Program, P033A154177; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P140485; and CFDA 84.268, Federal Direct Student Loans, P268K150485

Type of finding – Significant Deficiency and Non-Compliance

For each applicant whose Free Application for Federal Student Aid (FAFSA) is selected for verification by the Secretary of the U.S. Department of Education, an institution must verify all of the applicable items, which include household size, number of household members who are in college, adjusted gross income, U.S. income taxes paid, child support paid, food stamps, education credits, individual retirement account deductions, other untaxed income, high school completion status, and identity and statement of educational purpose (Title 34, Code of Federal Regulations (CFR), Sections 668.54 and 668.56, and *Federal Register*, Volume 78, Number 114).

Questioned Cost:	\$4,080
U.S. Department of Education	

When the verification of an applicant’s eligibility results in any change to a non-dollar item or a change to a single dollar item of \$25 from the applicant’s FAFSA, the institution must submit a correction to the U.S. Department of Education and adjust the applicant’s financial aid package on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR). For the Federal Pell Grant Program, if an applicant’s FAFSA information changes as a result of verification, an institution must recalculate the applicant’s Federal Pell

Grant on the basis of the EFC on the corrected ISIR and disburse any additional funds under that award (Title 34, CFR, Section 668.59).

For 6 (24 percent) of 25 students tested, the University of Texas Medical Branch at Galveston (Medical Branch) did not accurately verify certain required items on students' FAFSAs, and it did not always update its records and request updated ISIRs as required. The Medical Branch did not accurately verify one or more of the following items for those students: number of household members, number of household members who are in college, adjusted gross income, income taxes paid, child support paid and other untaxed income.

Those errors occurred because of manual errors the Medical Branch made during the verification process. The Medical Branch's monitoring of completed verifications did not identify those errors. When auditors brought the errors to the Medical Branch's attention, it made corrections to some of those students' ISIRs. Specifically:

- For one student, the EFC was understated. As a result, the student was overawarded \$4,050 in Federal Pell Grant assistance. The Medical Branch subsequently made corrections to the student's ISIR and adjusted the Federal Pell Grant award amount; therefore, there were no questioned costs.
- For one student, the Medical Branch did not make required corrections to the student's ISIR based on information it received during the verification process. The student received \$4,080 in financial assistance associated with CFDA 84.063, Federal Pell Grant Program, P063P140485, which are considered questioned costs.
- For four of those students, the errors did not result in changes to the students' EFCs, and there was no overaward or underaward of financial assistance.

In addition, the Medical Branch does not have a process to verify other untaxed income for students in the household resources verification tracking group. Based on a review of the entire population of students selected for verification and information provided by the Medical Branch, auditors identified a total of six students in the household resources verification group whose FAFSAs were not properly verified. That total includes one of the group of six students initially discussed above.

For 1 (4 percent) of 25 students tested, the Medical Branch did not complete verification before it disbursed financial assistance to the student. The student was assigned to the custom verification tracking group on the ISIR, which requires an institution to obtain the student's high school completion status, identity, and statement of educational purpose. The Medical Branch disbursed financial assistance to the student on May 12, 2015; however, it did not obtain an identity and statement of educational purpose form from the student until June 3, 2015. According to the Medical Branch, that error occurred because it did not configure the verification checklist assignment process correctly in its financial aid system for students assigned the custom verification tracking group. Based on a review of the entire population of students selected for verification and information provided by the Medical Branch, auditors identified five additional students in the custom verification tracking group to whom the Medical Branch disbursed financial assistance prior to completing its verification.

Not properly verifying FAFSA information could result in the Medical Branch overawarding or underawarding financial assistance.

Recommendations:

The Medical Branch should:

- Accurately verify all required FAFSA information for students selected for verification and request updated ISIRs when required.
- Strengthen its monitoring of the verification process.
- Strengthen its processes to verify all required items for the household resources verification tracking group and the custom verification tracking group.

Views of Responsible Officials and Corrective Action Plan:

The verification document has been updated to include all verification items. In addition, our process for updating checklists to ensure all items requiring verification are documented and students are not disbursed aid prior to satisfying verification requirements have been completed. The Director is now reviewing 100% of students selected for verification prior to disbursement to ensure accuracy and completion.

Implementation Date: September 2015

Responsible Person: Carol Cromie

University of Texas at San Antonio

Reference No. 2015-149

Special Tests and Provisions - Return of Title IV Funds

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.268, Federal Direct Student Loans, P268K153294; CFDA 84.063, Federal Pell Grant Program, P063P143294; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T153294; CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A144169; and CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV assistance earned by the student as of the student’s withdrawal date (Title 34, Code of Federal Regulations (CFR), Section 668.22(a)(1)). If the total amount of Title IV assistance earned by the student is less than the amount that was disbursed to the student on his or her behalf as of the date of the institution’s determination that the student withdrew, the difference must be returned to the Title IV programs and no additional disbursements may be made to the student for the payment period or period of enrollment (Title 34, CFR, Section 668.22(a)(4)).

Questioned Cost:	\$0
U.S. Department of Education	

An institution must return the amount of Title IV funds for which it is responsible as soon as possible but no later than 45 days after the date of the institution’s determination that the student withdrew (Title 34, CFR, Section 668.22(j)).

When a recipient of Title IV grant or loan assistance does not begin attendance at an institution during a payment period or period of enrollment, all disbursed Title IV grant and loan funds must be returned. The institution must determine which Title IV funds it must return, and it must determine which funds were disbursed directly to a student. The institution must return those Title IV funds as soon as possible, but no later than 30 days after the date that the institution becomes aware that the student will not or has not begun attendance (Title 34, CFR, Section 668.21(b)).

The University of Texas at San Antonio (University) did not always return Title IV funds within the required time frames. Specifically, for 2 (5 percent) of 38 students tested who unofficially withdrew, the University did not identify those students as unofficial withdrawals and subsequently did not return funds for those students within required time frames. Those errors occurred because the University’s review process for returning Title IV funds did not identify those students as requiring a return. After auditors brought those errors to the University’s attention, it returned the Title IV funds for those students to the U.S. Department of Education; therefore, there were no questioned costs.

Recommendation:

The University should strengthen its review process to ensure that it processes within the required time frames all returns of Title IV funds for students who unofficially withdraw.

Views of Responsible Officials and Corrective Action Plan:

The Return of Title IV review team will use the processor’s unofficial withdrawal report to ensure that all students who unofficially withdrew are analyzed and processed accordingly. The reviewer will cross-check processed files to the unofficial withdrawal report to make sure no files are missed.

Implementation Date: March 2016

Responsible Person: Diana S. Martinez

Reference No. 2015-150

Special Tests and Provisions – Enrollment Reporting

(Prior Audit Issues 2014-168 and 2013-191)

Student Financial Assistance Cluster

Award year – July 1, 2014 to June 30, 2015

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P143294; CFDA 84.268, Federal Direct Student Loans, P268K153294; and CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

Unless an institution expects to submit its next enrollment reporting roster file to the Secretary of the U.S. Department of Education within the next 60 days, it must notify the Secretary within 30 days if it discovers that a Federal Family Education Loan (FFEL), Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan has been made to or on behalf of a student who (1) enrolled at that institution but has ceased to be enrolled on at least a half-time basis; (2) has been accepted for enrollment at that institution but failed to enroll on at least a half-time basis for the period for which the loan was intended; or (3) has changed his or her permanent address (Title 34, Code of Federal Regulations (CFR), Sections 685.309(b) and 682.610(c) and *Dear Colleague Letter*, April 14, 2014 (GEN-14-07)). Effective June 2012, enrollment reporting roster files must also include Federal Pell Grant-only and Federal Perkins Loans recipients (Title 34, CFR, Section 690.83(b)(2), and *Dear Colleague Letter*, March 30, 2012 (GEN-12-06)).

Questioned Cost:	\$0
U.S. Department of Education	

The *National Student Loan Data System (NSLDS) Enrollment Reporting Guide* states that, when a student graduates, an institution should use the date the student completed the course requirements, not the presentation date of the diploma or certificate, as the date of completion of the course of study. In addition, in the absence of a formal withdrawal, the last recorded date of attendance should be reported as the status change date (*NSLDS Enrollment Reporting Guide*, Appendix C).

The University of Texas at San Antonio (University) uses the services of the National Student Clearinghouse (NSC) to report status changes to the NSLDS. Under this arrangement, the University reports all students enrolled and their status to NSC. NSC then identifies any changes in status and reports those changes when required to NSLDS. Additionally, NSC completes the roster file on the University’s behalf and communicates status changes to NSLDS as applicable. Although the University uses the services of NSC, it is still ultimately the University’s responsibility to submit timely, accurate, and complete responses to roster files and to maintain proper documentation (*NSLDS Enrollment Reporting Guide*, Chapter 3).

For 14 (23 percent) of 61 students tested, the University did not accurately report the effective dates of the students’ withdrawal to NSLDS. Specifically:

- The University determined at the end of a semester that six of those students had never attended or unofficially withdrew that semester, but it reported incorrect effective dates for those status changes. The University reported as the effective date of withdrawal either the commencement date of the prior semester or the commencement date of the current semester, when it should have reported the last dates of attendance as the effective date. One of the six students unofficially withdrew, and the University initially reported as the effective date of withdrawal the correct withdrawal date; however, it subsequently reported the withdrawal date as the commencement date for the semester.
- The University incorrectly reported as the effective date of withdrawal the commencement date for students who graduated in the 2014-2015 award year when it should have reported the last class day. That error affected eight students in the sample tested, and it also affected all 2,648 students who graduated during the Fall and Spring semesters.

Those errors occurred because the University had inadequate or incorrect policies and practices to accurately report student status changes. Not reporting student status changes accurately and completely could affect determinations that guarantors, lenders, and servicers of student loans make related to in-school status, deferments, grace periods, repayment schedules, and the federal government’s payment of interest subsidies.

Recommendations:

The University should:

- Accurately report the effective dates for all student status changes to NSLDS.
- Strengthen its procedures for reporting the effective dates of withdrawal for students who are identified at the end of a semester as having withdrawn or as never having attended classes.

Views of Responsible Officials and Corrective Action Plan:

The Registrar's Office realized during the AY1415 that the commencement date was being reported as the graduation date instead of the last day of classes. They corrected the dates used as of the summer 2015 term.

Implementation Date: June 2015

Responsible Person: Joe DeCristoforo

Once the Return of Title IV processor has determined which students' enrollment status needs to be updated manually, documentation of the last dates of attendance will be provided to the appropriate Registrar's office staff for them to modify the enrollment records in the National Student Clearinghouse database. The updated enrollment data will then be correctly reported to the NSLDS.

Implementation Date: March 2016

Responsible Person: Joe DeCristoforo

University of Texas Southwestern Medical Center

Reference No. 2015-151

**Activities Allowed or Unallowed
Allowable Costs/Cost Principles**

Research and Development Cluster

Award years – Multiple

Award numbers – Multiple

Type of finding – Significant Deficiency and Non-Compliance

The costs of services provided by specialized service facilities operated by an institution are allowable if the costs of such services are charged directly to applicable awards based on actual usage of the services on the basis of a schedule of rates or established methodology that (1) does not discriminate against federally-supported activities of the institution, including usage by the institution for internal purposes, and (2) is designed to recover only the aggregate costs of the services. Service rates must be adjusted at least biennially and must take into consideration over/under applied costs of the previous period(s) (Title 2, Code of Federal Regulations, Section 220, Appendix A, J(47)). Working capital reserves are generally considered excessive when they exceed 60 days of cash expenses for normal operations incurred for the period, exclusive of depreciation, capital costs, and debt principal costs (Office of Management and Budget *Circular A-133 Compliance Supplement*, Part 3, Section B).

Questioned Cost:	\$0
Federal agencies that award R&D funds	

The University of Texas Southwestern Medical Center (Medical Center) did not always ensure that the costs of services provided by specialized service facilities were designed to recover only the aggregate costs of the services, and it did not adjust the service rates as required due to excessive fund balances. Two of three service centers tested had working capital reserves that exceeded 60 days of cash expenses. Specifically, the working capital reserves for those two service centers ranged from 125 to 173 days of cash expenses.

The Medical Center asserted that it reviews its service centers periodically to ensure that service center rates are appropriate to cover costs. The Medical Center did not have an approved policy or procedure for that review, and auditors could not confirm that the Medical Center had performed that review.

Maintaining excessive working capital reserves increases the risk that federal awards will not be charged an equitable rate and that service centers will recover more than the aggregate costs of the services.

General Controls

Institutions shall maintain internal control over federal programs that provides a reasonable assurance that institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133 Subpart C, Section 300(b)).

The Medical Center did not have adequate segregation of duties in its change management processes. Specifically, two individuals had access to both change application code and migrate code to the production environment. That occurred because the Medical Center’s periodic review of user access was not effective in identifying and changing that access. After auditors brought this issue to its attention, the Medical Center removed the inappropriate access for those two individuals. In addition, auditors determined that those two individuals did not migrate code that they had changed to the production environment.

Not having segregation of duties in change management increases the risk of unintended programming changes being made to critical information systems that the Medical Center uses to administer research and development grants.

Recommendations:

The Medical Center should:

- Establish and implement policies to ensure that it reviews and adjusts service center rates at least every two years.

- Strengthen controls to ensure that it does not maintain working capital reserves that exceed 60 days of cash expenses.
- Strengthen access controls for change management, including removing individuals' access to migrate code changes that they make to the production environment, and ensure that periodic reviews are effective in identifying inappropriate access.

Views of Responsible Officials and Corrective Action Plan:

Service Centers

The service centers in question (Sanger Sequencing and Electron Microscopy) review their accounts monthly, paying close attention to situations where total revenue exceeds expenses. Any excess revenue is accounted for, so that average revenue/month does not exceed 60 days' worth of operating costs. At Fiscal Year-end, Service Centers work with the Provost Office to reconcile all expenses/encumbrances and make rate adjustments, if needed. UT Southwestern has a draft policy to support the above activities. This draft policy is being used in practice, as of October 2015.

UT Southwestern will continue performing monitoring and reconciliation operations and will document these activities each month and at Fiscal Year-end. UT Southwestern will finalize the Service Center Policy that is being used in practice.

Implementation Date: September 2016

Responsible Person: Cameron Slocum

General Controls: e-Systems (PeopleSoft & eCRT)

The UT Southwestern department of Academic & Administrative Information Systems was recently created. As part of this initiative, a comprehensive reorganization of several Information Resources departments has been undertaken – addressing key people, processes, policies, procedures, training, and compliance functions. This reorganization has strengthened the overall controls and increases the level of compliance of code/migration access – particularly those activities related to access reviews over the server/database. UT Southwestern already has compensating controls, verified by internal audit, in place that help to mitigate situations where the same user could write and migrate code in production e-Systems. There are both controls in e-Systems and manual procedural controls that make it difficult to migrate a change without detection. Therefore, the risk of an unauthorized change is low. Going forward, a quarterly review will be conducted.

In addition, an external audit performed in fall 2015 identified the issue of high profile user account management. UT Southwestern provided a management response to this issue and developed a corrective action plan, which began prior to the SAO audit finding. The corrective action plan remains in progress and is due to be implemented by May 2016. The plan already includes development of policies and/or best practices.

Implementation Date: May 2016

Responsible Person: Dipti Ranganathan

Reference No. 2015-152

Cash Management

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

A recipient must maintain advances of federal funds in interest-bearing accounts unless (1) the recipient receives less than \$120,000 in federal awards per year, (2) the best reasonably available interest-bearing account would not be expected to earn interest in excess of \$250 per year on federal cash balances, or (3) the depository would require an average or minimum balance so high that it would not be feasible within the expected federal and non-federal cash resources (Title 2, Code of Federal Regulations (CFR), Section 215.22(k)). For those entities to which the Cash Management Improvement Act (CMIA) and its implementing regulations do not apply, interest earned on federal advances deposited in interest-bearing accounts must be remitted annually to the U.S. Department of Health and Human Services. Interest amounts up to \$250 per year may be retained by the recipient for administrative expense. State universities and hospitals must comply with CMIA as it pertains to interest (Title 2, CFR, Section 215.22(l)). In addition, Title 31, CFR, Section 205, which implements the CMIA, states that a state interest liability accrues from the day federal funds are credited to a state account to the day the state pays out the federal funds for federal assistance program purposes (Title 31, CFR, Section 205.15). Costs incurred for interest on borrowed capital, temporary use of endowment funds, or the use of the non-federal entity’s own funds, however represented, are unallowable (Title 2, CFR, Section 220, Appendix A, J(26)).

Questioned Cost: Unknown
 U.S. Department of Defense

The University of Texas Southwestern Medical Center (Medical Center) did not remit to the federal government interest it earned on federal funds it received in advance of program expenses. Specifically, the methodology the Medical Center used to calculate that interest was inaccurate and did not enable the Medical Center to correctly calculate the amount of interest it earned on advances. In its calculation of interest:

- The Medical Center netted interest earned on advances with interest it determined it earned on the use of its own funds while waiting for scheduled payments from federal sponsors.
- The Medical Center was inconsistent in the interest rates that it applied to advances of funds.
- The Medical Center identified four grant accounts as closed in its calculation of interest; however, those accounts had positive cash balances totaling \$69,259 that could require refunds back to federal sponsors. The Medical Center did not include those positive cash balances in its calculation of interest, and it could not provide an explanation regarding those balances.

As a result of its incorrect methodology, the Medical Center did not accurately calculate the interest it earned on advances of federal funds and, therefore, did not remit the interest it earned, in excess of the allowance for administrative expenses of \$250. Due to the inappropriate methodology described above, auditors were unable to determine the actual amount of interest that the Medical Center would be required to remit to the federal government for fiscal year 2015.

The following awards were affected by the issue described above:

CFDA No.	CFDA Title	Award Number	Award Year
12.420	Military Medical Research and Development	W81XWH-11-1-0270	July 1, 2011 to July 29, 2015
12.420	Military Medical Research and Development	W81XWH-11-1-0738	September 1, 2011 to August 31, 2014
12.420	Military Medical Research and Development	W81XWH-10-2-0144	September 16, 2010 to September 15, 2014

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CFDA No.	CFDA Title	Award Number	Award Year
12.420	Military Medical Research and Development	W81XWH-11-1-0491	June 15, 2011 to July 30, 2015
12.420	Military Medical Research and Development	W81XWH-11-1-0349	September 4, 2011 to October 3, 2013
12.420	Military Medical Research and Development	W81XWH-12-1-0289	September 1, 2012 to August 31, 2014
12.420	Military Medical Research and Development	W81XWH-11-1-0148	August 1, 2011 to August 31, 2014
12.420	Military Medical Research and Development	W81XWH-14-1-0428	September 30, 2014 to September 29, 2016
12.420	Military Medical Research and Development	W81XWH-13-1-0318	September 1, 2013 to August 31, 2015
12.420	Military Medical Research and Development	W81XWH-13-1-0462	September 30, 2013 to September 29, 2015
12.420	Military Medical Research and Development	W81XWH-14-1-0338	September 15, 2014 to September 14, 2016
12.420	Military Medical Research and Development	W81XWH-14-1-0540	September 30, 2014 to September 29, 2016
12.420	Military Medical Research and Development	W81XWH-14-1-0049	February 1, 2014 to January 31, 2016
12.420	Military Medical Research and Development	W81XWH-09-1-0637	October 3, 2012 to October 3, 2014
12.420	Military Medical Research and Development	W81XWH-14-1-0065	June 1, 2014 to May 31, 2016
12.420	Military Medical Research and Development	W81XWH-11-1-0712	September 15, 2011 to March 14, 2014

Recommendation:

The Medical Center should develop and implement policies and procedures that accurately detail how it tracks and calculates interest on advances of federal funds to ensure compliance with requirements.

Views of Responsible Officials and Corrective Action Plan:

Cash Management/Advances

UT Southwestern does not accept cash advances from sponsors. All offices that negotiate awards will be trained to void any term and condition related to cash advances. Going forward, UT Southwestern will monitor sponsor payments and communicate to sponsors to ensure no cash advances are mistakenly issued by the sponsor to UT Southwestern.

Implementation Date: May 2016

Responsible Person: David Ngo

Reference No. 2015-153

Equipment and Real Property Management

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of Finding – Significant Deficiency and Non-Compliance

Equipment

A recipient’s equipment records for equipment acquired with federal funds and federally owned equipment must be maintained accurately and include all of the following: a description of the equipment; manufacturer’s serial number or other identification number; the source of the equipment, including the award number; whether title vests in the recipient or the federal government; acquisition date and cost; the percentage of federal participation in the cost of the equipment; location and condition of the equipment; unit acquisition cost; and ultimate disposition data for the equipment (Title 2, Code of Federal Regulations (CFR), Section 215.34(f)).

Questioned Cost:	\$0
U.S. Department of Health and Human Services	
U.S. Department of Veterans Affairs	

In addition, the University of Texas Southwestern Medical Center’s (Medical Center) *FSS-152: Acquisition, Management, and Disposal of UT Southwestern Property* policy handbook requires that all capitalized and controlled assets the Medical Center purchases be tagged and assigned a unique inventory number.

The Medical Center did not always maintain adequate property records for its equipment. For 4 (6 percent) of 71 equipment items tested, the property records contained an inaccurate serial number. Three of those errors occurred because the Medical Center did not enter asset information accurately and completely into the asset management system and the Medical Center did not identify the discrepancies during its annual inventory. The remaining error occurred because a department did not notify inventory control that the equipment item was on loan to another higher education institution and delivered directly to that higher education institution; therefore, inventory control was unable to obtain the serial number.

In addition, for 4 (6 percent) of 66 equipment items physically inspected, the equipment items were not in the location specified in the property records. Those errors occurred because a department did not track the location of an item, the Medical Center did not enter information accurately into the asset management system, or because a department moved an equipment item and did not notify inventory control.

Not properly maintaining property records increases the risk that equipment may be lost or stolen.

Equipment Disposition

The Medical Center’s *FSS-152: Acquisition, Management, and Disposal of UT Southwestern Property* policy handbook requires the vice provost and dean of basic research to provide written approval before property is transferred to another higher education institution. Additionally, the policy requires that missing or stolen property be reported to the Medical Center’s police in a timely manner.

For 4 (15 percent) of 27 equipment disposals tested, the Medical Center did not always dispose of equipment in accordance with its policy. Specifically:

- The Medical Center did not properly document the transfer of one equipment item to another higher education institution. The Medical Center completed the proper form; however, the form did not specify the exact equipment item that it transferred.
- The Medical Center did not file police reports for two items that were missing for two consecutive years.
- The Medical Center could not provide documentation confirming its disposition of one item.

Not disposing of equipment in accordance with policy increases the risk that the Medical Center could improperly dispose of equipment purchased with federal funds.

Physical Inventory

A recipient must conduct a physical inventory of equipment and reconcile the results with equipment records at least once every two years. Any differences between quantities determined by the physical inventory and those shown in the accounting records must be investigated to determine the cause of the difference. The recipient must, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment. A control system also must be in effect to ensure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment must be investigated and fully documented; if the equipment was owned by the federal government, the recipient must promptly notify the federal awarding agency (Title 2, CFR, Section 215.34(f)).

The Medical Center conducts a physical inventory of equipment each fiscal year starting in September. It completed the fiscal year 2015 physical inventory on August 31, 2015. Each fiscal year, Medical Center staff attempt to locate each equipment item and record relevant data, including the asset number, location, and whether the item is currently in service. Items that cannot be located are reported to the relevant department’s asset administrator for resolution. As discussed above, the Medical Center’s *FSS-152: Acquisition, Management, and Disposal of UT Southwestern Property* policy handbook requires that missing or stolen property be reported to the Medical Center’s police in a timely manner.

The Medical Center did not always resolve discrepancies it identified during its physical inventory in a timely manner. For 6 (46 percent) of 13 inventory discrepancies tested, the Medical Center identified equipment items that were missing, but it did not file a police report for those equipment items within the next fiscal year after it determined they were missing. Those errors occurred because the policy for reporting missing items to the police does not define when a police report should be filed and the Medical Center’s procedures differed from the policy.

Not following up on discrepancies identified in a physical inventory increases the risk that the Medical Center could improperly dispose of equipment items purchased with federal funds.

The following awards were affected by the issues discussed above:

<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>
64.000	U.S. Department of Veterans Affairs	VA549P0027	November 14, 2006 to December 31, 2010
93.000	U. S. Department of Health and Human Services	N01MH090003	September 29, 1999 to March 31, 2011
93.273	Alcohol Research Programs	5-R01-AA011570	September 30, 1998 to December 31, 2004
93.369	ACL Independent Living State Grants	5-K23-RR16075	July 15, 2000 to June 30, 2006
93.395	Cancer Treatment Research	5R01CA133253	August 1, 2010 to May 31, 2014
93.837	Cardiovascular Diseases Research	5R01HL102442	August 1, 2010 to April 30, 2015
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	5R37DK046082	January 1, 1993 to April 30, 2013
93.855	Allergy, Immunology and Transplantation Research	5R01AI097403	April 1, 2012 to March 31, 2017

UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER

CFDA No.	CFDA Title	Award Number	Award Year
93.855	Allergy, Immunology and Transplantation Research	5R37AI034432	December 1, 1994 to August 31, 2019
93.855	Allergy, Immunology and Transplantation Research	5-R01-AI056216	July 1, 2003 to December 31, 2008
93.855	Allergy, Immunology and Transplantation Research	2-T32-AI005284	July 1, 1980 to May 31, 2019
93.859	Biomedical Research and Research Training	5P50GM021681	July 1, 1998 to January 31, 2000
93.859	Biomedical Research and Research Training	5R01GM053163	May 1, 1996 to April 30, 2016
93.859	Biomedical Research and Research Training	5-R01-GM043479	July 1, 1990 to June 30, 2006
93.859	Biomedical Research and Research Training	1-U54-GM62114	September 1, 2000 to August 31, 2005
93.866	Aging Research	5R01AG007992	April 1, 1989 to February 29, 2012
93.866	Aging Research	5R01AG001228	January 15, 1992 to April 30, 2019

General Controls

Institutions shall maintain internal control over federal programs that provides a reasonable assurance that institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133 Subpart C, Section 300(b)).

The Medical Center did not have adequate segregation of duties in its change management processes. Specifically, two individuals had access to both change application code and migrate code to the production environment. That occurred because the Medical Center’s periodic review of user access was not effective in identifying and changing that access. After auditors brought this issue to its attention, the Medical Center removed the inappropriate access for those two individuals. In addition, auditors determined that those two individuals did not migrate code that they had changed to the production environment.

Not having segregation of duties in change management increases the risk of unintended programming changes being made to critical information systems that the Medical Center uses to administer research and development grants.

Recommendations:

The Medical Center should:

- Strengthen controls to ensure that it updates and maintains accurate and complete property records.
- Strengthen controls to ensure that it disposes of equipment items in accordance with its policy.
- Strengthen controls to ensure that it resolves discrepancies in its physical inventory in a timely manner and in accordance with its policy.

- Strengthen access controls for change management, including removing individuals' access to migrate code changes that they make to the production environment, and ensure that periodic reviews are effective in identifying inappropriate access.

Views of Responsible Officials and Corrective Action Plan:

Equipment

UT Southwestern Materials Management recently undertook and completed a comprehensive reorganization of the department – addressing key people, processes, policies, procedures, training, and compliance functions. This reorganization has strengthened the overall controls and increases the level of compliance of inventory control/asset management – particularly those activities related to location of equipment, accuracy of property records, adherence to UTSW policy (for missing equipment and proper disposal).

Implementation Date: November 2016

Responsible Person: Charles Cobb

General Controls: e-Systems (PeopleSoft & eCRT)

The UT Southwestern department of Academic & Administrative Information Systems was recently created. As part of this initiative, a comprehensive reorganization of several Information Resources departments has been undertaken – addressing key people, processes, policies, procedures, training, and compliance functions. This reorganization has strengthened the overall controls and increases the level of compliance of code/migration access – particularly those activities related to access reviews over the server/database. UT Southwestern already has compensating controls, verified by internal audit, in place that help to mitigate situations where the same user could write and migrate code in production e-Systems. There are both controls in e-Systems and manual procedural controls that make it difficult to migrate a change without detection. Therefore, the risk of an unauthorized change is low. Going forward, a quarterly review will be conducted.

In addition, an external audit performed in fall 2015 identified the issue of high profile user account management. UT Southwestern provided a management response to this issue and developed a corrective action plan, which began prior to the SAO audit finding. The corrective action plan remains in progress and is due to be implemented by May 2016. The plan already includes development of policies and/or best practices.

Implementation Date: May 2016

Responsible Person: Dipti Ranganathan

Reference No. 2015-154

Period of Availability of Federal Funds

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

When a funding period is specified, a recipient may charge to a grant only allowable costs resulting from obligations incurred during the funding period and any preaward costs authorized by the federal awarding agency (Title 2, Code of Federal Regulations (CFR), Section 215.28). Unless the federal awarding agency authorizes an extension, a recipient shall liquidate all obligations incurred under the award not later than 90 calendar days after the funding period or the date of completion as specified in the terms and conditions of the award or in agency implementing instructions (Title 2, CFR, Section 215.71(b)).

Questioned Cost:	\$0
U.S. Department of Defense U.S. Department of Health and Human Services	

The University of Texas Southwestern Medical Center (Medical Center) did not always incur costs within the period of availability and did not always liquidate its obligations within the required time period. Specifically, for 5 (10 percent) of 51 transactions tested, the Medical Center incurred and liquidated expenditures after the period of availability for the federal award. Those transactions totaling \$2,522 occurred between 77 days and 790 days after the period of availability. The Medical Center did not obtain reimbursement from the sponsor for the costs associated with those transactions.

For two additional transactions, the Medical Center incurred expenditures within the period of availability; however, it did not liquidate those expenditures within the required time period. For one of those transactions, the Medical Center asserted that the error occurred because the principal investigator relocated to a different research institution and that institution agreed to reimburse the Medical Center for the expenditures outside of the period of availability. However, the Medical Center did not have documented evidence of that agreement. For the other transaction, the Medical Center reimbursed a subrecipient more than 90 days after the completion of the award. The Medical Center asserted that it made the payment late because of negotiations with the subrecipient.

Not properly closing out awards increases the risk that unallowable costs could be charged to federal awards.

The following awards were affected by the period of availability issues discussed above:

CFDA No.	CFDA Title	Award Number	Award Year
12.800	Air Force Defense Research Sciences Program	FA8650-10-2-6143 (the Medical Center received the award funds as a pass-through from Oregon Health and Science University)	July 1, 2011 to May 28, 2014
93.350	National Center for Advancing Translational Sciences	2UL1TR000451-06	June 1, 2012 to October 31, 2013
93.395	Cancer Treatment Research	138-000026 (the Medical Center received award funds as a pass- through from SRI International)	July 1, 2014 to August 31, 2014

<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	5R01DK09293903 (the Medical Center received award funds as a pass-through from University of Utah)	July 1, 2011 to April 30, 2014
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	5R01NS061860-03	September 30, 2009 to August 31, 2014
93.855	Allergy, Immunology and Transplantation Research	5R01AI078962-03(the Medical Center received award funds as a pass-through from Seattle Biomedical Research Institute)	January 1, 2010 to May 1, 2013
93.866	Aging Research	U01AG029824 (the Medical Center received the award funds as a pass-through from Minneapolis Medical Research Foundation)	February 1, 2014 to January 31, 2015

General Controls

Institutions shall maintain internal control over federal programs that provides a reasonable assurance that institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133 Subpart C, Section 300(b)).

The Medical Center did not have adequate segregation of duties in its change management processes. Specifically, two individuals had access to both change application code and migrate code to the production environment. That occurred because the Medical Center’s periodic review of user access was not effective in identifying and changing that access. After auditors brought this issue to its attention, the Medical Center removed the inappropriate access for those two individuals. In addition, auditors determined that those two individuals did not migrate code that they had changed to the production environment.

Not having segregation of duties in change management increases the risk of unintended programming changes being made to critical information systems that the Medical Center uses to administer research and development grants.

Recommendations:

The Medical Center should:

- Develop and implement a process to ensure that it complies with all period of availability requirements for federal awards and that it liquidates its obligations within required time frames.
- Strengthen access controls for change management, including removing individuals’ access to migrate code changes that they make to the production environment, and ensure that periodic reviews are effective in identifying inappropriate access.

Views of Responsible Officials and Corrective Action Plan:

POA (Telecom Charges)

UT Southwestern met all federal/sponsor obligations on the projects in questions. All final financial statements were submitted correctly and all costs claimed were allowable and accurate. The telecommunication (telecom) charges did not impact the accounting on the awards, nor did they negatively impact the sponsor. Auditors verified that no letter of credit draws or invoices were issued after the award ended (inclusive of before/after the telecom charges hit the account). UT Southwestern Sponsored Programs Administration will fully close out all expired grant awards in electronic systems. Programming will be completed in electronic systems to restrict all charges, including telecom, from being posted to closed accounts.

Implementation Date: November 2016

Responsible Person: Kirk Kirksey

General Controls: e-Systems (PeopleSoft & eCRT)

The UT Southwestern department of Academic & Administrative Information Systems was recently created. As part of this initiative, a comprehensive reorganization of several Information Resources departments has been undertaken – addressing key people, processes, policies, procedures, training, and compliance functions. This reorganization has strengthened the overall controls and increases the level of compliance of code/migration access – particularly those activities related to access reviews over the server/database. UT Southwestern already has compensating controls, verified by internal audit, in place that help to mitigate situations where the same user could write and migrate code in production e-Systems. There are both controls in e-Systems and manual procedural controls that make it difficult to migrate a change without detection. Therefore, the risk of an unauthorized change is low. Going forward, a quarterly review will be conducted.

In addition, an external audit performed in fall 2015 identified the issue of high profile user account management. UT Southwestern provided a management response to this issue and developed a corrective action plan, which began prior to the SAO audit finding. The corrective action plan remains in progress and is due to be implemented by May 2016. The plan already includes development of policies and/or best practices.

Implementation Date: May 2016

Responsible Person: Dipti Ranganathan

Reference No. 2015-155

Reporting

(Prior Audit Issue 2013-193)

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

Recipients are responsible for managing, monitoring, and reporting performance for each project, program, subaward, function, or activity supported by an award (Title 2, Code of Federal Regulations (CFR), Sections 215.51 and 215.52). Recipients use the Federal Financial Report Standard Form (SF-425) to report financial activity. The U.S. Office of Management and Budget provides specific instructions for completing the SF-425, including definitions and requirements of key reporting elements.

Questioned Cost:	\$0
U.S. Department of Defense U.S. Department of Health and Human Services	

The University of Texas Southwestern Medical Center (Medical Center) did not ensure that its financial reports were accurate and supported by applicable accounting records. Specifically, 10 (17 percent) of 60 financial reports tested did not accurately reflect the indirect cost rate, amount of indirect costs, indirect cost base amount, or the federal share of expenditures. In addition, the Medical Center submitted 48 (80 percent) of the 60 financial reports tested with an incorrect accounting basis identified. While the Medical Center prepared the financial reports with the correct accrual accounting basis, it asserted that the financial accounting system selected the cash basis of accounting incorrectly, and the Medical Center did not change the applicable basis of accounting prior to submitting the financial reports.

While the Medical Center reviewed its financial reports prior to submission, that review was not sufficient to ensure that the financial reports were accurate and fully supported. Inaccurate information in financial reports increases the risk that federal agencies could rely on inaccurate information to manage and monitor their awards.

The issues above affected the following awards:

CFDA No.	CFDA Title	Award Number	Award Year
12.420	Military Medical Research and Development	W81XWH-13-2-0093 (the Medical Center received award funds as a pass-through from the University of Washington)	September 30, 2013 to September 30, 2015
93.173	Research Related to Deafness and Communication Disorders	5R00DC01178004	April 1, 2012 to March 31, 2015
93.242	Mental Health Research Grants	5R01MH08116405	December 1, 2012 to November 30, 2014
93.310	Trans-NIH Research Support	1DP2OD00648401	September 1, 2009 to December 15, 2014
93.396	Cancer Biology Research	5R01CA12938705	September 22, 2008 to July 31, 2014
93.837	Cardiovascular Diseases Research	5R01HL09303905	June 1, 2012 to September 30, 2014
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	5U01DK08302305	July 1, 2012 to June 30, 2014
93.859	Biomedical Research and Research Training	5R01GM08819705	August 1, 2012 to July 31, 2014
93.859	Biomedical Research and Research Training	5R01GM02566133	May 1, 2012 to August 31, 2014
93.859	Biomedical Research and Research Training	5R01GM08419804	August 1, 2009 to July 31, 2014

General Controls

Institutions shall maintain internal control over federal programs that provides a reasonable assurance that institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133 Subpart C, Section 300(b)).

The Medical Center did not have adequate segregation of duties in its change management processes. Specifically, two individuals had access to both change application code and migrate code to the production environment. That occurred because the Medical Center's periodic review of user access was not effective in identifying and changing that access. After auditors brought this issue to its attention, the Medical Center removed the inappropriate access for those two individuals. In addition, auditors determined that those two individuals did not migrate code that they had changed to the production environment.

Not having segregation of duties in change management increases the risk of unintended programming changes being made to critical information systems that the Medical Center uses to administer research and development grants.

Recommendations:

The Medical Center should:

- Strengthen controls to ensure that the federal financial reports that it submits are complete and accurate.
- Strengthen access controls for change management, including removing individuals' access to migrate code changes that they make to the production environment, and ensure that periodic reviews are effective in identifying inappropriate access.

Views of Responsible Officials and Corrective Action Plan:

Reporting (F&A)

UT Southwestern identified and corrected a glitch in the electronic systems, which will allow reporters to apply the correct F&A rate, amount and base. In addition, a process improvement initiative, focusing on award closeout revamp has been launched. Included in the process improvements are the development of policies and guidance that continue to support and ensure accurate submission of financial reports. Staff has been trained to review/reconcile any discrepancies, as well as utilize required quality control checklists and queries.

Implementation Date: February 2016

Responsible Person: David Ngo

General Controls: e-Systems (PeopleSoft & eCRT)

The UT Southwestern department of Academic & Administrative Information Systems was recently created. As part of this initiative, a comprehensive reorganization of several Information Resources departments has been undertaken – addressing key people, processes, policies, procedures, training, and compliance functions. This reorganization has strengthened the overall controls and increases the level of compliance of code/migration access – particularly those activities related to access reviews over the server/database. UT Southwestern already has compensating controls, verified by internal audit, in place that help to mitigate situations where the same user could write and migrate code in production e-Systems. There are both controls in e-Systems and manual procedural controls that make it difficult to migrate a change without detection. Therefore, the risk of an unauthorized change is low. Going forward, a quarterly review will be conducted.

In addition, an external audit performed in fall 2015 identified the issue of high profile user account management. UT Southwestern provided a management response to this issue and developed a corrective action plan, which began prior to the SAO audit finding. The corrective action plan remains in progress and is due to be implemented by May 2016. The plan already includes development of policies and/or best practices.

Implementation Date: May 2016

Responsible Person: Dipti Ranganathan

Summary Schedule of Prior Audit Findings

Federal Portion of
Statewide Single Audit Report

For the Year Ended August 31, 2015

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Summary Schedule of Prior Year Audit Findings – KPMG

Federal regulations (*Office of Management and Budget Circular OMB Circular A-133*) state, “the auditee is responsible for follow-up and corrective action on all audit findings.” As part of this responsibility, the auditee reports the corrective action it has taken for the following:

- Each finding in the 2014 Schedule of Findings and Questioned Costs
- Each finding in the 2014 Summary Schedule of Prior Audit Findings that was not identified as implemented or reissued as a current year finding.

The Summary Schedule of Prior Audit Findings for the year ended August 31, 2014 has been prepared to address these responsibilities.

Department of Aging and Disability Services
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Reference No. 2014-001

Matching, Level of Effort, Earmarking

Reporting

Subrecipient Monitoring

(Prior Audit Issues – 2013-001)

Aging Cluster

Award years – October 1, 2013 to September 30, 2014 and October 1, 2012 to September 30, 2013

Award numbers – 14AATXT3SS, 14AATXT3CM, 14AATXT3HD, 14AATXNSIP, 13AATXT3SP, and 13AATXNSIP

Type of finding – Significant Deficiency and Non-Compliance

The Department of Aging and Disability Services (DADS) passed through approximately 95% of the Aging Cluster to subrecipients, approximately \$71 million in fiscal year 2014. DADS is required by OMB Circular A-133, Section .400, to monitor subrecipients to ensure compliance with Federal rules and regulations, as well as the provisions of the contracts or grant agreements. This monitoring includes but is not limited to: determining subrecipient eligibility, Data Universal Numbering System (DUNS) number identification, award identification, during-the-award monitoring, and close-out and sanctions activities. According to OMB Circular A-133, DADS must assure that subrecipients expending Federal funds in excess of \$500,000 have an OMB Circular A-133 Single Audit performed and provide a copy of the auditor’s report to DADS within nine months of the subrecipient’s fiscal year end. DADS is to review the report and issue a management decision within six months, if applicable. Per title 2 of the Code of Federal Regulation (CFR) part 25, an entity is prohibited from making an award until the subrecipient has a valid DUNS. The requirement was effective October 1, 2010.

Initial Year Written:	2012
Status:	Implemented
U.S. Department of Health and Human Services	

DADS’ subrecipient monitoring procedures include the use of a standard contract for services, the provision of technical assistance to subrecipients, and the collection and processing of A-133 reports. Currently, monitoring activities are conducted by the Access and Intake Unit for Aging within DADS. The current policy is to perform an on-site review of all twenty-eight Aging Area Agency (AAA) subrecipients in a four year cycle. In the event an AAA has elevated risk, DADS does modify their approach and perform additional work as considered necessary. An on-site monitoring manual is utilized for the on-site reviews.

During fiscal year 2014, DADS updated their on-site monitoring manual to address sample size guidance, validation of in-kind contributions, cash maintenance of effort (MOE) and matching allowability, and the inclusion of payroll in the allowable costs sampling. Audit procedures involved a review of nine of twenty-eight subrecipients’ files for fiscal year 2014. From those nine files, the following items were noted:

- For seven subrecipients, the on-site monitoring manual did not include provider eligibility. This includes ensuring that providers of case management services must be public or non-profit agencies. These seven subrecipients were last monitored prior to 2014. For two subrecipients, the on-site monitoring manual makes reference to provider eligibility, including the review of the W-9 to ensure providers of case management services are public

or non-profit agencies but no documentation was noted in the files to conclude the provider was eligible. These two subrecipients were monitored in 2014.

- For seven subrecipients, the monitoring file did not include sufficient documentation to support the results of the monitoring review of compliance requirements such as allowable costs, program income, in-kind, and AAA review of the service provider for compliance with contract requirements. Documentation was inconsistent among the monitoring files. The on-site monitoring manual does not provide consistent guidance on attributes to test for each area of compliance, documentation standards for sample items reviewed such as standard templates with attributes reviewed, and retention of example documentation to support conclusions.
- For seven subrecipients, payroll expenditures were not specifically targeted by the on-site monitoring manual. These seven subrecipients were last monitored prior to 2014. Payroll expenditures are specifically targeted in the 2014 on-site monitoring manual.
- For seven subrecipients, the on-site monitoring manual did not include procedures to be performed over the matching and maintenance of effort (MOE) requirements that are self-reported by the AAA. These subrecipients were last monitored prior to 2014. Matching and MOE requirements are specifically targeted in the 2014 on-site monitoring manual.
- The recipient share of expenditures (line 10J) on the SF-425 primarily consists of AAA matching expenditures. The information is self-reported by the AAA and thus should be verified during monitoring.

See finding 2014-013 to address collection of A-133 reports and issuance of management decisions.

Corrective Action:

Corrective action was taken.

Reference No. 2014-002

Period of Availability of Federal Funds

Reporting

(Prior Audit Issues – 2013-002)

Aging Cluster

Award years – October 1, 2013 to September 30, 2014 and October 1, 2012 to September 30, 2013

Award numbers – 14AATXT3SS, 14AATXT3CM, 14AATXT3HD, 14AATXNSIP, 13AATXT3SP, and 13AATXNSIP

Type of finding – Significant Deficiency and Non-Compliance

The Federal Funding Accountability and Transparency Act (FFATA) was signed on September 26, 2006. The FFATA legislation requires information on federal awards (federal financial assistance and expenditures) be made available to the public via a single, searchable website. Per Title II part 170 of the Code of Federal Regulation (CFR), an entity must report each action that obligates \$25,000 or more in Federal funds for a subaward to an entity. The agency must subsequently amend the award if changes in circumstances increase the total Federal funding under the award during the project or program period. This information is to be reported no later than the end of the month following the month in which the obligation or amendment was made. This requirement was effective for all grants starting October 1, 2010 or after. Per Title II part 25 of the Code of Federal Regulation (CFR), an entity is prohibited from making an award until the subrecipient has a valid Data Universal Numbering System (DUNS). This requirement was effective for all grants starting October 1, 2010 or after. The Department of Aging and Disability Services' (DADS) FFATA process is manual in nature. The accumulation of the data to include in the FFATA report and the actual filing of the FFATA report is a manual process based on the obligation/award spreadsheets. DADS has twenty-eight subrecipients. DADS currently has three individuals assigned to the task of filing the FFATA report. One program individual accumulates the data to include in the FFATA report, one program individual reviews the draft FFATA report for accuracy, and the FFATA Administrator files the final report.

Initial Year Written:	2012
Status:	Implemented
U.S. Department of Health and Human Services	

AGING AND DISABILITY SERVICES, DEPARTMENT OF

During March 2014, DADS modified this FFATA reporting process to include a review of the FFATA data prior to submission. A sample of forty transactions included in the FFATA submissions were selected for review and involved in the following. All discrepancies noted below were prior to March 2014.

- Twelve samples contained the incorrect subaward action date on the FFATA report submitted. The NFA and NOA both contained a date of October 30, 2013 while the subaward action date per the FFATA report submission was presented as October 1, 2013. A subaward action date of October 30, 2013 should have been used. For the Aging Cluster, the Notice of Award (NOA) from the Administration for Community Living represents the federal government obligating the funds to DADS. The Notification of Funds Available (NFA) from DADS to the subrecipient represents the funding letter notification. As such, the later of these two dates which represents when the subrecipient has access to the funds, should be used as the subaward action date that triggers the FFATA report due date.
- Twenty-six samples, among five monthly submissions, were submitted late. The submission was late due to a lack of coordination between program personnel and the FFATA Administrator with regard to the need to file a report.

In addition, funds are made available to the State annually and must be obligated by the State by the end of the Federal fiscal year in which they were awarded. The State has an additional two years to liquidate all obligations for its administration of the State Plan and for awards to the Area Agencies consistent with its intrastate allocation formula. Therefore, in any given year, multiple years of funding are being used to provide services statewide (42 USC 3024 (b)). The obligation/award spreadsheets noted above that are the source of the FFATA information are also the support for the above obligation requirement. Currently the spreadsheets are prepared by program personnel and no detail review is performed regarding obligation requirements. As noted above, review was implemented in March 2014.

Corrective Action:

Corrective action was taken.

Department of Assistive and Rehabilitative Services

Reference No. 2014-003

Eligibility

CFDA 84.126 – Rehabilitation Services–Vocational Rehabilitation Grants to States
Award years – October 1, 2013 to September 30, 2014 and October 1, 2012 to September 30, 2013
Award numbers – H126A140064, H126A140065, H126A130064, and H126A130065
Type of finding – Significant Deficiency and Non-Compliance

An individual is eligible for Vocational Rehabilitation (VR) services if the individual (a) has a physical or mental impairment that, for the individual, constitutes or results in a substantial impediment to employment; (b) can benefit in terms of an employment outcome from VR services; and (c) requires VR services to prepare for, secure, retain, or regain employment (Section 102(a)(1) of the Act (29 USC 722(a)(1))).

Initial Year Written:	2014
Status:	Partially Implemented
U.S. Department of Education	

The State VR Agency must determine whether an individual is eligible for VR services within a reasonable period of time, not to exceed 60 days, after the individual has submitted an application for the services unless (Section 102(a)(6) of the Act (29 USC 722(a)(6)):

- a. Exceptional and unforeseen circumstances beyond the control of the State VR agency preclude making an eligibility determination within 60 days and the State agency and the individual agree to a specific extension of time; or
- b. The State VR Agency is exploring an individual’s abilities, capabilities, and capacity to perform in work situations through trial work experiences in order to determine the eligibility of the individual or the existence of clear and convincing evidence that the individual is incapable of benefiting in terms of an employment outcome from VR services.

At the Department of Assistive and Rehabilitative Services (DARS), a Comprehensive Assessment is performed in order to determine whether an individual requires VR services to prepare for, secure, retain, or regain employment. The determination of whether an individual can benefit from an employment outcome is determined by the VR counselor and is built into an Individualized Plan for Employment (IPE) subsequent to the Comprehensive Assessment.

There are two divisions that receive federal awards for VR services: (1) the Division for Rehabilitation Services (DRS) and (2) the Division for Blind Services (DBS). For each division, we sampled a total of sixty-five cases and noted the following exceptions. All individuals were determined to be eligible for services so there are no questioned costs except for the equipment noted below.

DRS:

- For three of sixty-five files sampled, eligibility for the individual was determined after 60 days from the date the application was submitted for the services. There was no documentation in the case file indicating why an extension was not requested.
- For one of sixty-five files sampled, an extension to determine eligibility was granted to allow for receipt of various medical and school records. Eligibility for the individual was determined after the extension date. There was no documentation in the case file indicating why a second extension was not requested.

DBS:

- For two of sixty-five files sampled, eligibility for the individual was determined after 60 days from the date the application was submitted for the services. There was no documentation in the case file indicating why an extension was not requested.
- For one of sixty-five files sampled, equipment was purchased subsequent to the closure of the case without an amendment to the IPE. The cost of the equipment was approximately \$1,000.

- For one of sixty-five files sampled, the IPE describing the benefits from an employment outcome was improperly issued prior to the Comprehensive Assessment which determines whether the individual requires VR services to prepare for, secure, retain, or regain employment. Individual was determined to be eligible.

Corrective Action:

This finding was reissued as current year reference number 2015-006.

Department of Family and Protective Services

Reference No. 2014-004

Reporting

CFDA 93.658 – Foster Care–Title IV–E

Award years – October 1, 2013 to September 30, 2014 and October 1, 2012 to September 30, 2013

Award numbers – 1401TX1401 and 1301TX1401

Non-Major Programs:

CFDA 93.556 – Promoting Safe and Stable Families

CFDA 93.590 – Community-Based Child Abuse Prevention Grants

CFDA 93.599 – Chafee Education and Training Vouchers Program (ETV)

Type of finding – Significant Deficiency and Non-Compliance

The Federal Funding Accountability and Transparency Act (FFATA) was signed on September 26, 2006. The FFATA legislation requires information on federal awards (federal financial assistance and expenditures) be made available to the public via a single, searchable website (the Federal Funding Accountability and Transparency Act Subaward Reporting System or FSRS). Per Title II part 170 of the Code of Federal Regulation (CFR), an entity must report each action that obligates \$25,000 or more in Federal funds for a subaward to an entity. The agency must subsequently amend the award if changes in circumstances increase the total Federal funding under the award during the project or program period. This information is to be reported no later than the end of the month following the month in which the obligation or amendment was made. This requirement was effective for all grants starting October 1, 2010 or after. Per Title II part 25 of the Code of Federal Regulation (CFR), an entity is prohibited from making an award until the subrecipient has a valid Data Universal Numbering System (DUNS). This requirement was effective for all grants starting October 1, 2010 or after.

Initial Year Written: 2014
Status: Partially Implemented

U.S. Department of Health and
Human Services

During fiscal year 2014, the Foster Care program was added to the FSRS website to allow the Department of Family and Protective Services (DFPS) to upload subaward information. DFPS issued one subaward in the amount of approximately \$2 million that was required to be uploaded to the FSRS. Additionally, for CFDA 93.556, there are four awards for a total of approximately \$5.2 million; for CFDA 93.590, there are five awards for approximately \$1.5 million; and for CFDA 93.599, there is one award for approximately \$6.8 million. No subaward information was uploaded.

Recommendation:

DFPS has now identified the subawards required to be uploaded to the FSRS system for the Foster Care program. DFPS should ensure that procedures are in place to facilitate identification of all subawards required to be reported to ensure compliance with all FFATA requirements for Foster Care as well as any other programs that issue subawards to subrecipients.

Views of Responsible Officials and Corrective Action Plan - 2014:

On November 1, 2013, DFPS instituted a contacting policy providing guidance on the contract management and reporting required under the Federal Funding Accountability and Transparency Act (FFATA). The policy provides a brief overview of the FFATA requirements, exceptions, and reporting requirements for both the prime recipient (DFPS) and subrecipients.

The published policy provides links to the required FFATA certification (Form 4734) and outlines the required coordination between Contract staff and the Office of Finance concerning FFATA reporting. Unfortunately, agency staff have failed to adequately coordinate the reporting function and none of the contracts subject to FFATA reporting requirements have been entered into the FSRS website.

FAMILY AND PROTECTIVE SERVICES, DEPARTMENT OF

DFPS Office of Finance and Contract staff will review the current policy and identify specific positions responsible for FFATA coordination and reporting. Office of Finance and Contract staff will review the USASpending.gov quarterly to ensure FFATA required contracts are reported correctly.

Views of Responsible Officials and Corrective Action Plan - 2015:

DFPS Accounting and Contract Oversight and Support (COS) staff have reviewed the current policy and established procedures for FFATA coordination and reporting. In FY2015, a staffing shortage in the Accounting area prevented the timely entry of the FFATA contracts into the FSRS website. The staffing shortage will be resolved by March 2016 and staff can complete the backlog of entry.

Implementation Date: March 31, 2016

Responsible Person: David Schneider

General Land Office

Reference No. 2014-005

Davis-Bacon Act

Subrecipient Monitoring

(Prior Audit Issue 2013-009)

CDBG – State-Administered CDBG Cluster

Award year – N/A for disaster-funds

Award numbers – B-06-DG-48-0002, B-08-DI-48-0001, B-08-DN-48-0001, and B-12-DT-48-0001

Type of finding – Material Weakness and Material Non-Compliance

General Land Office (GLO) passed through approximately 73% of the CDBG Disaster Funds to subrecipients, approximately \$299 million in fiscal year 2014. GLO is required by OMB Circular A-133, Section .400, to monitor subrecipients to ensure compliance with Federal rules and regulations, as well as the provisions of the contracts or grant agreements. This monitoring includes, but is not limited to: determining subrecipient eligibility, Data Universal Numbering System (DUNS) number identification, award identification, during-the-award monitoring, and close-out and sanctions activities. According to OMB Circular A-133, GLO must assure that subrecipients expending Federal funds in excess of \$500,000 have an OMB Circular A-133 Single Audit performed and provide a copy of the auditor’s report to GLO within nine months of the subrecipient’s fiscal year end. GLO is to review the report and issue a management decision within six months, if applicable.

Initial Year Written:	2013
Status:	Partially Implemented
U.S. Department of Housing and Urban Development	

In 2014, GLO’s subrecipient monitoring procedures included the use of a standard contract for services, the provision of technical assistance to subrecipients, and the collection and review of A-133 reports. In addition, the requests for reimbursement were accompanied by contractor invoices to support the reimbursement request. Most of the monitoring activities were conducted by the Quality Assurance and Quality Control (QAQC) section of the Finance Division of the Disaster Recovery Division (DR Division).

Audit procedures involved a review of twenty-seven of approximately 175 subrecipients’ files for fiscal year 2014. From those twenty-seven files, the following items were noted:

- For contracts issued before 2014, which is the majority of GLO’s current disaster subrecipients, the CFDA number was not included in the contract notification to the subrecipients. For one of the sample items, it was noted that the subrecipient continued to report the GLO funds under CDBG – Entitlement Grants Cluster instead of State-Administered CDBG Cluster. GLO issued a technical guidance letter to notify subrecipients of the correct CFDA number in September 2014. Additionally, GLO updated their subrecipient contract template to include the CFDA number going forward and clarified the federal awarding agency.
- GLO did not update their 2013 risk assessment for use in fiscal year 2014 as they were already aware that there were deficiencies with the assessment that needed to be corrected. Rather, in 2014 GLO focused on completing reviews in response to HUD recommendations, complaints, and single audit deficiencies noted.
- There were approximately thirty-four subrecipient reviews, eighteen of which were solely procurement reviews, conducted during fiscal year 2014 and approximately ten during fiscal year 2013. In 2014, GLO also focused on creating their monitoring plan for 2015, including developing a new risk assessment process, gathering and implementing data input for the risk assessment, analyzing the results, and developing new monitoring tools and schedules for project management.

Corrective Action:

This finding was reissued as current year reference number 2015-009.

Health and Human Services Commission

Reference No. 2014-006

Eligibility

Special Tests and Provisions – Income Eligibility and Verification System

Special Tests and Provisions – Penalty for Refusal to Work

Special Tests and Provisions – Adult Custodial Parent of Child under Six When Child Care Not Available

Special Tests and Provisions – Child Support Non-Cooperation

Special Tests and Provisions – ADP System for SNAP

(Prior Audit Issues – 2013-012, 13-02, 13-03, 13-05, 12-02, 11-09, 10-12, 09-17, 08-12, and 07-13)

CFDA 93.767 – Children’s Health Insurance Program

Award years – October 1, 2013 to September 30, 2015 and October 1, 2012 to September 30, 2014

Award numbers – 1405TX5021 and 1305TX5021

SNAP Cluster

Award years – October 1, 2013 to September 30, 2015, October 1, 2012 to September 30, 2014, and October 1, 2011 to September 30, 2013

Award numbers – 6TX430165, 6TX430176 6TX400405, 6TX430145, and 6TX400105

TANF Cluster

Award years – October 1, 2013 to September 30, 2014 and October 1, 2012 to September 30, 2013

Award numbers – 1402TXTANF3, 1402TXTANF, 1302TXTAN3, and 1302TXTANF

Medicaid Cluster

Award years – October 1, 2013 to September 30, 2014 and October 1, 2012 to September 30, 2013

Award numbers – 1405TX5MAP, 1405TX5ADM, 1305TX5ADM, and 1305TX5MAP,

Non-Major Programs:

CFDA 93.566 – Refugee and Entrant Assistance–State–Administered Programs

Type of finding – Significant Deficiency

The Health and Human Services Commission (HHSC) utilizes the Texas Integrated Eligibility Reporting System (TIERS) for determining eligibility for Medicaid, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Children’s Health Insurance Program (CHIP) and the Refugee and Entrant Assistance Program. Eligibility for the following programs is considered to be deemed (i.e., the applicant is automatically eligible) during the time period they are also eligible for TANF, Medicaid, and/or Supplemental Nutrition Assistance Program (SNAP).

Initial Year Written: 2006
 Status: Implemented

U.S. Department of Health and Human Services
 U. S. Department of Agriculture

Additional Federal Programs

Child Nutrition Cluster
 CFDA 93.563 – Child Support Enforcement
 CFDA 93.568 – Low-Income Home Energy Assistance
 CFDA 10.557 – Supplemental Nutrition Program for Women, Infants, and Children
 Child Care Cluster

Deemed Program

TANF and SNAP
 TANF and Medicaid
 SNAP
 SNAP and Medicaid
 TANF

Per review of the regulations and State Plan documents for Medicaid, SNAP, and TANF benefits, individuals must generally meet the *following criteria to be eligible*, and the information is required to be verified per a third-party source of information. Any exceptions are noted below:

- Completed and signed an application for benefits with eligibility determined at least every twelve months for CHIP and Medicaid (42 CFR 435.916(a)) and TANF (per State Plan) and at least every six months for SNAP (7 CFR 273.10(f)). In some situations, Medicaid cases are not required to be redetermined, such as for earned income transitional coverage.

HEALTH AND HUMAN SERVICES COMMISSION

- Be a Texas resident. Verification of residency is not required for Medicaid recipients. Verification is required for CHIP and TANF, per State Policy. Verification is required for SNAP per 7 CFR 273.2(f)(1)(vi).
- Be a U.S. citizen or non-citizen in certain recognized categories. Verification is not required for non-cash TANF recipients. Verification is required for CHIP and Medicaid by State Policy and federal regulations and cash TANF by State Policy. Verification is required for SNAP, if receiving cash TANF benefits based on TANF State Policy.
- Meet certain resource and income limits, which vary by eligibility group, including proof of unemployment. Verification is required for CHIP, Medicaid and TANF by State Policy. For SNAP, verification is required by State Policy and additionally verification of “gross non-exempt income” is required by 7 CFR 273.2(f)(i).
- Social security number. Verification of social security numbers is required for Medicaid by 42 CFR 435.910(g), TANF by State Policy, and SNAP by State Policy and 7 CFR 273.2(f)(1)(v).

Audit procedures included review of certain general and application level controls designed for TIERS, along with review of selected case files, as noted below. The eligibility process does not enforce the respective eligibility decisions necessary to ensure clients are eligible and receive proper benefit amounts.

- Consistent with current HHSC policy, TIERS is not designed to enforce third-party verification for residency, or U.S. citizenship. HHSC’s process should be improved by implementing automated controls to enforce third-party verifications. For example, a field for each is required to be populated. However, one of the choices is “client statement,” which does not constitute third-party verification. Selection of self-declaration through “client statement” allows the respective case file to proceed to the next step toward benefit issuance with no third-party verification. In limited circumstances (e.g., homeless person), self-declaration for residency is acceptable. However, in general circumstances, these two elements are required to be verified with a third party. Currently, state eligibility workers assess the validity and accuracy of the client’s statement. HHSC has represented that a system modification is not feasible; instead, verification is reviewed during quality control process, if applicable to the selected participant. The current quality control selection process does not include consideration of stratification or other methodology approaches to ensure certain cases are selected which include self-verification.
- TIERS interfaces with the Social Security Administration (SSA) to verify social security numbers. TIERS is designed so that a correct match of a client’s social security number will populate a field noting the respective social security number has been verified. For social security numbers where a match is not successful, an alert is sent to the file for the case worker to investigate. However, TIERS is not designed nor are there manual controls to restrict benefits from being issued, if the social security number has not been verified before the first recertification. HHSC’s policy is to deny benefits after one year unless efforts are underway to obtain a social security number. HHSC does have an oversight function that when an SSN cannot be validated, a task is created and routed to eligibility staff for research. Upon further discussion with the eligibility staff responsible for the research, the determination was made the controls were not effectively designed or operating effectively. There is no formal, consistent process in place between staff and also a lack of documentation to support the timely reviews.
- The design of TIERS does not allow the processing of various interfaces including sanctions such as penalty for refusal to work, adult custodial parent of child under six when child care is not available, and child support non-cooperation through the Mass Update process in a timely manner. The Mass Update only processes requests with active EDGs. A case needs to be in “ongoing mode” versus “change mode” for changes to be implemented. When a case is in any mode other than “ongoing mode,” the sanctions are not processed timely. No compliance exceptions were noted as a result of the Mass Update for the Special Tests and Provisions – Penalty for Refusal to Work and Adult Custodial Parent of Child under Six When Child Care Not Available compliance requirements noted above. HHSC management has represented that certain individuals’ job responsibilities include reviewing reports that identify the status of sanction cases. One of the primary purposes of the review is to monitor timely completion of open requests which have placed the case in “change mode” status. Upon further discussion with regional personnel responsible for these review procedures, the determination was made the controls were not effectively designed or operating effectively. There is no formal, consistent process in place between regions and lack of documentation to support the timely reviews.

Corrective Action:

Corrective action was taken.

HEALTH AND HUMAN SERVICES COMMISSION

Reference No. 2014-007

Subrecipient Monitoring

(Prior Audit Issues – 2013-016)

TANF Cluster

Award years – October 1, 2013 to September 30, 2014 and October 1, 2012 to September 30, 2013

Award numbers – 1402TXTANF3, 1402TXTANF, 1302TXTAN3, and 1302TXTANF

Type of finding – Material Weakness and Material Non-Compliance

The Health and Human Services Commission (HHSC) passes through federal funds to subrecipients to carry out the objectives of the TANF Cluster program for the Texas Nurse Family Partnership Program (NFP). HHSC is required by OMB Circular A-133, Section .400, to monitor subrecipients to ensure compliance with Federal rules and regulations, as well as the provisions of the contracts or grant agreements. According to OMB Circular A-133, HHSC must assure that subrecipients expending Federal funds in excess of \$500,000 have an OMB Circular A-133 Single Audit performed and provide a copy of the auditor’s report to HHSC within nine months of the subrecipient’s fiscal year end. HHSC is to review the report and issue a management decision within six months, if applicable. Per title 2 of the Code of Federal Regulation (CFR) part 25, an entity is prohibited from making an award until the subrecipient has a valid Data Universal Numbering System (DUNS). The requirement was effective October 1, 2010.

Initial Year Written:	2013
Status:	Implemented
U.S. Department of Health and Human Services	

HHSC’s subrecipient monitoring procedures include the use of a standard contract for services, the provision of technical assistance to subrecipients, and the submission of a reimbursement request summary by budget line item. For fiscal year 2014, HHSC did not evaluate the risk of their subrecipients through a risk assessment and did not perform any site/desk reviews. Audit procedures involved a review of three subrecipients’ files for fiscal year 2014 which represent 100% of the federal funds passed through to subrecipients. Total expenses for TANF subrecipients were approximately \$3.8 million. From the three files, the following items were noted for all three subrecipients:

- The Nurse-Family Partnership National Service Office (NSO) approval award letter, which indicates that all requirements have been met to be eligible for the NFP award, was not available in the subrecipient file.
- Insufficient documentation was available to validate that HHSC obtained and reviewed reimbursement requests to ensure the subrecipient was in compliance with the allowable cost or matching requirements of the grant.

See finding 2014-013 to address collection of A-133 reports and issuance of management decisions.

Corrective Action:

Corrective action was taken.

Reference No. 2014-008

Special Tests and Provisions – Child Support Non-Cooperation

TANF Cluster

Award years – October 1, 2013 to September 30, 2014 and October 1, 2012 to September 30, 2013

Award numbers – 1402TXTANF3, 1402TXTANF, 1302TXTAN3, and 1302TXTANF

Type of finding – Significant Deficiency and Non-Compliance

If the State agency responsible for administering the State plan approved under Title IV-D of the Social Security Act determines that an individual is not cooperating with the State in establishing paternity, or in establishing, modifying or enforcing a support order with respect to a child of the individual, and reports that information to the State agency responsible for Temporary Assistance for Needy Families (TANF), the State TANF agency must (1) deduct an amount equal to not less than 25 percent from the TANF assistance that would otherwise

Initial Year Written:	2014
Status:	Implemented
U.S. Department of Health and Human Services	

be provided to the family of the individual, and (2) may deny the family any TANF assistance. Health and Human Services (HHS) may penalize a State for up to five percent of the SFAG for failure to substantially comply with this required State child support program (42 USC 608(a)(2) and 609(a)(8); 45 CFR sections 264.30 and 264.31). Per A2140, the State policy is to reduce benefits 100% for non-cooperation. The Texas Integrated Eligibility Reporting System (TIERS) determines eligibility for TANF.

The design of TIERS does not allow the processing of various interfaces including sanctions such as penalty for refusal to work, adult custodial parent of child under six when child care is not available, and child support non-cooperation through the Mass Update process in a timely manner. The Mass Update only processes requests with active case status. A case needs to be in “ongoing mode” versus “change mode” for changes to be implemented. When a case is in other than “ongoing mode” the sanctions are not processed timely. Health and Human Services Commission (HHSC) management has represented that certain individuals’ job responsibilities include reviewing reports that identify the status of sanction cases. One of the primary purposes of the review is to monitor timely completion of open requests which have placed the case in “change mode” status. Upon further discussion with regional personnel responsible for these review procedures, the determination was made the controls were not effectively designed or operating effectively. There was no formal, consistent process in place between regions and lack of documentation to support the timely reviews. Two cases of forty beneficiaries were processed one month late due to ongoing mode status with benefits for both cases paid of approximately \$500.

Of the forty cases reviewed, benefits were not reduced timely for one additional case. For this case, the benefit was reduced eleven months late, resulting in an over payment of \$3,223. This specific case was identified as “action code O” when it was sent to the HHSC from the Office of the Attorney General (OAG). HHSC represented that the “action code O” was noted to not be functioning correctly and corrected in September 2013. Prior to September 2013, cases with “action code O” were rejected when interfaced with TIERS. HHSC has not been able to quantify how many other “action code O” cases have not been processed.

Corrective Action:

Corrective action was taken.

Reference No. 2014-009

Special Tests and Provisions – EBT Card Security

(Prior Audit Issue – 2013-019 and 13-11)

SNAP Cluster

Award years – October 1, 2013 to September 30, 2015, October 1, 2012 to September 30, 2014, and October 1, 2011 to September 30, 2013

Award numbers – 6TX430165, 6TX430176, 6TX400405, 6TX430145, and 6TX400105

Type of finding – Significant Deficiency and Non-Compliance

The State is required to maintain adequate security over, and documentation/records for, Electronic Benefits Transfer (EBT) cards (7 CFR section 274.12(h)(3)) to prevent their: theft, embezzlement, loss, damage, destruction, unauthorized transfer, negotiation, or use (7 CFR sections 274.7(b) and 274.11(c)).

Initial Year Written:	2012
Status:	Partially Implemented
U.S. Department of Agriculture	

The Health and Human Services Commission (HHSC) maintains segregation of duties between case worker access to dispose cases in the eligibility systems and EBT clerk access to the EBT card issuance system to issue cards. In January 2013, HHSC reviewed the access and implemented a new policy requiring advance approval of access to both systems. For offices where such approval is granted, HHSC regional managers review monthly reports to determine if such employees have disposed cases in the eligibility system and issued EBT cards. Based on a review of all access to both systems, twenty employees were noted to have access to both dispose cases in the eligibility system and to issue cards in the EBT card issuance system of which three were being monitored as of August 31, 2014. One additional employee was granted access to both systems between fiscal year-end and October 2014.

Monitoring of security over issuance documents in the regional offices is performed by the EBT Regional Coordinator. This monitoring is required every three years. As part of the monitoring process, the EBT Regional Coordinator reviews controls over cards in the regional offices including performing a physical inventory between cards issued and remaining and verifying that voided cards are disabled and included on the voided card log. Of a sample of forty monitoring reviews performed during fiscal year 2014, five took place after the three year deadline to perform reviews.

Corrective Action:

This finding was reissued as current year reference number 2015-018.

Reference No. 2014-010

Allowable Costs/Cost Principles

CFDA 93.767 – Children’s Health Insurance Program

Award years – October 1, 2013 to September 30, 2015 and October 1, 2012 to September 30, 2014

Award numbers – 1405TX5021 and 1305TX5021

Medicaid Cluster

Award years – October 1, 2013 to September 30, 2014 and October 1, 2012 to September 30, 2013

Award numbers – 1405TX5MAP, 1405TX5ADM, 1305TX5ADM, and 1305TX5MAP,

Type of finding – Material Weakness

Per Section 1115 of the Social Security Act, a State may obtain a waiver of statutory requirements in order to develop a system that more effectively addresses the health care needs of its population. A waiver may involve the use of a program of managed care for selected elements of the client population, or allow the use of program funds to serve specified populations that would be otherwise ineligible. Managed care providers must be eligible to participate in the program at the time services are rendered, payments to managed care plans should only be for eligible clients for the proper period, and the capitation payment should be properly calculated. Medicaid service payments (e.g., hospital and doctor charges) should not be made for services that are covered by managed care. States should ensure that capitated payments to providers are discontinued when a beneficiary is no longer enrolled for services.

Initial Year Written:	2014
Status:	Partially Implemented
U.S. Department of Health and Human Services	

The Texas Health and Human Services Commission (HHSC) has a managed care program through a section 1115 waiver. Managed care payments totaled over \$14 billion in fiscal year 2014, approximately 80% of all Texas-covered individuals. During fiscal year 2014, HHSC utilized MAXIMUS’ MAXeb system as the enrollment broker for both Medicaid and Children’s Health Insurance Program (CHIP). Also, CHIP eligibility was integrated into the HHSC eligibility system, Texas Integrated Eligibility Redesign System (TIERS), September 2013. Prior to September 2013, CHIP eligibility was determined by a separate system.

General Information Technology Controls over MAXeb

During test work over access and change management controls, the following was noted with regard to the MAXeb system:

- Administrative access to the MAXeb system is granted to 173 users. While access appears to be authorized, the total number of administrators is excessive.
- Periodic reviews of user access were performed during fiscal year 2014; however, the review is only designed to identify terminated employees with existing access to the application. The review does not evaluate whether or not current access privileges within the application for current employees is appropriate based on job responsibility.
- A formal change management process was in place for fiscal year 2014; however, user acceptance testing and approval for deployment to production were not appropriately documented for four of five items sampled.

CHIP Enrollment Broker Interface to Eligibility System

MAXeb system is designed to interface with TIERS to capture managed care organization (MCO) enrollment information for participant plan selections. From September 2013 to November 2014, data from TIERS for newly eligible CHIP participants was not loaded completely into MAXeb resulting in eligible CHIP participants not being able to enroll in a managed care plan. Likewise, from September 2013 to November 2014, data from MAXeb for managed care plan selections did not load completely into TIERS. As a result, eligible CHIP participants did not receive benefits as the enrollment broker election is the trigger date for MCO’s to offer service. The approximate error rate was 20%. HHSC manually worked the exceptions and call center inquiries for the fiscal year.

No compliance exceptions were noted with regard to CHIP eligibility and related payments for services provided through the MCOs.

Corrective Action:

This finding was reissued as current year reference number 2015-014.

Reference No. 2014-011

Program Income

Medicaid Cluster

Award years – October 1, 2013 to September 30, 2014 and October 1, 2012 to September 30, 2013

Award numbers – 1405TX5MAP, 1405TX5ADM, 1305TX5MAP, and 1305TX5ADM

Type of finding – Significant Deficiency

Title XIX, Section 1927 of the Social Security Act, allows states to receive the same rebates for drug purchases as other payers. Drug manufacturers are required to provide a listing to Centers for Medicare and Medicaid Services (CMS) of all covered outpatient drugs, and, on a quarterly basis, are required to provide their average manufacturer’s price and their best prices for each covered outpatient drug. Based on this data, CMS calculates a unit rebate amount for each drug, which it then provides to states. No later than sixty days after the end of the quarter, the State Medicaid agency must provide drug utilization data to manufacturers. Within thirty-seven days of receipt of the utilization data from the state, the manufacturers are required to pay the rebate or provide the state with written notice of disputed items not paid because of discrepancies found.

Initial Year Written:	2014
Status:	Partially Implemented
U.S. Department of Health and Human Services	

The Health and Human Services Commission (HHSC) contracts with Xerox State Healthcare, LLC (Xerox), the pharmacy claims and rebate administrator (PCRA) to administer the Vendor Drug Rebate Program for the Medicaid Cluster. In order to identify potential drug rebates, Xerox has an electronic interface with the Texas Medicaid & Healthcare Partnership (TMHP) to receive processed fee-for-service medical claims and has an electronic interface with Managed Care Organizations to receive processed medical encounter data in order to administer PCRA. HHSC utilizes the Xerox DRAMS application to validate and bill drug manufacturers for rebates and the OS+ application to construct drug coverage rules related to payment for pharmacy services. The weekly medical claims/encounters interface from TMHP to PCRA generates exceptions which are not uploaded to DRAMS and therefore not invoiced to rebate. The exceptions are sent to TMHP each week; however, these exceptions are not investigated or resolved. This results in claims with potential drug rebates not being processed by PCRA.

In addition, edit checks have been implemented by TMHP to verify that the Healthcare Common Procedure Coding System (HCPCS) code and National Drug Code (NDC) provided for a Medicaid clinician-administered drug claim are logically matched. However, these checks are not being performed for 517 out of 597 HCPCS procedure codes. This results in claims with potential drug rebates not being processed by PCRA.

Vendor drug payments processed in fiscal year 2014 for Medicaid totaled approximately \$897.1 million.

Corrective Action:

This finding was reissued as current year reference number 2015-015.

Health and Human Services Commission
Department of State Health Services

Reference No. 2014-012

Allowable Costs/Cost Principles

(Prior Audit Issues – 2013-021 and 13-14)

CFDA 93.767 – Children’s Health Insurance Program

Award years – October 1, 2013 to September 30, 2015 and October 1, 2012 to September 30, 2014

Award numbers – 1405TX5021 and 1305TX5021

CFDA 93.959 – Block Grants for Prevention and Treatment of Substance Abuse

Award years – October 1, 2013 to September 30, 2015, October 1, 2012 to September 30, 2014, and October 1, 2011 to September 30, 2013

Award numbers – 2B08TI010051-14, 2B08TI010051-13, and 2B08TI010051-12

Medicaid Cluster

Award years – October 1, 2013 to September 30, 2014 and October 1, 2012 to September 30, 2013

Award numbers – 1405TX5MAP, 1405TX5ADM, 1305TX5ADM, and 1305TX5MAP,

Non-Major Programs:

CFDA 93.958 – Block Grants for Community Mental Health Services

Type of finding – Material Weakness

Per Section 1115 of the Social Security Act, a State may obtain a waiver of statutory requirements in order to develop a system that more effectively addresses the health care needs of its population. A waiver may involve the use of a program of managed care for selected elements of the client population, or allow the use of program funds to serve specified populations that would be otherwise ineligible. Managed care providers must be eligible to participate in the program at the time services are rendered, payments to managed care plans should only be for eligible clients for the proper period, and the capitation payment should be properly calculated. Medicaid service payments (e.g., hospital and doctor charges) should not be made for services that are covered by managed care. States should ensure that capitated payments to providers are discontinued when a beneficiary is no longer enrolled for services.

Initial Year Written:	2012
Status:	Partially Implemented
U.S. Department of Health and Human Services	

The Texas Health and Human Services Commission (HHSC) has a managed care program through a section 1115 waiver. Managed care payments totaled over \$14 billion in fiscal year 2014, approximately 80% of all Texas-covered individuals. The Premiums Payable System (PPS) maintained by HHSC maintains participant risk groups, capitated rates for risk groups, and managed care organizations to which individuals are assigned. Eligibility of individuals is received via interface files with other Texas systems. HHSC reorganized the Medicaid and Children’s Health Insurance Program (CHIP) division in April 2013 to create an HHSC Managed Care Operations Coordination Department separate from the HHSC Managed Care Program Operations Department. Data from PPS is downloaded by the HHSC Managed Care Operations Coordination Department to calculate amounts due to each Managed Care Organization (MCO), to create invoices to be paid to the MCOs, and to allocate payments to the proper funding source. HHSC maintains segregation of duties between information technology (IT) operations and program personnel in its eligibility systems and PPS to ensure that individuals approving eligibility are not the same individuals who approve or process the MCO transactions.

Premiums Payable System (PPS) Segregation of Duties

Based on a review of the manual and automated processes related to the managed care program, adequate segregation of duties is not in place related to the functions performed by the HHSC Managed Care Operations Coordination Department. The two primary individuals in the HHSC Managed Care Operations Coordination Department also have system admin access to PPS but no longer have the ability to modify capitation rates. Also, the PPS system is not automated as to the calculation of the MCO payments amounts and assignment of funding sources. HHSC Managed Care Operations Coordination Department performed the following tasks during fiscal year 2014. These tasks are:

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- Downloading and utilizing the information from PPS to calculate payment amounts to MCOs and generate invoices to be paid by accounting by funding source, and
- Reconciling totals to be paid to MCOs back to total premiums per PPS.

Sixty-five MCO payments in CHIP and seventy in Medicaid were selected for allowable costs test work and no exceptions were noted with regard to allowable services to the respective eligible provider.

Issues were noted around IT general controls for the PPS system, specifically access controls. Segregation of duties is not enforced for one developer with administrative access to the PPS application and 3 users with inappropriate access to the PPS SFTP server. HHSC uses the PPS SFTP server to receive Medicaid and CHIP client information files. Additionally, each month PPS receives Medicaid and CHIP client information from Texas Integrated Eligibility Reporting System (TIERS) and Maximus' MAXeb system, respectively, via batch interface. As PPS uploads the information, the data is formatted and validated. For three out of three interfaces tested records were removed for clients but not written to an exception file for further consideration. Specifically, 151,770 of 6,170,124 records (2.5%) for Medicaid sample one; 147,784 of 6,309,709 records (2.3%) for Medicaid sample two; and 146 of 482,748 records (0.03%) for CHIP sample three were not uploaded into PPS. Per HHSC, the records are removed for clients who are not eligible for Medicaid or CHIP during the current rolling 24-month period. However, without a detailed exception record, HHSC is unable to validate that all of the records were removed appropriately.

Corrective Action:

This finding was reissued as current year reference number 2015-023.

**Health and Human Services Commission
Department of Aging and Disability Services
Department of State Health Services**

Reference No. 2014-013

Subrecipient Monitoring

CFDA 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children

Award years – October 1, 2013 to September 30, 2014, October 1, 2012 to September 30, 2013, January 1, 2013 to September 30, 2014, and January 1, 2012 to September 30, 2013

Award numbers – 6TX700506 and 6TX700526

CFDA 93.667 – Social Services Block Grant

Award years – October 1, 2013 to September 30, 2015 and October 1, 2012 to September 30, 2014

Award numbers – G1401TXSOSR and G1301TXSOSR

CFDA 93.917 – HIV Care Formula Grants

Award years – April 1, 2014 to March 31, 2015, April 1, 2013 to March 31, 2014, September 30, 2013 to September 29, 2014 and September 30, 2012 to September 29, 2013

Award numbers – X07HA00054-24, X07HA00054-23, X08HA16843-05, and X08HA16843-04

CFDA 93.959 – Block Grants for Prevention and Treatment of Substance Abuse

Award years – October 1, 2013 to September 30, 2015, October 1, 2012 to September 30, 2014, and October 1, 2011 to September 30, 2013

Award number – 3B08TI010051 and 2B08TI010051

Aging Cluster

Award years – October 1, 2013 to September 30, 2014 and October 1, 2012 to September 30, 2013

Award numbers – 14AATXT3SS, 14AATXT3CM, 14AATXT3HD, 14AATXNSIP, 13AATXT3SP, and 13AATXNSIP

TANF Cluster

Award years – October 1, 2013 to September 30, 2014 and October 1, 2012 to September 30, 2013

Award numbers – 1402TXTANF3, 1402TXTANF, 1302TXTAN3, and 1302TXTANF

Type of finding – Significant Deficiency and Non-Compliance

According to OMB Circular A-133, a pass-through entity must assure that subrecipients expending Federal funds in excess of \$500,000 have an OMB Circular A-133 Single Audit performed and provide a copy of the auditor's report to the pass-through entity within nine months of the subrecipient's fiscal year end. The pass-through entity is to review the report and issue a management decision within six months, if applicable.

Initial Year Written: 2014
Status: Partially Implemented

U.S. Department of Agriculture
U.S. Department of Health and
Human Services

Health and Human Services Commission (HHSC) – Office of the Inspector General (OIG) is responsible for collecting the A-133 Single Audit performed over subrecipients of the five agencies in the Health and Human Services (HHS) enterprise: HHSC, Department of State Health Services (DSHS), Department of Aging and Disability Services (DADS), Department of Family and Protective Services, and Department of Assistive and Rehabilitative Services.

Annually, HHSC – OIG generates a list of subrecipients for which an A-133 Single Audit was required in the most recent fiscal year and shares the list with each of the five agencies for updating. Once the list is updated by each agency, HHSC – OIG issues a Single Audit Request Letter to each subrecipient on the list instructing them to complete the online Single Audit Status Form within 30 days of receiving the letter. On this form, the subrecipient indicates if they are expending more than \$500,000 in Federal funds and if an A-133 Single Audit has been completed. HHSC – OIG uses this information to track the due date for a subrecipient's A-133 Single Audit report since the report is due to HHSC – OIG within nine months of the subrecipient's fiscal year end. If an A-133 Single Audit report is overdue for a subrecipient, HHSC – OIG issues a delinquency letter as part of its due diligence. There is no formal policy and/or process to monitor timely issuance of the letters.

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When an A-133 Single Audit report is received by HHSC – OIG, they review the report to determine if a management decision letter is necessary. If so, HHSC – OIG coordinates with the program personnel to ensure that a management decision letter is issued within six months of receipt of the A-133 Single Audit report. The six month deadline is entered into a database to assist with monitoring deadlines. HHSC – OIG has a weekly “overdue report” to assist with timely issuance of management decision letters. However the report is not being reviewed at the correct precision level to focus on letters that are nearing delinquency.

A sample of forty-three subrecipients were selected among DSHS, DADS, and HHSC as subrecipient monitoring was in scope for these three agencies. Of the subrecipients tested, the following was noted:

HHSC

- For one TANF subrecipient, HHSC – OIG did not send a Single Audit Request Letter to the subrecipient as the subrecipient was not included on the list that HHSC – OIG obtained from TANF Nursing Family Partnership Division (NFP) of HHSC. As such, HHSC – OIG did not have the A-133 Single Audit report for this subrecipient on file. NFP has provided funds in excess of \$500,000 which requires an A-133 audit.

DSHS

- For one WIC subrecipient, the A-133 Single Audit report had not been submitted to HHSC – OIG as of the date of fieldwork. The A-133 Single Audit report was due by March 1, 2014. A delinquency letter was not sent to the subrecipient. As the report was not obtained by HHSC – OIG, the report was not processed to determine if a management decision is necessary.
- For one Substance Abuse subrecipient, HHSC – OIG did not send a Single Audit Request Letter to the subrecipient as the subrecipient was misclassified by DSHS as a for-profit entity and was therefore not on the list submitted to HHSC – OIG for A-133 Single Audit review. Per review of the Federal Audit Clearinghouse website, the subrecipient is a non-for profit entity and expended more than \$500,000 in Federal funds. Therefore, an A-133 Single Audit report should have obtained and processed by HHSC – OIG.
- For one Substance Abuse subrecipient, the A-133 Single Audit report was submitted subsequent to nine months after its fiscal year end. HHSC – OIG sent a delinquency letter to the subrecipient on October 22, 2013. Based on the A-133 Single Audit report receipt date of November 7, 2013, review by HHSC – OIG was due by May 7, 2014, however was not completed until May 16, 2014. Therefore, a management decision was not issued within six months of the A-133 Single Audit report receipt date.

Various

- For four subrecipients involving Substance Abuse (at DSHS), HIV Care (at DSHS), Aging (at DADS), and SSBG (at HHSC), the Single Audit Status Form completed by the subrecipient indicated that they expended less than \$500,000 in Federal funds. Per review of the Federal Audit Clearinghouse website, an A-133 Single Audit report was submitted by the subrecipient with more than \$500,000 in federal funds expended. Therefore an A-133 Single Audit report should have been obtained and processed by HHSC – OIG.

<u>Agency</u>	<u>Program</u>	<u>Pass-thru Dollars</u>
DSHS	Special Supplemental Nutrition Program for Women, Infants, and Children	\$136.6 million
HHSC	Social Services Block Grant	\$9.0 million
DSHS	HIV Care Formula Grants	\$21.5 million
DSHS	Block Grants for Prevention and Treatment of Substance Abuse	\$101.0 million
DADS	Aging Cluster	\$70.6 million
HHSC	TANF Cluster	\$4.3 million

Corrective Action:

This finding was reissued as current year reference number 2015-025.

**Health and Human Services Commission
Department of Aging and Disability Services**

Reference No. 2014-014

Special Tests and Provisions – Provider Eligibility

(Prior Audit Issues – 2013-018, 13-10, 12-06, 11-17, 10-13, 09-22, and 08-19)

Medicaid Cluster

Award years – October 1, 2013 to September 30, 2014 and October 1, 2012 to September 30, 2013

Award numbers – 1405TX5MAP, 1405TX5ADM, 1305TX5MAP, and 1305TX5ADM

Type of finding – Material Weakness and Material Non-Compliance

Per 42 CFR Section 431.107, in order to receive Medicaid payments, providers of medical services must be licensed in accordance with federal, state, and local laws and regulations to participate in the Medicaid program. Per 42 CFR Section 455.106(a) before the Medicaid agency enters into or renews a provider agreement, the provider must disclose to the Medicaid agency the identity of any person who: (1) has ownership or control interest in the provider, or is an agent or managing employee of the provider, and (2) has been convicted of a criminal offense related to that person's involvement in any program under Medicare, Medicaid, or the Title XX services program since the inception of those programs. Additionally, per 42 CFR Section 455.103, a State plan must provide that the requirements of 455.106 are met. Per review of the State plan, a search should be conducted to ensure that the provider is not included on the Medicaid exclusion list.

Initial Year Written: 2007
Status: Partially Implemented

U.S. Department of Health and
Human Services

Health and Human Services Commission (HHSC)

A sample of fifty providers receiving Medicaid payments during fiscal year 2014 were selected for review and seventeen files were noted to have the following exceptions. Of the seventeen files with exceptions, fourteen files were enrolled prior to fiscal year 2004 when HHSC contracted with their current vendor who operates under current HHSC policies and procedures.

- For fifteen providers, a search to ensure the provider was not on the Medicaid exclusion list was not documented at the time of enrollment.
- For five providers, a signed and notarized copy of the Provider Information Form (or an equivalent form) was not available for review.
- For three providers, there was no signed disclosure of ownership and control interest statement available for review.
- For one out of state (OOS) hospital, no documentation of provider eligibility was available for review. This was the only OOS provider included in the sample.

Department of Aging and Disability Services (DADS)

A sample of sixty providers receiving Medicaid payments during fiscal year 2014 were selected for review and thirteen files were noted to have the following exceptions.

- For one provider, the file was missing evidence of an active and current license.
- For nine providers, the file was missing documentation of the provider's right to transact business in Texas. Per subsequent review of the state comptroller website, each provider's status was active at the time the transactions occurred.
- For two providers, there was no suspension and debarment certification. Per review of SAM, the providers were not suspended or debarred.
- For one provider, there was no evidence of verification of whether or not the provider has been convicted of a criminal offense related to involvement in any program under Medicare, Medicaid, or the Title XX services program since the inception of those programs.

Corrective Action:

This finding was reissued as current year reference number 2015-022.

**Health and Human Services Commission
Department of Aging and Disability Services
Department of State Health Services**

Reference No. 2014-015

Special Tests and Provisions – Provider Health and Safety Standards

(Prior Audit Issues – 2013-017)

Medicaid Cluster

Award years – October 1, 2013 to September 30, 2014 and October 1, 2012 to September 30, 2013

Award numbers – 1405TX5MAP, 1405TX5ADM, 1305TX5MAP, and 1305TX5ADM

Type of finding – Significant Deficiency and Non-Compliance

Per 42 CFR part 442, providers must meet the prescribed health and safety standards for hospital, nursing facilities, and ICF/MR. The standards may be modified in the State plan.

Initial Year Written: 2013
Status: Partially Implemented

U.S. Department of Health and
Human Services

Health and Human Services Commission (HHSC)

An out-of-state (OOS) provider may come into the program based on several different circumstances, including: (1) The client being sent out of state for services that are not readily available in Texas; and (2) Border states where it is the norm for clients to receive a service in that border state. Under current HHSC procedures, HHSC requires OOS providers to fill out the same application as an in-state provider. OOS providers are to receive a letter that tells them that their enrollment is limited and informing them of the amount of time that has been granted. Of a sample of sixty-five providers receiving Medicaid payments during fiscal year 2014, twenty-seven were OOS providers. Current health and safety information was not provided for these OOS providers. Additionally, for two of these providers a copy of an actual license was not available. HHSC outsources maintenance of providers to a third-party.

Department of State Health Services (DSHS)

DSHS provides licensing for providers in the State of Texas and is required to maintain documentation of Health and Safety Standards in accordance with Texas Health and Safety Code, Chapter 241 and Title 25 Texas Administrative Code, Chapter 133. As part of the licensing process, DSHS is required to obtain a copy of a hospital fire safety survey indicating approval by the local fire authority in whose jurisdiction the hospital is based. Of the sample of sixty-five providers receiving benefits during fiscal year 2014, thirty-eight were in-state providers. For two of these thirty-eight providers sampled, DSHS did not have evidence of a current passed fire inspection due to the inspections being incomplete at the time of license renewal. At the time of test work, no follow-up procedures had been performed to ensure that the hospitals had been inspected. Subsequently, DSHS was able to obtain evidence of passed fire inspections for both hospitals so no questioned costs.

Department of Aging and Disability Services (DADS)

As part of DADS' procedures to ensure compliance with health and safety standards, staff obtain a renewal application packet and a copy of a current license provider files. For one of sixty files sampled, a renewal had been processed but DADS was unable to locate the renewal packet and license. DADS located license during the audit process so no questioned costs.

Corrective Action:

This finding was reissued as current year reference number 2015-026.

Department of Human Services

Reference No. 02-23

Allowable Costs/Cost Principles/Auto-Eligibility Approval by FEMA

CFDA 83.543 – Individual Family Grants (FEMA)

Type of finding – Non-Compliance

In an effort to expedite assistance, FEMA automated the awarding process for selected individuals affected by Tropical Storm Allison. When caseworkers (both Federal and DHS employees) visit sites and perform inspections, their case files are loaded into NEMIS, FEMA's computer system. If the case file passed established threshold checks, approval was automatic and the award was transferred by DHS' computer system into the nightly batch of warrants requested from the State Treasury. For the files that were not auto approved, DHS personnel worked the files and when approval was given, they too were transferred into the nightly batch of warrant requests.

Initial Year Written: 2001
Status: Partially Implemented

Federal Emergency
Management Agency

FEMA has quality control procedures in place to monitor disasters. During the performance of these procedures, FEMA discovered that over payments were made to the auto approved (i.e., no DHS involvement) eligible recipients. The recipients were eligible for grant funds but the calculation of the amount was incorrect. FEMA has established an IFG Recoupment Process which includes reviewing 3,029 auto-approved files. Per their review, FEMA noted 814 over awards or a 27% error rate due to a FEMA programming error. The estimated dollars with those 814 files is \$1,835,207. These files were considered to be high-risk by FEMA (i.e., based on the nature of the programming error). DHS estimates that about 36,715 files were auto approved and the average claim per file is \$5,014.

Recommendation:

DHS is currently involved with FEMA assisting with the resolution of these over awards. The weekly Situation Reports published by FEMA include the current status of the Recoupment Process. DHS should continue to monitor FEMA's process.

Views of Responsible Officials and Corrective Action Plan - 2003:

IFG personnel worked with FEMA personnel throughout fiscal year 2002 to identify cases and recoup Federal and State funds from Tropical Storm Allison. The State and FEMA are currently discussing the management and monitoring of recoupment cases. IFG is manually testing as many cases as possible related to Disaster 1425 that are auto-approved by NEMIS. As amounts that should be recouped are identified, the case is placed in the NEMIS recoupment queue. At present, there are about 700 cases representing \$1,624,000 in debt collection at FEMA's disaster finance center, of which approximately \$44,000 has been collected as of August 2003. Discussion is being held with U.S. Department of Treasury (IRS) regarding collection of these outstanding amounts.

Views of Responsible Officials and Corrective Action Plan - 2004:

There are about 700 cases with overpayments of approximately \$1,617,000 being pursued by FEMA and the U.S. Department of Treasury. As of February 2005, approximately \$78,000 total has been returned. The U.S. Department of Treasury has begun turning cases over to private collection agencies.

Views of Responsible Officials and Corrective Action Plan - 2005:

FEMA and HHSC staff continues to work closely on the recovery of overpayments associated with Tropical Storm Allison. As part of this recovery process, recipients have an opportunity to appeal. If no appeal is requested or if the recipient loses their appeal, FEMA has developed and implemented a process with the U.S. Treasury, Internal

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Revenue Service to refer delinquent accounts for collection. As of November 2005, a total of \$473,662 has been recouped, consisting of \$152,229 in interest and \$321,433 in principal.

Views of Responsible Officials and Corrective Action Plan - 2006:

FEMA and HHSC staffs continue to work closely on the recovery of overpayments associated with Tropical Storm Allison. As part of this recovery process, recipients have an opportunity to appeal. If no appeal is requested or if the recipient loses their appeal, FEMA has developed and implemented a process with the U.S. Treasury, Internal Revenue Service to refer delinquent accounts for collection. As of January 19, 2007, a total of \$363,779 in principal has been collected.

Views of Responsible Officials and Corrective Action Plan - 2007:

FEMA and HHSC staffs continue to work closely on the recovery of overpayments associated with Tropical Storm Allison. As part of this recovery process, recipients have an opportunity to appeal. If no appeal is requested or if the recipient loses their appeal, FEMA has developed and implemented a process with the U.S. Treasury, Internal Revenue Service to refer delinquent accounts for collection. As of January 31, 2008, a total of \$425,878 in principal has been collected.

Views of Responsible Officials and Corrective Action Plan - 2008:

FEMA and HHSC staffs continue to work closely on the recovery of overpayments associated with Tropical Storm Allison. As part of this recovery process, recipients have an opportunity to appeal. If no appeal is requested or if the recipient loses their appeal, FEMA has developed and implemented a process with the U.S. Treasury, Internal Revenue Service to refer delinquent accounts for collection. As of December 31, 2008, a total of \$483,535 in principal has been collected.

Views of Responsible Officials and Corrective Action Plan - 2009:

FEMA and HHSC staffs continue to work closely on the recovery of overpayments associated with Tropical Storm Allison. As part of this recovery process, recipients have an opportunity to appeal. If no appeal is requested or if the recipient loses their appeal, FEMA has developed and implemented a process with the U.S. Treasury, Internal Revenue Service to refer delinquent accounts for collection. As of December 31, 2009, a total of \$514,141 in principal has been collected.

Views of Responsible Officials and Corrective Action Plan - 2010:

FEMA and HHSC staff continues to work closely on the recovery of overpayments associated with Tropical Storm Allison. As part of this recovery process, recipients have an opportunity to appeal. If no appeal is requested or if the recipient loses their appeal, FEMA has developed and implemented a process with the U.S. Treasury, Internal Revenue Service to refer delinquent accounts for collection. As of December 31, 2010, a total of \$591,587 in principal has been collected.

Views of Responsible Officials and Corrective Action Plan - 2011:

FEMA and HHSC staff continues to work closely on the recovery of overpayments associated with Tropical Storm Allison. As part of this recovery process, recipients have an opportunity to appeal. If no appeal is requested or if the recipient loses their appeal, FEMA has developed and implemented a process with the U.S. Treasury, Internal

HUMAN SERVICES, DEPARTMENT OF

Revenue Service to refer delinquent accounts for collection. As of December 31, 2011, a total of \$584,131 in principal has been collected.

Views of Responsible Officials and Corrective Action Plan – 2012:

FEMA and HHSC staff continues to work closely on the recovery of overpayments associated with Tropical Storm Allison. As part of this recovery process, recipients have an opportunity to appeal. If no appeal is requested or if the recipient loses their appeal, FEMA has developed and implemented a process with the U.S. Treasury, Internal Revenue Service to refer delinquent accounts for collection. As of December 5, 2012, a total of \$469,032 in principal has been collected. The reduced amount is a result of a refund returned back to the state in the amount of \$147,896.

Views of Responsible Officials and Corrective Action Plan – 2013:

FEMA and HHSC staff continues to work closely on the recovery of overpayments associated with Tropical Storm Allison. As part of this recovery process, recipients have an opportunity to appeal. If no appeal is requested or if the recipient loses their appeal, FEMA has developed and implemented a process with the U.S. Treasury, Internal Revenue Service to refer delinquent accounts for collection. As of January 21, 2014, a total of \$639,017 in principal has been collected.

Views of Responsible Officials and Corrective Action Plan – 2014:

FEMA and HHSC staff continues to work closely on the recovery of overpayments associated with Tropical Storm Allison. As part of this recovery process, recipients have an opportunity to appeal. If no appeal is requested or if the recipient loses their appeal, FEMA has developed and implemented a process with the U.S. Treasury, Internal Revenue Service to refer delinquent accounts for collection. As of January 15, 2015, a total of \$668,753 in principal has been collected.

Views of Responsible Officials and Corrective Action Plan – 2015:

FEMA and HHSC staff continues to work closely on the recovery of overpayments associated with Tropical Storm Allison. As part of this recovery process, recipients have an opportunity to appeal. If no appeal is requested or if the recipient loses their appeal, FEMA has developed and implemented a process with the U.S. Treasury, Internal Revenue Service to refer delinquent accounts for collection. As of October 31, 2015, a total of \$670,873 in principal has been collected.

Implementation Date: On-going

Responsible Person: John E Jackson

Office of the Attorney General

Reference No. 2014-016

Allowable Costs/Cost Principles

CFDA 16.576 – Crime Victim Compensation

Award years – October 1, 2013 to September 30, 2017, October 1, 2012 to September 30, 2016, October 1, 2011 to September 30, 2015, and October 1, 2010 to September 30, 2014

Award numbers – 2014-VC-GX-0044, 2013-VC-GX-0042, 2012-VC-GX-0057, and 2011-VC-GX-0050

Type of finding – Significant Deficiency and Non-Compliance

Per Federal Register, Vol. 66, No. 95, the Victims of Crime Act (VOCA) authorizes federal financial assistance to states for the purpose of compensating and assisting crime victims, funding training and technical assistance, and servicing victims of federal crimes. Payments are made to victims of crime that results in death or physical or personal injury who are determined eligible under the State victim compensation statute. Per State policy, claims may be approved for benefits up to a total of \$50,000. Individuals who suffer total and permanent disability (catastrophic injuries) as a result of the crime may qualify for an additional \$75,000, which may be used for specific and limited expenses, such as lost wages, prosthetics, rehabilitation or making a home accessible, depending upon the law in effect on the crime date.

Initial Year Written:	2014
Status:	Implemented
U.S. Department of Justice	

The Office of the Attorney General (OAG) administers the Crime Victim Compensation program for the State of Texas. Of a sample of thirty-three approved claims selected, nine claims were for greater than \$50,000. These nine claims constitute 100% of claims greater than \$50,000 paid during fiscal year 2014 and totaled approximately \$572,000. Of these nine claims one was not determined to be catastrophic and, therefore, should not have exceeded \$50,000. Total payments greater than \$50,000 for this claim was \$16,949.

Individual claims for crime victim compensation are not specifically identified as paid from State or Federal funds by OAG as all claims are pooled together and drawn as Federal funds become available. Total claims for fiscal year 2014 exceeded \$60 million, whereas reported Federal expenditures were approximately \$22.9 million.

Corrective Action:

Corrective action was taken.

Department of Public Safety

Reference No. 2014-104

Activities Allowed or Unallowed

Allowable Costs/Cost Principles

Period of Availability of Federal Funds

CFDA 20.233 – Border Enforcement Grants

Award years – October 1, 2012 to September 30, 2014 and October 1, 2013 to September 30, 2015

Award numbers – FM-BEG-0036-13 and FM-BEG-0053-14

Type of finding – Significant Deficiency and Non-Compliance

The U.S. Office of Management and Budget (OMB) requires that costs be allocable to federal awards under the provisions of Title 2, Code of Federal Regulations (CFR), Chapter 225. Any cost allocable to a particular federal award or cost objective may not be charged to other federal awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the federal awards, or for other reasons. Additionally, to be allowable under federal awards, costs must be adequately documented (Title 2, CFR, Chapter 225).

Initial Year Written: 2014
Status: Implemented

U.S. Department of
Transportation – Federal
Motor Carrier Safety
Administration

When a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period (Title 49, CFR, Section 18.23).

The Department of Public Safety (Department) was unable to locate supporting documentation for 3 (5 percent) of 64 expenditures tested. The Department also was unable to locate supporting documentation for an additional two transactions that auditors selected using professional judgment. As a result, auditors were not able to determine whether those costs were allowable, were for allowable activities, were necessary and reasonable, or were incurred during the period of availability. In addition, auditors were unable to determine whether Department management reviewed and approved those costs. Those errors resulted in \$2,692 in questioned costs associated with award FM-BEG-0036-13.

In addition, the Department was unable to locate documentation to support the approval of the transfer of costs for 3 (13 percent) of 23 transfers tested. As a result, auditors were unable to determine whether Department management reviewed and approved those transfers for allowability or compliance with period of availability requirements. Auditors reviewed the underlying supporting documentation and determined that the costs associated with those transfers were allowable and in compliance with period of availability requirements. Therefore, there were no questioned costs associated with those errors.

Not maintaining documentation of expenditures or reviewing and approving transfers increases the risk that unallowable costs could be charged to federal grants.

Corrective Action:

Corrective action was taken.

PUBLIC SAFETY, DEPARTMENT OF

Reference No. 2014-105

Reporting

CFDA 20.233 – Border Enforcement Grants

Award years – October 1, 2011 to September 30, 2013; October 1, 2012 to September 30, 2014; and October 1, 2013 to September 30, 2015

Award numbers – FM-BEG-0025-12, FM-BEG-0036-13, and FM-BEG-0053-14

Type of finding – Significant Deficiency and Non-Compliance

Financial Reporting

Recipients are responsible for managing, monitoring, and reporting performance for each program, subaward, function, or activity supported by the award. Recipients use the Federal Financial Report Standard Form 425 (SF-425) to report financial activity on a quarterly basis. The U.S. Office of Management and Budget provides specific instructions for completing the SF-425, including definitions of key reporting elements (Title 49, Code of Federal Regulations (CFR), Section 18.41).

Initial Year Written:	2014
Status:	Implemented

U.S. Department of Transportation – Federal Motor Carrier Safety Administration
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The U.S. Department of Transportation’s Federal Motor Carrier Safety Administration (FMCSA) requires recipients to report outlays and program income, if any, on an accrual basis (FMCSA, *Financial Assistance Agreement General Provisions and Assurances*, November 2012).

The Department of Public Safety (Department) did not ensure that its reports included all activity in the reporting period and were fairly presented in accordance with program requirements for all four SF-425 reports tested. The Department reported on a cash basis instead of an accrual basis for all four reports tested. The Department also reported incorrect information on all four reports. Those errors included reporting activity after the reporting period, not including all activity that occurred during the reporting period, including payroll accruals in the calculation of cash disbursements, and recording cash receipts as cash disbursements.

As a result of those errors, the Department incorrectly reported the amount of cash disbursements, cash on hand, federal share of expenditures, unobligated balance of federal funds, and federal share of unliquidated obligations. While Department management reviewed and approved those financial reports, that review was not sufficient to detect those errors.

Inaccurate information in financial reports increases the risk that federal agencies could rely on inaccurate information to manage and monitor awards.

General Controls

Entities shall maintain internal control over federal programs that provides reasonable assurance that they are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

The Department did not adequately restrict access to its accounts in the State’s Uniform Statewide Accounting System (USAS). Specifically, one Department employee had access that did not reflect that employee’s current job responsibilities. That employee changed positions within the Department, and the Department should have changed that employee’s access from data entry and posting to inquiry only. The Department’s periodic review of user access was not effective in identifying and changing that access. Not maintaining appropriate access to USAS increases the risk of unauthorized modification of the Department’s accounting data.

Corrective Action:

Corrective action was taken.

Reference No. 2014-106

Activities Allowed or Unallowed

Allowable Costs/Cost Principles

(Prior Audit Issues 2013-107 and 13-117)

CFDA 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

Direct Costs - Payroll

In accordance with Title 2, Code of Federal Regulations (CFR), Section 225, when employees are expected to work solely on a single federal award or cost objective, charges for their salaries and wages must be supported by periodic certifications that the employees worked solely on that award or cost objective for the period covered by the certification. Those certifications must be prepared at least semi-annually and signed by the employees or supervisory official having firsthand knowledge of the work performed by the employees. For employees who are expected to work on multiple activities or cost objectives, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation that:

Initial Year Written: 2012
Status: Partially Implemented

U.S. Department of Homeland
Security – Federal
Emergency Management
Agency

- Reflects an after-the-fact distribution of the actual activity of each employee.
- Accounts for the total activity for which each employee is compensated.
- Is prepared at least monthly and must coincide with one or more pay periods.
- Is signed by the employee.

Budget estimates or other distribution percentages that are developed before services are performed do not qualify as support for charges to federal awards but may be used for interim purposes, provided that at least quarterly comparisons of actual costs to budgeted distributions based on the monthly activity reports are made and any adjustments are reflected in the amounts billed to the federal program. Payments for unused leave when an employee retires or terminates employment are allowable in the year of payment provided they are allocated as a general administrative expense to all activities of the governmental unit or component (Title 2, CFR, Section 225).

The Department of Public Safety (Department) uses estimates to determine its payroll charges on a monthly basis and then performs reconciliations between the estimated time and actual time employees worked on each federal award so that it can process necessary adjustments.

The Department did not always perform quarterly activity report reconciliations accurately. Specifically, for 2 (3 percent) of 68 payroll charges tested, the Department charged employee longevity pay to the grant when the employee did not perform work on the grant during the pay period. That occurred because the Department does not perform a reconciliation of longevity pay. Those errors resulted in questioned costs of \$105.

In addition, the Department did not allocate unused leave as a general administrative expense to all activities of the Department. For 2 (3 percent) of 68 payroll charges tested, the Department treated unused leave payments as direct costs. Those errors resulted in questioned costs of \$739. Auditors identified an additional \$7,092 in unused leave payments for fiscal year 2014 that the Department charged as direct costs.

Corrective Action:

Corrective action was taken.

PUBLIC SAFETY, DEPARTMENT OF

Indirect Costs

Departments or agencies that desire to claim indirect costs under federal awards are required to prepare indirect cost rate proposals and documentation to support those costs. These proposals must include the proposed rates, a copy of the financial data upon which the rate is based, the approximate amount of direct base costs incurred under federal awards, a chart showing the organizational structure of the agency during the period for which the proposal applies, along with functional statement(s) noting the duties and/or responsibilities of all units that comprise the agency, and a required certification (Title 2, CFR, Section 225, Appendix E).

The U.S. Office of Management and Budget requires that costs be accorded consistent treatment and must conform to any limitations or exclusions set forth in Title 2, CFR, Section 225. Costs of advertising and promotional costs unrelated to the performance of federal awards as well as penalties resulting from violations of or failure of the governmental unit to comply with state laws are unallowable. In addition, when a depreciation method is followed to allocate the costs of fixed assets, the straight line method of depreciation shall be used in the absence of clear evidence indicating that the expected consumption of the asset will be significantly greater in the early portions than in the later portions of its useful life (Title 2, CFR, Section 225, Appendix B).

The Department hired a third-party vendor to develop its indirect cost rate proposal on its behalf based on its fiscal year 2011 expenditures. The Federal Emergency Management Agency (FEMA) approved the proposed indirect cost rate in April 2014. The approved rate for the Department’s Division of Emergency Management is a fixed rate of 64.43 percent for fiscal years 2012 and 2013, and FEMA approved that same rate on a provisional basis until December 2016. During fiscal year 2014, the Department did not draw down federal Disaster Grants – Public Assistance (Presidentially Declared Disasters) funds for indirect costs.

The Department’s indirect cost rate proposal did not include all of the required documentation. Specifically, the Department did not include functional statements noting the duties and/or responsibilities of all units that comprise the Department.

The Department’s indirect cost pool included unallowable costs. Specifically, the indirect cost pool included costs already treated as direct federal costs, including unused leave; unallowable costs, such as interest on late payments and advertising and promotional costs; vehicle depreciation calculated with a methodology that did not consider the useful life of the vehicles; costs that were included in the indirect cost pool twice; and central service costs that did not match the State’s approved state/local-wide central service cost allocation plan.

The Department did not accurately calculate its distribution base for indirect costs. The Department’s distribution base, composed of direct salaries and wages, inaccurately included activity related to the Department’s State Administrative Agency and excluded activity related to the Department’s Division of Emergency Management’s direct salaries and wages.

Those errors occurred because the Department did not provide complete and accurate information to the vendor or because of an error the vendor made in the preparation of the proposal. Additionally, the Department’s review and approval of the proposal was not sufficient to detect those errors. Including unallowable costs in the indirect cost pool and inaccurately calculating the distribution base could result in an inaccurate indirect cost rate being applied to federal grant funds. The Department did not request reimbursement for indirect costs during fiscal year 2014; therefore, there were no questioned costs.

The issues noted above affected the following awards:

<u>Disaster Number</u>	<u>Award Number</u>	<u>Disaster Declaration Date</u>	<u>Questioned Costs</u>
1379	TX01PA1379	June 9, 2001	\$ 0
1425	TX02PA1425	July 4, 2002	0
1606	1606DRTXP00000001	September 24, 2005	0

PUBLIC SAFETY, DEPARTMENT OF

<u>Disaster Number</u>	<u>Award Number</u>	<u>Disaster Declaration Date</u>	<u>Questioned Costs</u>
1624	1624DRTXP00000001	January 11, 2006	0
1658	1658DRTXP00000001	August 15, 2006	0
1709	1709DRTXP00000001	June 29, 2007	0
1780	1780DRTXP00000001	July 24, 2008	0
1791	1791DRTXP00000001	September 13, 2008	7,936
1931	1931DRTXP00000001	August 3, 2010	0
1999	1999DRTXP00000001	July 1, 2011	0
3216	3216EMTXP00000001	September 2, 2005	0
3294	3294EMTXP00000001	September 10, 2008	0
3363	3363EMTXP00000001	April 19, 2013	0
4029	4029DRTXP00000001	September 9, 2011	0
4136	4136DRTXP00000001	August 2, 2013	0
4159	4159DRTXP00000001	December 20, 2013	0
		Total	\$ 7,936

2015 Update:

The Department submitted a revised indirect cost plan which included all the required documentation. Upon review of the distribution base for the current indirect cost plan, approximately \$7,000 was noted as being improperly classified within the various divisions. The indirect cost plan was based on 2012 financial records which have been destroyed under the Texas retention policies. Therefore the allowability of the indirect cost pool was unable to be validated. During fiscal year 2015, no indirect costs were charged to any federal programs at the Department.

Recommendation:

The Department should continue to not seek reimbursement of indirect costs until a new plan can be approved by the cognizant agency.

Views of Responsible Officials and Corrective Action Plan - 2014:

The Department agrees with the recommendations. The Department will make corrections to the next indirect cost rate proposal to be submitted to FEMA.

Views of Responsible Officials and Corrective Action Plan - 2015:

The Department agrees with the recommendations. The Department will make corrections to the next indirect cost rate proposal to be submitted to FEMA.

Implementation Date: February 2016

Responsible Person: Maureen Coulehan

Reference No. 2014-107

Procurement and Suspension and Debarment

Subrecipient Monitoring

Cash Management

Special Tests and Provisions – Project Accounting

(Prior Audit Issues 2013-110, 2013-108, 13-120, 12-113, 11-115, 10-42, and 09-48)

CFDA 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

The Department of Public Safety (Department) is required by Office of Management and Budget (OMB) Circular A-133, Section .400, to monitor subrecipients' use of federal awards to provide reasonable assurance that subrecipients administer federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

Initial Year Written: 2008
Status: Implemented

U.S. Department of Homeland
Security – Federal
Emergency Management
Agency

In fiscal year 2014, the Department passed through \$74,953,423 in Disaster Grants – Public Assistance (Presidentially Declared Disasters) funds to its subrecipients.

During-the-award Monitoring

Recipients of Disaster Grants – Public Assistance (Presidentially Declared Disasters) funds are required to monitor grant-supported and sub-grant-supported activities to ensure compliance with applicable federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function, or activity (Title 44, Code of Federal Regulations (CFR), Section 13.40). The Department monitors subrecipient projects through review and approval of payment vouchers, quarterly performance reporting, and audits and inspections of subrecipient projects.

Pass-through entities must monitor cash drawdowns by their subrecipients to ensure that subrecipients conform substantially to the same standards of timing and amount as apply to the pass-through entity (Title 44, CFR, Section 13.20(b)(7)).

The Department did not consistently enforce and monitor subrecipient compliance with federal requirements related to cash management and procurement. Specifically:

- For 2 (7 percent) of 29 subrecipients tested, the Department did not obtain sufficient documentation to ensure that its subrecipients minimized the time between their receipt of funds and the disbursement of those funds. The Department's procedures do not require subrecipients to provide documentation to support that they are minimizing the time between receipt and disbursement of funds. As a result, auditors could not verify whether subrecipients minimized that time.
- The Department could not provide evidence that it monitored subrecipients' compliance with requirements related to procurement and suspension and debarment for 13 (59 percent) of 22 subrecipient projects tested for which it should have monitored compliance. Other than its close-out audits of large projects, the Department does not have a standard tool to monitor procurement during the award period.

At the conclusion of a project, the Department conducts final audits on projects that the Federal Emergency Management Agency (FEMA) designates as "large" projects according to the Department's State Administrative Plan for each disaster. The Department uses those audits to monitor its subrecipients' compliance with requirements related to allowable costs and activities, equipment, and procurement. However, final audits may not always be an effective monitoring tool to identify potential subrecipient noncompliance during the performance period of a subgrant. Insufficient monitoring of subrecipients during the award period increases the risk that the Department would not detect subrecipients' noncompliance with federal grant requirements.

PUBLIC SAFETY, DEPARTMENT OF

Project Accounting

According to Department policy, subrecipients must submit a *Project Completion and Certification Report* after completion of work on a large project; that report certifies that all work has been completed in accordance with funding approvals and that all claims have been paid in full for each specific project.

For 45 (75 percent) of 60 subrecipients tested that were required to submit a *Project Completion and Certification Report*, the Department did not ensure that the subrecipients submitted those reports in a timely manner. Specifically, 39 of those subrecipients submitted certifications between 78 and 1,685 days after completion of the project. The remaining six subrecipients did not include the work completion date on the certification; therefore, auditors could not determine whether the certifications were submitted in a timely manner. Those errors occurred because the Department did not have a process to help ensure that subrecipients submitted certification reports in a timely manner after completion of the project.

Not notifying the Department of project completion in a timely manner delays final audits and project close-outs.

The issues discussed above affect the following awards:

<u>Disaster Number</u>	<u>Award Number</u>	<u>Disaster Declaration Date</u>
1479	1479DRTXP00000001	July 17, 2003
1606	1606DRTXP00000001	September 24, 2005
1658	1658DRTXP00000001	August 15, 2006
1709	1709DRTXP00000001	June 29, 2007
1780	1780DRTXP00000001	July 24, 2008
1791	1791DRTXP00000001	September 13, 2008
1931	1931DRTXP00000001	August 3, 2010
1999	1999DRTXP00000001	July 1, 2011
3216	3216EMTXP00000001	September 2, 2005
3290	3290DRTXP00000001	August 29, 2008
4159	4159DRTXP00000001	December 20, 2013

Corrective Action:

Corrective action was taken.

PUBLIC SAFETY, DEPARTMENT OF

Reference No. 2014-108

Reporting

(Prior Audit Issues 2013-111, 13-121, 12-114, 11-114, 10-41, 09-47, 08-91, and 07-26)

CFDA 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

Financial Reporting

Recipients are responsible for managing, monitoring, and reporting performance for each program, subaward, function, or activity supported by the award. Recipients use the Federal Financial Report Standard Form 425 (SF-425) to report financial activity on a quarterly basis. The U.S. Office of Management and Budget provides specific instructions for completing the SF-425, including definitions of key reporting elements (Title 44, Code of Federal Regulations (CFR), Section 13.41).

Initial Year Written:	2006
Status:	Partially Implemented
U.S. Department of Homeland Security – Federal Emergency Management Agency	

For 9 (60 percent) of 15 financial reports tested, the Department of Public Safety (Department) did not ensure that its reports included all activity in the reporting period, were supported by applicable accounting records, and were fairly presented in accordance with program requirements. Those errors occurred because (1) those reports were not based on information in the Department’s financial system (instead, those reports were based on information from the federal system through which the Department requested funds) and (2) the Department used an incorrect methodology or incomplete information to report the recipient’s share of expenditures. The Department’s methodology to report the recipient’s share of expenditures does not consider the different matching requirements across projects and disasters. Department management reviewed and approved those reports; however, that review was not sufficient to detect those errors.

Unsupported or inaccurate information in financial reports increases the risk that federal agencies could rely on inaccurate information to manage and monitor awards.

Corrective Action:

This finding was reissued as current year reference number 2015-032.

Federal Funding Accountability and Transparency Act

The Federal Funding Accountability and Transparency Act (Transparency Act) requires prime recipients of federal awards made on or after October 1, 2010, to capture and report subaward and executive compensation data regarding first-tier subawards that equal or exceed \$25,000. Prime recipients are to report subaward information no later than the end of the month following the month in which the obligation was made (Title 2, CFR, Chapter 170).

Recipients of awards that are subject to the Transparency Act must report all required elements, including the subaward date, subawardee Dun and Bradstreet Data Universal Numbering System (DUNS) number, amount of subaward, subaward obligation or action date, date of report submission, and subaward number. Additionally, the amount of the subaward is the net dollar amount of federal funds awarded to the subawardee, including modifications (U.S. Office of Management and Budget’s *Open Government Directive - Federal Spending Transparency and Subaward and Compensation Data Reporting*, August 27, 2010, Appendix C).

The Department did not consistently submit Transparency Act reports within the required time frames or with accurate information. Specifically:

- For 1 (14 percent) of 7 Transparency Act reports tested, the Department did not report the subaward. That occurred because the subrecipient was not registered in the System for Award Management (SAM), and the Transparency Act Subaward Reporting System (FSRS) requires a DUNS match to SAM to accept reports on a subrecipient.

PUBLIC SAFETY, DEPARTMENT OF

The Department could not provide documentation of a good-faith effort to either report on the subrecipient or to have the subrecipient registered in SAM by the reporting deadline.

- For 3 (43 percent) of 7 Transparency Act reports tested, the Department did not accurately report all key data elements. The Department did not accurately report at least one of the following key data elements: DUNS number, obligation or action date of the subaward, or the subaward amount. Those errors occurred because of (1) a data entry error in the reporting tool the Department used and (2) an error in the query the Department used to pull key data elements included in the amounts exceeding the local cost share. Additionally, as noted above, the Department had not reported one subaward at all by the time of audit testing.
- For 3 (43 percent) of 7 Transparency Act reports tested, the Department did not submit the reports in a timely manner. The Department submitted 1 of those 3 reports 11 days late, and it submitted another of those 3 reports 103 days late. That occurred because the prime award was not established in FSRS and the Department could not provide documentation that it made a good-faith effort to submit those reports. That issue affected one other subaward. The Department reported an additional obligation related to one of those awards 15 days late. That occurred because the Department did not perform Transparency Act reporting in June 2014 due to an information technology issue with the electronic data warehouse it used to pull the key data elements. That issue affected one other subaward. Additionally, as noted above, the Department had not reported one subaward at all by the time of audit testing.

After auditors brought those issues to its attention, the Department corrected the reporting errors and submitted the missing report. Not submitting accurate Transparency Act reports decreases the reliability and availability of information to the awarding agency and the public.

The financial reporting issues discussed above affected the following awards:

<u>Disaster Number</u>	<u>Award Number</u>	<u>Disaster Declaration Date</u>
1379	TX01PA1379	June 9, 2001
1479	TX03PA1479	July 17, 2003
1606	1606DRTXP00000001	September 24, 2005
1780	1780DRTXP00000001	July 24, 2008
1999	1999DRTXP00000001	July 1, 2011
3290	3290DRTXP00000001	August 29, 2008
4136	4136DRTXP00000001	August 2, 2013

The Transparency Act reporting issues above affected the following awards:

<u>Disaster Number</u>	<u>Award Number</u>	<u>Disaster Declaration Date</u>
4029	4029DRTXP00000001	September 9, 2011
4136	4136DRTXP00000001	August 2, 2013
4159	4159DRTXP00000001	December 20, 2013

General Controls

Entities shall maintain internal control over federal programs that provides reasonable assurance that they are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

The Department did not adequately restrict access to its accounts in the State’s Uniform Statewide Accounting System (USAS). Specifically, one Department employee had access that did not reflect that employee’s current job responsibilities. That employee changed positions within the Department, and the Department should have changed that employee’s access from data entry and posting to inquiry only. The Department’s periodic review of user access

was not effective in identifying and changing that access. Not maintaining appropriate access to USAS increases the risk of unauthorized modification of the Department's accounting data.

Corrective Action:

Corrective action was taken.

Reference No. 2014-109

Activities Allowed or Unallowed

Allowable Costs/Cost Principles

(Prior Audit Issues 2013-118, 13-103, 12-106, 11-107, 10-35, and 09-38)

CFDA 97.067 – Homeland Security Grant Program

Award year – 2011

Award number – EMW-2011-SS-00019

Type of finding – Significant Deficiency and Non-Compliance

In accordance with Title 2, Code of Federal Regulation (CFR), Section 225, any cost allocable to a particular federal award or cost objective may not be charged to other federal awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the federal awards, or for other reasons.

One (2 percent) of 65 non-payroll expenditures tested that the Department of Public Safety (Department) charged to the 2011 Homeland Security Grant Program was not solely allocable to that program. That expenditure was a management and administrative cost that benefited the State Administrative Agency, which manages and administers multiple federal grant programs. That expenditure could have benefited other grant programs, but the Department charged it solely to the Homeland Security Grant Program. That error resulted in \$135 in questioned costs. The Department has a process to allocate management and administrative costs among the programs that the State Administrative Agency administers; however, it did not follow that process for that expenditure.

Initial Year Written: 2008
Status: Implemented

U.S. Department of Homeland Security – Federal Emergency Management Agency

In addition to the Homeland Security Grant Program, the State Administrative Agency manages funds for the following federal programs:

- State and Local Implementation Grant Program (CFDA 11.549).
- Nonprofit Security Program (CFDA 97.008).
- Emergency Operations Center Program (CFDA 97.052).
- Buffer Zone Protection Program (CFDA 97.078).
- Regional Catastrophic Preparedness Grant Program (CFDA 97.111).
- Border Interoperability Demonstration Project (CFDA 97.120).

In addition, the Department's State Administrative Agency reviews and approves direct expenditures to help ensure that expenditures are allowable and appropriate for the project. However, for 1 (2 percent) of 65 transactions tested, the Department could not provide evidence that the State Administrative Agency reviewed and approved the transaction. The Department could not locate the related Payment and Reporting System request for that transaction.

Corrective Action:

Corrective action was taken.

PUBLIC SAFETY, DEPARTMENT OF

Reference No. 2014-110

Matching, Level of Effort, Earmarking

CFDA 97.067 – Homeland Security Grant Program

Award years – 2010 and 2011

Award numbers – 2010-SS-T0-0008 and EMW-2011-SS-00019

Type of finding – Significant Deficiency

State Administrative Agencies are allowed to retain a maximum of 5 percent of their Homeland Security Grant program awards for management and administrative costs. The maximum amount of management and administrative costs the State Administrative Agency may retain is calculated based on the total amount received under all Homeland Security Grant Program awards (Federal Emergency Management Agency Grant Programs Directorate Policy FP 207-087-1).

Initial Year Written:	2014
Status:	Implemented
U.S. Department of Homeland Security – Federal Emergency Management Agency	

The Department of Public Safety (Department) has management and administrative index and fund codes in its accounting system that it uses to track management and administrative expenditures. **However, for 3 (5 percent) of 65 transactions tested, the Department did not record the transaction with the correct management and administrative fund code.** In all three cases, however, the Department charged the expenditures to the correct grant.

The Department monitors management and administrative charges using federal cash draw request information, instead of using actual management and administrative expenditure data from its accounting system. It does not reconcile the amounts from its monitoring of management and administrative costs with the actual management and administrative expenditures recorded in its accounting system to help ensure that its management and administrative charges do not exceed earmarking limits. Therefore, the Department’s monitoring of its management and administrative expenditures does not capture expenditures resulting from transfers or adjustments in its accounting system, which can increase the amount charged to the management and administrative budget code.

Although the Department complied with management and administrative cost requirements during fiscal year 2014, the control weaknesses discussed above increase the risk that the Department could exceed the management and administrative limit in the future.

Corrective Action:

Corrective action was taken.

Reference No. 2014-111

Period of Availability of Federal Funds

CFDA 97.067 – Homeland Security Grant Program

Award year – 2010

Award number – 2010-SS-T0-0008

Type of finding – Significant Deficiency and Non-Compliance

A grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period (or as specified in a program regulation) to coincide with the submission of the annual Financial Status Report (SF-269). The federal agency may extend that deadline at the request of the grantee (Title 44, Code of Federal Regulations (CFR), Section 13.23(b)).

Initial Year Written:	2014
Status:	Implemented
U.S. Department of Homeland Security – Federal Emergency Management Agency	

For 1 (14 percent) of 7 transactions tested that were charged after the end of the period of availability, the Department of Public Safety’s (Department) liquidation occurred more than 90 days after the end of the period of

availability. That payment delay resulted from confusion at the Department following the reissue of the invoice due to a pricing error. That issue affected grant 2010-SS-T0-0008.

Corrective Action:

Corrective action was taken.

Reference No. 2014-112

Reporting

(Prior Audit Issues 2013-119 and 13-107)

CFDA 97.067 – Homeland Security Grant Program

Award year – 2011

Award number – EMW-2011-SS-00019

Type of finding – Significant Deficiency and Non-Compliance

Federal Funding Accountability and Transparency Act Reporting

The Federal Funding Accountability and Transparency Act (Transparency Act) requires prime recipients of federal awards made on or after October 1, 2010, to capture and report subaward and executive compensation data regarding first-tier subawards that equal or exceed \$25,000 (Title 2, Code of Federal Regulations, Chapter 170, Appendix A).

Initial Year Written:	2012
Status:	Implemented
U.S. Department of Homeland Security – Federal Emergency Management Agency	

Recipients of awards that are subject to the Transparency Act must report all required elements, including the subaward date, subawardee Dun and Bradstreet Data Universal Numbering System (DUNS) number, amount of subaward, subaward obligation or action date, date of report submission, and subaward number. Additionally, the amount of the subaward is the net dollar amount of federal funds awarded to the subawardee, including modifications (U.S. Office of Management and Budget’s *Open Government Directive - Federal Spending Transparency and Subaward and Compensation Data Reporting*, August 27, 2010, Appendix C).

The Department of Public Safety (Department) did not always accurately report key data elements for Transparency Act reports. Specifically, the Department reported the subaward amount incorrectly for 1 (7 percent) of 15 subawards tested. That occurred because the Department did not include one obligation amount in the total amount reported. After auditors brought that error to its attention, the Department corrected the error and reported the correct amount.

Not submitting accurate Transparency Act reports decreases the reliability and availability of information to the awarding agency and the public.

General Controls

Entities shall maintain internal control over federal programs that provides reasonable assurance that they are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

The Department did not adequately restrict access to its accounts in the State’s Uniform Statewide Accounting System (USAS). Specifically, one Department employee had access that did not reflect that employee’s current job responsibilities. That employee changed positions within the Department, and the Department should have changed that employee’s access from data entry and posting to inquiry only. The Department’s periodic review of user access was not effective in identifying and changing that access. Not maintaining appropriate access to USAS increases the risk of unauthorized modification of the Department’s accounting data.

Corrective Action:

Corrective action was taken.

Reference No. 2014-113

**Subrecipient Monitoring
Special Tests and Provisions – Subgrant Awards**

CFDA 97.067 – Homeland Security Grant Program

Award years – 2013, 2012, and 2011

Award numbers – EMW-2013-SS-00045, EMW-2012-SS-00018, and EMW-2011-SS-00019

Type of finding – Significant Deficiency and Non-Compliance

The Department of Public Safety (Department) is required by U. S. Office of Management and Budget (OMB) Circular A-133, Section .400 to monitor the activities of subrecipients as necessary to ensure that federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

In fiscal year 2014, the Department passed through \$89,713,018 in Homeland Security Grant Program funds to its subrecipients.

Initial Year Written:	2014
Status:	Implemented

U.S. Department of Homeland Security – Federal Emergency Management Agency
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During-the-award Monitoring

Indirect costs claimed by a governmental unit are to be supported by an indirect cost rate proposal. Where a local government only receives funds as a subrecipient, the primary recipient will be responsible for negotiating and/or monitoring the subrecipient’s plan (Title 2, Code of Federal Regulations (CFR), Section 225, Appendix E (D)(1)).

For 1 (2 percent) of 49 subrecipients tested, the Department reimbursed that subrecipient for indirect costs at a higher rate than the rate allowed under the subrecipient’s approved indirect cost rate proposal. That occurred because the State Administrative Agency (SAA) accepted the subrecipient’s explanation for the higher indirect cost rate without determining whether it was allowable. The subrecipient asserted that it was charging the adjustment from the provisional to final indirect cost rate on the 2011 grant because the 2010 grant was closed at the time the reimbursement request was submitted. However, that was not allowable according to the subrecipient’s approved Indirect Cost Rate Agreement. After auditors brought this issue to the Department’s attention, it reimbursed the Federal Emergency Management Agency; therefore, there were no questioned costs.

Additionally, for 2 (4 percent) of 49 subrecipients tested, the Department did not include those subrecipients in the fiscal year 2014 risk assessment it used to select subrecipients for desk reviews and site visits. That occurred because the Department did not include 2013 grant subawards (obligated during fiscal year 2014) in the query it used to populate the risk assessment.

Insufficient during-the-award monitoring increases the risk that the Department may not detect subrecipients’ non-compliance with federal requirements.

Subrecipient Audits

According to OMB Circular A-133, the Department must ensure that each subrecipient expending federal funds in excess of \$500,000 obtain an OMB Circular A-133 Single Audit and provide a copy of the audit report to the Department within nine months of the subrecipient’s fiscal year end (OMB Circular A-133, Sections 320 and 400). In addition, the Department must issue a management decision on audit findings within six months after receipt of a subrecipient’s audit report (OMB Circular A-133, Section 400).

The Department could not provide evidence that it made a management decision within six months for any of the three subrecipients tested that had findings. For two of those subrecipients, that occurred because the Department did not document its management decision that no further action was needed. The remaining subrecipient had a finding related to the Homeland Security Grant Program, and the standards section within the Department did

not notify the grant administrator of the need for a management decision after reviewing the single audit checklist. As a result of not making a determination with six months, the Department did not record the effects of noncompliance in its records for that subrecipient. After auditors brought that issue to its attention, the Department made a decision to follow up on the corrective action for that subrecipient. The Department maintains a tracking spreadsheet to monitor subrecipient audits; however, that control was not working effectively.

Not making management decisions in a timely manner increases the risk that subrecipient non-compliance that affects federal grants the Department manages could go undetected.

Special Tests and Provisions – Subgrant Awards

According to the Federal Emergency Management Agency’s fiscal year 2013 Homeland Security Grant Program Funding Opportunity Announcement, the State must obligate at least 80 percent of the funds awarded under the State Homeland Security Program and Urban Area Security Initiative to local units of government within 45 days of receipt of the funds.

The Department’s key control over special tests and provisions - subgrant awards is not adequately designed to ensure monitoring for compliance with the 45-day obligation requirement. There are no actual dates or target dates in the Department’s distribution report and, while e-mails and grant management system entries demonstrating compliance are time-stamped, there was no evidence that the Department reviewed or used those dates to monitor compliance with the 45-day obligation requirement. However, the Department complied with the requirement to obligate 80 percent of State Homeland Security Program and Urban Area Security Initiative awards to subrecipients within 45 days during fiscal year 2014.

Corrective Action:

Corrective action was taken.

Reference No. 2013-112

**Activities Allowed or Unallowed
Allowable Costs/Cost Principles**

**CFDA 97.046 – Fire Management Assistance Grant
Award years – See below
Award numbers – See below
Type of finding – Significant Deficiency and Non-Compliance**

Indirect Costs

Departments or agencies that desire to claim indirect costs under federal awards are required to prepare indirect cost rate proposals and documentation to support those costs. These proposals must be retained for audit and must be submitted to the cognizant agency (Title 2, CFR, Section 225, Appendix E, (D)(1)).

An Indirect Cost Rate Proposal (IDCRP) documents the indirect cost rates that an agency will use to charge its indirect cost by calculating a ratio of indirect costs to a direct cost base. Those rates are calculated using an indirect cost pool, which represents accumulated costs that jointly benefit two or more programs or other cost objectives (Title 2, CFR, Chapter 225, Appendix E (B)).

Initial Year Written:	2013
Status:	Implemented
U.S. Department of Homeland Security – Federal Emergency Management Agency	

In 2009, the Department hired a third-party vendor to develop an IDCRP on its behalf based on its fiscal year 2007 expenditures. However, the Department did not submit that IDCRP to the federal cognizant agency until February 2012. The Federal Emergency Management Agency (FEMA) approved the IDCRP in May 2012. The IDCRP included a fixed rate of 55.59 percent for fiscal years 2008 and 2009, and that same rate on a provisional basis for periods after fiscal year 2009. **However, the Department did not retain sufficient support for its IDCRP for**

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auditors to test the accuracy of the indirect cost rate. As a result, auditors could not determine whether the indirect cost rate approved in May 2012 was accurate. **The Department's next IDCRP was due in February 2013. However, the Department was still in the process of completing this proposal at the close of fiscal year 2013.** During fiscal year 2013, the Department drew federal Fire Management Assistance Grant program funds for indirect costs using the provisional rate of 55.59 percent on the previous indirect cost rate agreement.

For 12 (80 percent) of 15 indirect cost revenue transactions tested, the Department inaccurately recorded the revenue. For those transactions, the Department drew down funds for indirect costs but did not record the receipt of those funds as indirect cost revenue. Auditors identified \$557 in indirect costs that the Department drew down but recorded as direct cost revenue. That error occurred because the Department had not established appropriate index funds within its accounting system at the time of the drawdown. Those transactions did not result in questioned costs.

The Department processed all 12 transactions on the same drawdown request and deposit document. The Department does not record indirect cost expenditures in its accounting system during the course of a fiscal year; instead, it processes adjusting journal entries at the close of the fiscal year to record indirect cost expenditures on its Schedule of Expenditures of Federal Awards. As a result, errors in recording deposits could affect the accuracy of the adjusting journal entries and the Department's financial reporting.

The indirect cost issues discussed above affected the following awards:

<u>Disaster Number</u>	<u>Award Number</u>	<u>Disaster Declaration Date</u>
2794	2794FMTXP00000001	February 25, 2009
2795	2795FMTXP00000001	February 27, 2009
2796	2796FMTXP00000001	February 28, 2009
2797	2797FMTXP00000001	March 3, 2009
2798	2798FMTXP00000001	March 5, 2009
2800	2800FMTXP00000001	March 20, 2009
2801	2801FMTXP00000001	April 3, 2009
2802	2802FMTXP00000001	April 4, 2009
2803	2803FMTXP00000001	April 5, 2009
2804	2804FMTXP00000001	April 7, 2009
2805	2805FMTXP00000001	April 10, 2009
2806	2806FMTXP00000001	April 10, 2009
2807	2807FMTXP00000001	April 10, 2009
2810	2810FMTXP00000001	April 10, 2009
2814	2814FMTXP00000001	April 10, 2009

Corrective Action:

See finding 2014-106 for update.

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Reference No. 2013-114

Eligibility

CFDA 97.046 – Fire Management Assistance Grant

Award year – September 6, 2011

Award number – 2962FMTXP00000001

Type of finding – Significant Deficiency and Non-Compliance

Federal rules specify that the State is responsible for assisting the Federal Emergency Management Agency (FEMA) in determining applicant eligibility for Fire Management Assistance Grant awards. The following entities are eligible to apply for a subaward: state agencies, local governments, and Indian tribal governments. Entities that are not eligible to apply for a subaward, such as privately owned entities and volunteer firefighting organizations, may be reimbursed through a contract or compact with an eligible applicant for eligible costs associated with the fire or fire complex. The activities performed must be the legal responsibility of the applying entity, required as the result of the declared fire, and located within the designated area (Title 44, Code of Federal Regulations, Sections 204.41 and 204.51).

Initial Year Written:	2013
Status:	No Longer Valid
U.S. Department of Homeland Security – Federal Emergency Management Agency	

For 1 (8 percent) of 12 subrecipients tested, the subrecipient was not eligible to receive a Fire Management Assistance Grant program award because it was a fire department that was not associated with a state or local government and used volunteer labor. The Department of Public Safety (Department) did not maintain documentation that it reviewed that subrecipient’s eligibility for an award. However, both the Department and FEMA approved that subrecipient’s project worksheet. Because of the large number of fires declared during the 2011 fire season, the Department played a decreased role in the application and award process. The Department made \$6,534 in payments to that subrecipient in fiscal year 2013, and that amount was considered a questioned cost. Not verifying the eligibility of all applying entities increases the risk that the Department could award federal funds to ineligible subrecipients.

Corrective Action:

DPS has not received any current 97.046 awards. In addition, the grants management process has changed from 2013 including a new computer system. Therefore, the finding is no longer valid.

Reference No. 2013-115

Period of Availability of Federal Funds

CFDA 97.046 – Fire Management Assistance Grant

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

For the Fire Management Assistance Grant program, all eligible work and related costs must be associated with the incident period of a declared fire (Title 44, Code of Federal Regulations (CFR) Section 204.42). Administrative costs should be incurred within the performance period, which is the period of time during which the grantee and all subgrantees are expected to submit all eligible costs and have those costs processed, obligated, and closed out by the Federal Emergency Management Agency (FEMA) (Title 44, CFR, Section 204.3). Additionally, a grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the performance period. (Title 44, CFR, Section 13.23).

Initial Year Written:	2013
Status:	No Longer Valid
U.S. Department of Homeland Security – Federal Emergency Management Agency	

Because of the large number of declared fires during the 2011 fire season, the Department of Public Safety (Department) required additional time to write project worksheets and submit project costs to FEMA for obligation. The Department formally requested extensions for all 2011 Fire Management Assistance Grant program declarations in August 2012, extending the latest performance period for any declaration to January 2013.

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The Department charged direct costs after the performance period for its 2011 awards. Specifically:

- For all 11 monthly payroll transactions tested, the underlying obligations included payroll charges for pay periods that were after the award performance period. For nine of those transactions, the Department also did not liquidate the underlying obligations within the required time period. The pay periods for those transactions ranged from September 2012 to August 2013, while the performance period end dates for the associated awards ranged from January 2010 to January 2013. Those errors resulted in \$9,687 in questioned costs.
- For 1 (2 percent) of 60 non-payroll direct expenditures tested, the Department did not liquidate the underlying obligation within the required time period. The performance period for that expenditure ended in January 2013, but the Department did not pay that expenditure until July 2013. Because the Department incurred the obligation within the performance period, that expenditure was not considered a questioned cost.

The Department's review and approval of project expenditures was not effective in ensuring compliance with period of availability requirements for its awards. The Department asserted that it received an informal approval from FEMA to extend the performance period for all 2011 Fire Management Assistance Grant program declarations to November 30, 2013. However, the Department could not provide documentation that FEMA approved or communicated that date to the Department. Additionally, Department staff responsible for processing and approving program expenditures do not retain a complete list of approved performance periods for Fire Management Assistance Grant program awards.

The period of availability issues discussed above affected the following awards:

Disaster Number	Award Number	Disaster Declaration Date	Questioned Costs
2785	2785FMTXP00000001	August 7, 2008	\$ 0
2794	2794FMTXP00000001	February 25, 2009	0
2795	2795FMTXP00000001	February 27, 2009	0
2796	2796FMTXP00000001	February 28, 2009	0
2797	2797FMTXP00000001	March 3, 2009	0
2798	2798FMTXP00000001	March 5, 2009	0
2800	2800FMTXP00000001	March 20, 2009	0
2801	2801FMTXP00000001	April 3, 2009	0
2802	2802FMTXP00000001	April 4, 2009	0
2803	2803FMTXP00000001	April 5, 2009	0
2804	2804FMTXP00000001	April 7, 2009	0
2805	2805FMTXP00000001	April 10, 2009	0
2806	2806FMTXP00000001	April 10, 2009	0
2807	2807FMTXP00000001	April 10, 2009	0
2810	2810FMTXP00000001	April 10, 2009	0
2814	2814FMTXP00000001	April 10, 2009	0
2867	2867FMTXP00000001	March 11, 2011	141
2870	2870FMTXP00000001	March 12, 2011	198
2881	2881FMTXP00000001	April 3, 2011	153
2882	2882FMTXP00000001	April 5, 2011	141
2884	2884FMTXP00000001	April 9, 2011	190
2885	2885FMTXP00000001	April 9, 2011	568
2886	2886FMTXP00000001	April 9, 2011	142
2888	2888FMTXP00000001	April 15, 2011	713
2889	2889FMTXP00000001	April 15, 2011	192
2891	2891FMTXP00000001	April 15, 2011	120
2892	2892FMTXP00000001	April 15, 2011	437
2893	2893FMTXP00000001	April 16, 2011	142
2894	2894FMTXP00000001	April 16, 2011	165
2895	2895FMTXP00000001	April 16, 2011	117
2896	2896FMTXP00000001	April 17, 2011	141
2898	2898FMTXP00000001	April 17, 2011	165
2899	2899FMTXP00000001	April 21, 2011	141

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Disaster Number	Award Number	Disaster Declaration Date	Questioned Costs
2901	2901FMTXP00000001	April 27, 2011	88
2903	2903FMTXP00000001	April 29, 2011	239
2904	2904FMTXP00000001	April 30, 2011	88
2905	2905FMTXP00000001	April 30, 2011	88
2906	2906FMTXP00000001	May 8, 2011	281
2908	2908FMTXP00000001	May 9, 2011	141
2910	2910FMTXP00000001	May 24, 2011	188
2911	2911FMTXP00000001	May 29, 2011	130
2912	2912FMTXP00000001	May 29, 2011	248
2913	2913FMTXP00000001	May 29, 2011	194
2914	2914FMTXP00000001	June 2, 2011	218
2916	2916FMTXP00000001	June 3, 2011	241
2922	2922FMTXP00000001	June 16, 2011	255
2924	2924FMTXP00000001	June 17, 2011	150
2925	2925FMTXP00000001	June 18, 2011	174
2926	2926FMTXP00000001	June 18, 2011	197
2927	2927FMTXP00000001	June 20, 2011	197
2928	2928FMTXP00000001	June 20, 2011	197
2929	2929FMTXP00000001	June 20, 2011	174
2930	2930FMTXP00000001	June 21, 2011	150
2931	2931FMTXP00000001	June 21, 2011	173
2937	2937FMTXP00000001	July 11, 2011	174
2949	2949FMTXP00000001	August 15, 2011	113
2952	2952FMTXP00000001	August 30, 2011	286
2957	2957FMTXP00000001	September 4, 2011	23
2958	2958FMTXP00000001	September 4, 2011	320
2959	2959FMTXP00000001	September 5, 2011	141
2960	2960FMTXP00000001	September 5, 2011	141
2962	2962FMTXP00000001	September 6, 2011	141
2963	2963FMTXP00000001	September 6, 2011	0
2964	2964FMTXP00000001	September 6, 2011	72
2965	2965FMTXP00000001	September 6, 2011	317
2967	2967FMTXP00000001	September 8, 2011	141
2968	2968FMTXP00000001	September 9, 2011	141
2976	2976FMTXP00000001	April 30, 2012	0
		Total	<u>\$ 9,687</u>

Corrective Action:

DPS has not received any current 97.046 awards. In addition, the grants management process has changed from 2013 including a new computer system. Therefore, the finding is no longer valid.

Reference No. 2013-116

**Procurement and Suspension and Debarment
Subrecipient Monitoring**

CFDA 97.046 – Fire Management Assistance Grant

Award years – See below

Award numbers – See below

Type of finding – Material Weakness and Material Non-Compliance

The Department of Public Safety (Department) is required by Office of Management and Budget (OMB) Circular A-133, Section .400, to monitor subrecipients' use of federal awards to provide reasonable assurance that subrecipients administer federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

Initial Year Written: 2013
Status: No Longer Valid

U.S. Department of Homeland
Security – Federal
Emergency Management
Agency

In fiscal year 2013, the Department passed through \$59,621,025 in Fire Management Assistance Grant program funds to its subrecipients.

Pre-award Monitoring

At the time of the award, pass-through entities must identify to subrecipients the applicable compliance requirements and the federal award information, including the Catalog of Federal Domestic Assistance (CFDA) title and number, the federal award name and number, the name of the federal awarding agency, and whether the award is research and development (OMB Circular A-133, Section .400(d)).

Additionally, federal rules require that, when a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity and its principals are not suspended or debarred or otherwise excluded from federal contracts. That verification may be accomplished by checking the Excluded Parties List System (EPLS), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity. Covered transactions include all nonprocurement transactions irrespective of award amount (Title 2, CFR, Section 3000).

Beginning October 1, 2010, an agency may not make an award to an entity until it has obtained a valid Data Universal Numbering System (DUNS) number for that entity (Title 2, CFR, Sections 25.105 and 25.205).

The Department communicates federal award information to subrecipients on an application for federal assistance and requires that subrecipients sign various assurances to ensure that they are aware of award information and applicable federal compliance requirements. The assurances also serve as the subrecipients' certification that they are not suspended or debarred from participating in federal contracts.

For all 12 of the subrecipients tested, the Department did not include all required elements in its subaward agreements and did not obtain subrecipient DUNS numbers. Specifically:

- For 6 (50 percent) of 12 subrecipients tested, the Department could not provide evidence that the subrecipients received and signed all award documents prior to the subawards. As a result, the Department (1) did not communicate applicable compliance requirements and federal award information to the subrecipients, (2) did not ensure that the subrecipients and their principals were not suspended or debarred from participation in federal awards, and (3) did not obtain valid DUNS numbers for the subrecipients prior to issuing the subawards.
- For the other 6 subrecipients tested, the Department did not identify the CFDA number on the subrecipients' application documents and did not obtain a DUNS number for the subrecipients prior to making the subawards. Additionally, the Department did not ensure that the subrecipients' principals were not suspended or debarred from participation in federal awards.

Inadequate identification of federal awards to subrecipients could lead to inaccurate reporting of federal funding on a subrecipient's schedule of expenditures of federal awards. Not verifying that subrecipients or their principals are not suspended or debarred from participation in federal awards increases the risk that the Department could enter into

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awards with ineligible parties. Not obtaining DUNS numbers prior to making a subaward could lead to inaccurate federal reporting.

During-the-award Monitoring

Recipients of Fire Management Assistance Grant program funds are required to monitor grant-supported and subgrant-supported activities to ensure compliance with applicable federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function, or activity (Title 44, CFR, Section 13.40). The Department monitors subrecipient activities through review and approval of project worksheets and reimbursement requests and collection of project completion reports.

The Department’s procedures for monitoring subrecipients were not adequate to ensure compliance with federal requirements. Specifically:

- For 3 (25 percent) of 12 subrecipients tested, the Department did not effectively monitor to ensure that the subrecipients spent funds on allowable costs and activities. For those subrecipients, the Department could not provide evidence that it reviewed and approved the subrecipients’ project worksheets.
- For 3 (25 percent) of 12 subrecipients tested, the Department did not receive the project worksheets until after the subawards’ performance periods. That occurred because the Department does not have established procedures for subrecipients to request extensions for project worksheets.
- For 11 (92 percent) of 12 subrecipients tested, the Department did not obtain the subrecipients’ signed project completion reports upon completion of all approved work. The Department could not confirm whether the subrecipients had ever submitted those reports.
- For all 7 subrecipients tested that were not required to obtain an OMB Circular A-133 Single Audit, the Department could not provide evidence that it applied alternate monitoring techniques, such as project audits. That occurred because the Department does not have established procedures for monitoring subrecipients that are not required to obtain a Single Audit.

Insufficient during-the-award period monitoring increases the risk that the Department may not detect subrecipients’ non-compliance with federal requirements.

The issues discussed above affected the following awards:

<u>Disaster Number</u>	<u>Award Number</u>	<u>Disaster Declaration Date</u>
2870	2870FMTXP00000001	March 12, 2011
2885	2885FMTXP00000001	April 9, 2011
2888	2888FMTXP00000001	April 15, 2011
2913	2913FMTXP00000001	May 29, 2011
2926	2926FMTXP00000001	June 18, 2011
2958	2958FMTXP00000001	September 4, 2011
2959	2959FMTXP00000001	September 5, 2011
2962	2962FMTXP00000001	September 6, 2011
2963	2963FMTXP00000001	September 6, 2011
2968	2968FMTXP00000001	September 9, 2011

Corrective Action:

DPS has not received any current 97.046 awards. In addition, the grants management process has changed from 2013 including a new computer system. Therefore, the finding is no longer valid.

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Reference No. 2013-117

Reporting

CFDA 97.046 – Fire Management Assistance Grant

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

Federal Funding Accountability and Transparency Act

The Federal Funding Accountability and Transparency Act (Transparency Act) requires prime recipients of federal awards made on or after October 1, 2010, to capture and report subaward and executive compensation data regarding first-tier subawards that equal or exceed \$25,000. Prime recipients are to report subaward information no later than the end of the month following the month in which the obligation was made (Title 2, CFR, Chapter 170).

Initial Year Written:	2013
Status:	No Longer Valid

U.S. Department of Homeland Security – Federal Emergency Management Agency

Recipients of awards that are subject to the Transparency Act must report all required elements, including the subaward date, subawardee Dun and Bradstreet Data Universal Numbering System (DUNS) number, amount of subaward, subaward obligation or action date, date of report submission, and subaward number. Additionally, the amount of the subaward is the net dollar amount of federal funds awarded to the subawardee, including modifications (U.S. Office of Management and Budget’s *Open Government Directive - Federal Spending Transparency and Subaward and Compensation Data Reporting, August 27, 2010, Appendix C*).

The Department did not always accurately report key data elements or submit reports within the required time frame. Specifically:

- For 4 (25 percent) of 16 Transparency Act reports tested, the Department underreported the total subaward amount because it did not include amounts for donated resources projects as required. Those errors occurred because the Federal Emergency Management Agency’s Electronic Data Warehouse, which the Department uses to prepare its Transparency Act reports, excludes amounts for donated resources projects.
- For 6 (38 percent) of 16 Transparency Act reports tested, the Department did not submit reports within the required time frame. The Department submitted those 6 reports between 16 and 132 days late. During the prior-year audit, auditors communicated to the Department information regarding its noncompliance with Transparency Act requirements. The Department implemented a formal process for Transparency Act reporting in April 2013. For four of those subawards, the Department did not submit the reports in a timely manner because the reports were due prior to the Department’s implementation of a formal process for Transparency Act reporting. For the other two subawards, the Department was not aware that the applicable prime awards were available in the Transparency Act reporting system.

Not submitting accurate Transparency Act reports in a timely manner decreases the reliability and availability of information to the awarding agency and the public.

General Controls

Entities shall maintain internal control over federal programs that provides reasonable assurance that they are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section .300 (b)).

The Department did not adequately restrict access to its accounts in the State’s Uniform Statewide Accounting System (USAS). Specifically, four former contractors and employees of the Department still had active accounts in USAS. The Department’s periodic review of user access was not effective in identifying and removing that inappropriate access. Not maintaining appropriate access to USAS increases the risk of unauthorized modification of the Department’s accounting data.

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The Transparency Act issues discussed above affected the following awards:

<u>Disaster Number</u>	<u>Award Number</u>	<u>Disaster Declaration Date</u>
2886	2886FMTXP00000001	April 9, 2011
2910	2910FMTXP00000001	May 24, 2011
2913	2913FMTXP00000001	May 29, 2011
2929	2929FMTXP00000001	June 20, 2011
2958	2958FMTXP00000001	September 4, 2011
2960	2960FMTXP00000001	September 5, 2011
2964	2964FMTXP00000001	September 6, 2011
2965	2965FMTXP00000001	September 6, 2011

Corrective Action:

DPS has not received any current 97.046 awards. In addition, the grants management process has changed from 2013 including a new computer system. Therefore, the finding is no longer valid.

Reference No. 13-111

**Activities Allowed or Unallowed
Allowable Costs/Cost Principles**

CFDA 97.039 – Hazard Mitigation Grant Program

Award years – See below

Award numbers – See below

Type of finding – Material Weakness and Non-Compliance

Indirect Costs

Departments or agencies that desire to claim indirect costs under federal awards are required to prepare indirect cost rate proposals and documentation to support those costs. These proposals must be retained for audit and must be submitted to the cognizant agency (Title 2, CFR, Chapter 225, Appendix E, (D)(1)).

Initial Year Written:	2012
Status:	Implemented
U.S. Department of Homeland Security	

An Indirect Cost Rate Proposal (IDCRP) documents the indirect cost rates that an agency will use to charge its indirect cost by calculating a ratio of indirect costs to a direct cost base. Those rates are calculated using an indirect cost pool, which represents accumulated costs that jointly benefit two or more programs or other cost objectives (Title 2, CFR, Chapter 225, Appendix E, (B)).

The Department began charging indirect costs to the Hazard Mitigation Grant Program during fiscal year 2012. During 2009, the Department utilized a third-party vendor to develop an IDCRP on its behalf based on its fiscal year 2007 expenditures. However, the Department did not submit that IDCRP to the federal cognizant agency until February 2012. The Department asserted that the submission delay occurred because it had originally submitted the IDCRP to the incorrect federal cognizant agency. FEMA approved the IDCRP on May 7, 2012. The IDCRP included a fixed rate of 55.59 percent for fiscal years 2008 and 2009, and that same rate on a provisional basis for periods from fiscal year 2009 forward. The Department's next IDCRP is due in February 2013.

However, the Department did not retain sufficient support for its IDCRP for auditors to test the accuracy of the indirect cost rate. As a result, **auditors could not determine whether the indirect cost rate approved in May 2012 was accurate.**

Prior to the approval of its IDCRP, the Department used a previous indirect cost rate agreement to charge indirect costs to federal awards; however, that agreement expired on August 31, 2007. As a result, the Department had been charging indirect costs without a valid rate agreement. Additionally, the Department did not record indirect cost

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transactions in its financial system at the time it made each charge. As a result, auditors could not identify all indirect cost charges the Department made during the year. Instead, the Department processed an adjusting entry to its schedule of expenditures of federal awards to recognize \$291,187 in indirect cost charges for the Hazard Mitigation Grant program during fiscal year 2012.

As a result of the Department's process for recording indirect cost transactions, auditors also were unable to determine the amount of unallowable charges the Department made under the expired indirect cost rate agreement. However, for 2 (5 percent) of 43 cash draws tested, the Department charged a total of \$974 in indirect costs associated with award FEMA-1624-DR and \$3,128 in indirect cost charges associated with award FEMA-1606-DR under the expired indirect cost rate agreement. Those amounts are considered questioned costs.

The issues noted above affected the following Hazard Mitigation Grant Program awards:

<u>Award Number</u>	<u>Start Date</u>	<u>Questioned Cost</u>
FEMA-1356-DR	January 8, 2001	\$ 0
FEMA-1379-DR	June 9, 2001	0
FEMA-1425-DR	July 4, 2002	0
FEMA-1439-DR	November 5, 2002	0
FEMA-1479-DR	July 17, 2003	0
FEMA-1606-DR	September 24, 2005	4,598
FEMA-1624-DR	January 11, 2006	974
FEMA-1658-DR	August 15, 2006	0
FEMA-1697-DR	May 1, 2007	0
FEMA-1709-DR	June 29, 2007	0
FEMA-1730-DR	October 2, 2007	0
FEMA-1780-DR	July 24, 2008	51,040
FEMA-1791-DR	September 13, 2008	6,657
FEMA-1931-DR	August 3, 2010	0
FEMA-1999-DR	July 1, 2011	1,692
FEMA-4029-DR	September 9, 2011	0
Total Questioned Costs		<u>\$ 64,961</u>

Corrective Action:

See finding 2014-106 for update.

Reference No. 13-114

Period of Availability of Federal Funds

CFDA 97.039 – Hazard Mitigation Grant Program

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

For major disaster declarations, the grantee may expend management cost funds for allowable costs for a maximum of 8 years from the date of the major disaster declaration or 180 days after the latest performance period date of a non-management cost Hazard Mitigation Grant Program project narrative, whichever is sooner (Title 44, Code of Federal Regulations (CFR), Section 207.8(b) and Title 44, CFR Section 207.9(a) and (d)).

Initial Year Written: 2012
 Status: No Longer Valid

 U.S. Department of Homeland Security

The Hazard Mitigation Assistance Unified Guidance, Part VI, Section B.4, states that the period of performance is the period of time during which the grantee is expected to complete all grant activities and to incur and expend approved

PUBLIC SAFETY, DEPARTMENT OF

funds. The period of performance begins on the date that the grant is awarded and ends no later than 36 months from the award of the final subgrant under the grant.

The Department of Public Safety (Department) charged direct costs to Hazard Mitigation Grant Program awards when it had incurred those costs after the period of performance for those awards. Specifically:

- For 1 (6 percent) of 18 transfers tested, the Department could not provide evidence that it incurred the original cost supporting that transfer within the period of performance for the award to which it charged the cost. For that transfer, the Department incurred the cost between December 2011 and February 2012; however, based on information provided by the Department, the period of performance for the award ended on August 8, 2007. That resulted in questioned costs of \$17 associated with award FEMA-1439-DR. The Department asserted that it was aware that it should not have charged those costs to that award, but it had not yet transferred those costs to non-federal funds.
- For 3 (6 percent) of 51 direct cost expenditures tested, the Department incurred direct costs after the period of performance for the federal awards to which it charged those costs. The Department incurred two of those costs in August 2011, but the period of performance for the award ended in June 2009. The Department incurred the remaining cost in May 2012, but the period of performance for the award ended in March 2012. That resulted in questioned costs of \$8,769 associated with award FEMA-1606-DR and \$261 associated with award FEMA-1697-DR.
- The Department incurred 2 (10 percent) of 21 payroll expenditures tested after the end of the period of performance for the awards to which it charged those costs. Further analysis of the entire population of Department payroll charges during fiscal year 2012 indicates that the Department charged a total of \$33,890 in payroll costs after the end of the period of performance for the awards to which it charged those costs (see “Questioned Costs Related to Payroll” below for the individual awards to which the Department charged the \$33,890).
- For 1 (5 percent) of 21 payroll expenditures tested, auditors could not determine whether the Department incurred the cost during the period of performance for the award because the Department assigned that cost to a generic budget code that could be connected with multiple disasters. However, the Department asserted that it had not yet drawn federal expenditures for that transaction.

The errors discussed above occurred because the Department has not established controls to ensure that it does not incur direct costs for disasters after the period of performance for awards has ended.

The issues noted above affected the following Hazard Mitigation Grant Program awards:

<u>Award Number</u>	<u>Start Date</u>	<u>Questioned Costs Related to Payroll</u>	<u>Other Questioned Costs</u>	<u>Total Questioned Costs</u>
FEMA-1356-DR	January 8, 2001	\$ 15	\$ 0	\$ 15
FEMA-1379-DR	June 9, 2001	25,551	0	25,551
FEMA-1425-DR	July 4, 2002	593	0	593
FEMA-1439-DR	November 5, 2002	334	17	351
FEMA-1479-DR	July 17, 2003	297	0	297
FEMA-1606-DR	September 24, 2005	0	8,769	8,769
FEMA-1624-DR	January 11, 2006	2,448	0	2,448
FEMA-1658-DR	August 15, 2006	1,280	0	1,280
FEMA-1697-DR	May 1, 2007	3,371	261	3,632
FEMA-1709-DR	June 29, 2007	0	0	0
FEMA-1730-DR	October 2, 2007	0	0	0
FEMA-1780-DR	July 24, 2008	0	0	0
FEMA-1791-DR	September 13, 2008	0	0	0
FEMA-1999-DR	July 1, 2011	0	0	0
FEMA-4029-DR	September 9, 2011	0	0	0
	Total Questioned Costs	\$33,889	\$9,047	\$42,936

Corrective Action:

The grants management process has changed from 2013 including a new computer system. Therefore, the finding is no longer valid.

Reference No. 13-115

**Procurement and Suspension and Debarment
Subrecipient Monitoring**

(Prior Audit Issue 12-110)

CFDA 97.039 – Hazard Mitigation Grant Program

Award years – See below

Award numbers – See below

Type of finding – Material Weakness and Material Non-Compliance

During-the-award Monitoring

Recipients of Hazard Mitigation Grant Program grant funds are required to monitor grant-supported and subgrant-supported activities to ensure compliance with applicable federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function, or activity (Title 44, CFR, Section 13.40).

Initial Year Written:	2011
Status:	No Longer Valid
U.S. Department of Homeland Security	

The Department monitors subrecipient activities through review and approval of reimbursement requests and final audits of subrecipient projects. However, **for 3 (5 percent) of 62 subrecipient reimbursement requests tested, the Department could not provide evidence that it monitored the subrecipients for compliance with requirements related to allowability, cash management, or matching; it also could not provide evidence that it reviewed the federal share of costs for accuracy.** For those three subrecipients, the Department could not provide evidence that it had approved those subrecipients' reimbursement requests.

In addition, the Department did not consistently follow up to ensure that subrecipients took corrective action on deficiencies that it noted during its review of the reimbursement requests. **For 1 (25 percent) of 4 reimbursement requests for which the Department noted deficiencies, the Department could not provide evidence that it communicated the deficiencies to the subrecipient or followed up to ensure that the subrecipient took corrective action.**

The Department uses a final project audit as its primary audit tool for monitoring its subrecipients' compliance with requirements related to equipment maintenance, procurement, and real property acquisitions. **However, the Department does not always complete a final project audit prior to making the final payment on a project, which limits the effectiveness of the final project audit to monitor compliance with federal requirements.** The Department also does not perform other types of monitoring of subrecipient compliance with requirements related to equipment maintenance, procurement, and real property acquisitions. As a result, auditors identified the following issues:

- For 30 (91 percent) of 33 subrecipient projects for which the Department was required to monitor the subrecipients' compliance with equipment requirements, the Department could not provide evidence that it monitored subrecipients' record keeping and safeguarding of equipment.
- For 59 (95 percent) of 62 subrecipient projects tested, the Department could not provide evidence that it monitored the subrecipients' compliance with procurement requirements.
- For all 7 subrecipient projects tested that included the acquisition of real property, the Department could not provide evidence that it monitored the subrecipients' compliance with requirements related to acquisition and appraisal.

The Department does not have a process to ensure that subrecipients spend funds within the period of availability for the subaward. For all 62 subrecipient projects tested, the Department could not provide evidence

that it verified that the subrecipients did not spend funds outside of the established performance period for their subawards.

Insufficient monitoring during the award period increases the risk that the Department would not detect subrecipients' non-compliance with requirements regarding federally funded projects.

Corrective Action:

The grants management process has changed from 2013 including a new computer system. Therefore, the finding is no longer valid.

Reference No. 13-116

Reporting

(Prior Audit Issues 12-111, 09-47, 08-91, and 07-26)

CFDA 97.039 – Hazard Mitigation Grant Program

Award years – See below

Award numbers – See below

Type of finding – Material Weakness and Material Non-Compliance

Recipients are responsible for managing, monitoring, and reporting performance for each project, program, subaward, function, or activity supported by the award. Recipients use the Federal Financial Report SF-425 (Office of Management and Budget No. 0348-0061) to report financial activity on a quarterly basis. The Office of Management and Budget provides specific instructions for completing the SF-425 in its Federal Financial Report Instructions, including definitions of key reporting elements.

Initial Year Written:	2006
Status:	No Longer Valid

U.S. Department of Homeland Security	
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Additionally, Hazard Mitigation grantees are required to submit quarterly Federal Financial Reports on which obligations and expenditures must be reported (Hazard Mitigation Assistance Unified Guidance, Part VI, Sec. C.1).

During fiscal year 2012, the Department of Public Safety's (Department) Division of Emergency Management and the Department's Grants Finance unit prepared SF-425 reports. Prior to January 2012, the Division of Emergency Management prepared all reports. In January 2012, the Department moved the reporting function for some disasters to its Grants Finance unit.

The Department did not ensure that its SF-425 reports included all activity in the reporting period, were supported by applicable accounting records, and were fairly presented in accordance with program requirements. That occurred because (1) reports the Division of Emergency Management prepared were not based on information in the Department's financial system (instead, those reports were based on information from the federal system through which the Department requested funds) and (2) the Department used an incorrect methodology or incomplete information for some information it reported. As a result, auditors identified errors in all 13 SF-425 reports tested. Specifically:

- For 11 (85 percent) of 13 reports tested, the Department incorrectly reported its cash disbursements and the federal share of expenditures based on the amount of funds it received according to the federal SmartLink system through which it requested funds, instead of based on expenditure information from the Department's accounting system. The Department also incorrectly reported several other data fields, including cash on hand, total federal share, and the unobligated balance of federal funds because those fields were derived from the incorrectly reported cash disbursement amount. In addition, the Department incorrectly reported the federal share of unliquidated obligations for those 11 reports.
- For 2 (15 percent) of the 13 reports tested, both of which the Grants Finance unit prepared, the Department indicated that it prepared the reports on a cash basis; however, the supporting accounting data indicated the reports were prepared on an accrual basis.

PUBLIC SAFETY, DEPARTMENT OF

- For all 13 reports tested, the Department did not correctly report information associated with matching amounts for each project. Specifically, for the two reports the Grants Finance unit prepared, the total recipient share required and the recipient share of expenditures were based on incorrect formulas. For the 11 reports the Division of Emergency Management prepared, the amounts reported for total recipient share required and recipient share of expenditures were supported by spreadsheets the Department used to track recipient expenditures; however, the Department does not reconcile those spreadsheets with its accounting data; therefore, the Department should not rely on those spreadsheets. As a result of those errors, the Department also incorrectly reported the remaining subrecipient share to be provided for all 13 reports tested.
- For all 13 reports tested, the Department did not include indirect cost expenditures in the amount it reported for cash disbursements as required. The Department omitted those expenditures because it had not established a method to record them in the accounting system when it charges those expenditures to a federal grant.

Unsupported, omitted, and inaccurate information in reports increases the risk that federal agencies could rely on inaccurate information.

The issues noted above affected the following Hazard Mitigation Program awards:

<u>Disaster Number</u>	<u>Award Number</u>	<u>Start Date</u>
1356	FEMA-1356-DR	January 8, 2001
1379	FEMA-1379-DR	June 9, 2001
1425	FEMA-1425-DR	July 4, 2002
1439	FEMA-1439-DR	November 5, 2002
1479	FEMA-1479-DR	July 17, 2003
1606	FEMA-1606-DR	September 24, 2005
1624	FEMA-1624-DR	January 11, 2006
1658	FEMA-1658-DR	August 15, 2006
1697	FEMA-1697-DR	May 1, 2007
1709	FEMA-1709-DR	June 29, 2007
1730	FEMA-1730-DR	October 02, 2007
1780	FEMA-1780-DR	July 24, 2008
1791	FEMA-1791-DR	September 13, 2008
1931	FEMA-1931-DR	August 3, 2010
1999	FEMA-1999-DR	July 1, 2011
4029	FEMA-4029-DR	September 9, 2011

Corrective Action:

All grants closed in fiscal year 2015 for which the Department was used federal data to file SF-425 reports. Therefore, finding is no longer valid.

Department of State Health Services
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Reference No. 2014-017

Allowable Costs/Cost Principles

(Prior Audit Issue 2013-027)

CFDA 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children

Award year – October 1, 2013 to September 30, 2014

Award number – 6TX700506

CFDA 93.268 – Immunization Cooperative Agreements

Award years – January 1, 2014 to December 31, 2014 and January 1, 2013 to December 31, 2013

Award numbers – H23IP000773-02 and H23IP000773-01

CFDA 93.917 – HIV Care Formula Grants

Award years – April 1, 2014 to March 31, 2015 and April 1, 2013 to March 31, 2014

Award numbers – 6X07HA00054-24 and 2X07HA00054-23

CFDA 93.959 – Block Grants for Prevention and Treatment of Substance Abuse

Award years – October 1, 2013 to September 30, 2015, October 1, 2012 to September 30, 2014, and October 1, 2011 to September 30, 2013

Award numbers – 2B08TI010051-14, 2B08TI010051-13, and 2B08TI010051-12

Non-Major Programs:

- 10.475 Cooperative Agreements with State for Intrastate Meat and Poultry Inspection
- 66.001 Air Pollution Control Program Support
- 66.034 Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act
- 66.701 Toxic Substances Compliance Monitoring Cooperative Agreements
- 66.707 TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals
- 93.018 Strengthening Public Health Services at the Outreach Offices of the U.S.-Mexico Border Health Commission
- 93.069 Public Health Emergency Preparedness
- 93.103 Food and Drug Administration Research
- 93.110 Maternal and Child Health Federal Consolidated Programs
- 93.116 Project Grants and Cooperative Agreements for Tuberculosis Control Programs
- 93.130 Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices
- 93.136 Injury Prevention and Control Research and State and Community Based Programs
- 93.150 Projects for Assistance in Transition from Homelessness
- 93.235 Affordable Care Act (ACA) Abstinence Education Program
- 93.240 State Capacity Building
- 93.243 Substance Abuse and Mental Health Services Projects of Regional and National Significance
- 93.251 Universal Newborn Hearing Screening
- 93.262 Occupational Safety and Health Program
- 93.283 The Affordable Care Act: Centers for Disease Control and Prevention Investigations and Technical Assistance
- 93.448 Food Safety and Security Monitoring Project
- 93.507 PPHF National Public Health Improvement Initiative
- 93.521 The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF
- 93.531 PPHF Community Transformation Grants and National Dissemination and Support for Community Transformation Grants financed solely by Prevention and Public Health Funds
- 93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
- 93.889 National Bioterrorism Hospital Preparedness Program
- 93.940 HIV Prevention Activities Health Department Based
- 93.944 Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance
- 93.945 Assistance Programs for Chronic Disease Prevention and Control
- 93.958 Block Grants for Community Mental Health Services
- 93.977 Preventive Health Services Sexually Transmitted Diseases Control Grants
- 93.994 Maternal and Child Health Services Block Grant to the States

Type of finding – Significant Deficiency

STATE HEALTH SERVICES, DEPARTMENT OF

OMB A-87 section H – Support of Salaries and Wages sets standards regarding time distribution, in addition to the standards for payroll documentation. These standards include:

Initial Year Written: 2013
Status: Partially Implemented

U.S. Department of Health and
Human Services
U.S. Department of Agriculture
Environmental Protection
Agency

1. Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit.
2. No further documentation is required for the salaries and wages of employees who work in a single indirect cost activity.
3. Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.
4. Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:
 - a) More than one Federal award,
 - b) A Federal award and a non-Federal award,
 - c) An indirect cost activity and a direct cost activity,
 - d) Two or more indirect activities which are allocated using different allocation bases, or
 - e) An unallowable activity and a direct or indirect cost activity.
5. Personnel activity reports or equivalent documentation must meet the following standards:
 - a) They must reflect an after-the-fact distribution of the actual activity of each employee,
 - b) They must account for the total activities, for which each employee is compensated,
 - c) They must be prepared at least monthly and must coincide with one or more pay periods, and
 - d) They must be signed by the employee.
 - e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes, provided that:
 - i. The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;
 - ii. At least quarterly, comparisons of actual costs to budgeted distributions, based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually, if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and
 - iii. The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.

Department of State Health Services (DSHS) requires its employees to complete monthly time and effort reporting, regardless of whether the employee works solely on a single Federal award or cost objective, or on multiple activities or cost objectives. Each employee has a default task profile based on their position in the agency that determines how their payroll dollars are allocated. These task profiles are re-evaluated every year by department supervisors. Employees are instructed and given training on how to report any deviations from their profile as well as report any vacation time, sick time, leave of absence, etc. Employees are required to certify their time by the fifteenth of the month for the previous months' time. Supervisors approve monthly payroll for their employees only if there are deviations from the employee task profile.

Forty payroll samples under the Block Grants for Prevention and Treatment of Substance Abuse Program were selected for test work. There were none in our sample that deviated from their task profile for regular hours worked (i.e., excludes deviated time for vacation, sick time, etc.) and furthermore, none that could be provided for the entire program that deviated from their task profile for regular hours worked. Additionally, it does not appear that there is

consistency regarding individuals' knowledge of what their task profiles are (i.e., from what funding source(s) they are getting paid), where to find this in the payroll reporting system, or how to go about reporting a deviation of their time from their profiles for regular hours worked. In addition, when an employee certifies, they simply report any hours that deviated from their profile, but their profile is not shown on the certification screen. Therefore, if an employee does not know how their time is being allocated based on their default profile, and it is not evident and easy to find when they are certifying their time, there is risk that individuals do not know the time allocation that they are certifying.

In 2014, proposed updates were made to DSHS Policy FS-1110, Time and Labor Accounting. This policy updates the time and labor requirements in the State's Centralized Accounting and Payroll/Personnel System (CAPPS) application and more clearly addresses Labor Account Code training required for all employees. Additionally, the on-boarding training for all new employees was updated to more specifically provide employees with guidance on labor account codes, monthly time reporting, task profiles, and how to report time deviations from task profiles. DSHS department managers also met with staff to ensure they were aware of their individual task profiles and the importance of getting with the managers if the employee has a deviation from their task profiles other than the standard sick time, leave of absence, or vacation time. The DSHS Budget Office also provides for review to department managers a monthly profile sheet which has all the employees assigned to them by name and position number and their respective profile allocations.

Total payroll expenditures for the DSHS programs noted above and included in the schedule of federal awards for fiscal year 2014 is approximately \$45 million.

Corrective Action:

This finding was reissued as current year reference number 2015-035.

Reference No. 2014-018

Reporting

(Prior Audit Issue 2013-025 and 13-17)

CFDA 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children
Award years – January 1, 2013 to September 30, 2014 and October 1, 2013 to September 30, 2014
Award numbers – 6TX700526 and 6TX700506

CFDA 93.268 – Immunization Cooperative Agreements
Award years – January 1, 2014 to December 31, 2014 and January 1, 2013 to December 31, 2013
Award numbers – H23IP000773-02 and H23IP000773-01
Type of finding – Significant Deficiency and Non-Compliance

The Federal Funding Accountability and Transparency Act (FFATA) was signed on September 26, 2006. The FFATA legislation requires information on federal awards (federal financial assistance and expenditures) be made available to the public via a single, searchable website. Per Title II part 170 of the Code of Federal Regulation (CFR), an entity must report each action that obligates \$25,000 or more in Federal funds for a subaward to an entity. The agency must subsequently amend the award if changes in circumstances increase the total Federal funding under the award during the project or program period. This information is to be reported no later than the end of the month following the month in which the obligation or amendment was made. This requirement was effective for all grants starting October 1, 2010 or after. Per Title II part 25 of the Code of Federal Regulation (CFR), an entity is prohibited from making an award until the subrecipient has a valid Data Universal Numbering System (DUNS). This requirement was effective for all grants starting October 1, 2010 or after.

Initial Year Written:	2012
Status:	Partially Implemented
U.S. Department of Agriculture	
U.S. Department of Health and Human Services	

The Department of State Health Services' (DSHS) FFATA process is manual in nature. There is an automated report with date parameters that is used to identify subrecipients with obligations required to be reported. However, the accumulation of the data to include in the FFATA report and the actual filing of the FFATA report is all manual.

STATE HEALTH SERVICES, DEPARTMENT OF

DSHS has over six hundred subrecipients with over one thousand grants and amendments. DSHS currently has one person assigned to the task of filing the FFATA reports.

WIC FAIN numbers 14146TX506W1003 and 13136TX526W5003

For one out of eleven subrecipients, the incorrect subaward amounts were reported for one of the amendments due to manual input error.

Immunization FAIN number H23IP000773

For all nine of the subrecipients tested the subaward amounts were under reported due to manual error. For all the 2014 subawards for this program, DSHS under reported since the award is broken up into multiple components in the DSHS tracking system, and the agency only reported the components of the federal award that were over the \$25,000 reporting threshold. All of the components that make up the federal award are under the same FAIN, and therefore should have been reported in total if over \$25,000. Additionally, one of the nine subrecipient awards tested had the wrong subaward contract number reported due to manual input error. Lastly, none of the subawards tested were reported timely. The 2014 subaward contracts started in September 2013, however these awards were not reported until April 2014.

Recommendation:

DSHS management should automate the FFATA reporting process in order to alleviate manual errors in data being reported, as well as ensure completeness and timeliness of data being reported. For example, a query of the required data fields in the FFATA report would eliminate the manual data errors noted above. DSHS also needs a streamlined formalized process for tracking new awards as well as amendments and submission error reports. DSHS's consideration should also be given to the allocation of additional resources for FFATA.

Views of Responsible Officials and Corrective Action Plan – 2014:

DSHS continues our attempt to automate and streamline more of the FFATA data gathering processes as part of the roll out of a new contracting system. A goal of the new contracting system includes the capability of querying FFATA-required data fields. However, this data will still have to be manually uploaded or entered into the Federal FSRS system.

Beginning fiscal year 2014, DSHS streamlined the process for tracking changes, such as amendments and submission of error reports. Amendments are manually reported in a timely manner. Errors are manually submitted to the Federal FSRS helpdesk.

DSHS plans to hire a full time employee in February 2015 whose primary responsibility will be to perform FFATA reporting. DSHS believes this, along with continue improvements of the process, will eliminate the errors.

2015 update:

WIC FAIN number 15156TX506W1003 – For one out of five subrecipients, the amended subaward amount was not reported timely.

Immunization FAIN number H23IP000773 – For four out of five subrecipients tested the subaward obligation/action date did not agree to the latter of the contract start date or signature date per the contract. For one of these the report was also submitted late, and the subaward amount reported did not agree to the federal award amount per the contract.

Views of Responsible Officials and Corrective Action Plan – 2015:

DSHS agrees that the current manual process can be improved and automated where possible. Management dedicated additional resources to FFATA reporting during 2015. DSHS is in the process of formalizing data gathering and reporting procedures, to include identifying additional procedures or streamlining existing procedures to ensure that accurate amounts are recorded, amendments are captured, and submission error reports are acted upon.

Implementation Date: February 28, 2016

Responsible Person: Leslie C. Aguilar

Reference No. 2014-019

Matching, Level of Effort, Earmarking

Subrecipient Monitoring

(Prior Audit Issue – 2013-029)

CFDA 93.667 – Social Services Block Grant

Award year – October 1, 2013 to September 30, 2015

Award number – G1401TXSOSR

Type of finding – Significant Deficiency and Non-Compliance

A State may transfer up to ten percent of the combined total of the State family assistance grant, supplemental grant for population increases, and bonus funds for high performance and illegitimacy reduction, if any, (all part of Temporary Assistance for Needy Families (TANF), CFDA 93.558) for a given fiscal year to carry out programs under the Social Services Block Grant (SSBG), or Title XX. Such amounts may be used only for programs and services to children, or their families whose income is less than two hundred percent of the poverty level (42 USC 604(d)(3)(A) and 9902(2)).

Initial Year Written:	2013
Status:	Implemented
U.S. Department of Health and Human Services	

The Health and Human Services Commission (HHSC) passed through approximately \$26.4 million of SSBG funding to the Department of State Health Services (DSHS). Of this \$26.4 million, approximately \$20 million originated from TANF funding at HHSC.

The TANF to SSBG funding from HHSC was spent on various programs at DSHS. The services provided by these programs fall under allowable costs for SSBG. Additionally, either all the participants, or a sufficient percentage compared to the overall percentage of TANF to SSBG funding for the programs, appear to meet the income eligibility requirements based on information provided by the subrecipients to DSHS. Similarly, either all or a sufficient percentage of the recipients receiving the care, are children or children's families. However, in fiscal year 2014 DSHS was still formalizing a process to document how these requirements were met. There was an analysis done subsequent to year-end, to review information regarding providers' processes for how TANF to SSBG funds were allocated and used. While there was some monitoring of these entities for the specific use of the TANF to SSBG funds to ensure the participants are eligible, the monitoring was not comprehensive. For example, the largest percentage of these funds went to Local Mental Health Authorities (LMHAs) serving children and adults. Based on responses from some of the LMHAs and a review of client records, DSHS noted most LMHAs have a process for identifying individuals eligible for TANF transfer to Title XX funds; however, there was a sufficient percentage of client records reviewed that did not have a financial assessment on record. Additionally, some LMHAs did not respond to the assessment.

Corrective Action:

Corrective action was taken.

Texas Education Agency

Reference No. 2014-020

Cash Management

Matching, Level of Effort, and Earmarking

Reporting

Eligibility for Subrecipients

Special Tests and Provisions – Access to Federal Funds for New or Significantly Expanded Charter Schools

Special Tests and Provisions – Developing and Implementing Improvement Plans

(Prior Audit Issues – 2013-030, 13-20, 12-26, 11-36 and 10-63)

CFDA 84.010 – Title I Grants to Local Educational Agencies

Award years – July 1, 2013 to September 30, 2015, July 1, 2012 to September 30, 2014 and July 1, 2011 to September 30, 2013

Award numbers – S010A130043, S010A120043 and S010A110043A

CFDA 84.048 – Career and Technical Education–Basic Grants to States

Award years – July 1, 2013 to September 30, 2015, July 1, 2012 to September 30, 2014 and July 1, 2011 to September 30, 2013

Award numbers – V048A130043, V048A120043 and V048A110043

CFDA 84.287 – Twenty–First Century Community Learning Centers

Award years – July 1, 2013 to September 30, 2015, July 1, 2012 to September 30, 2014, and July 1, 2011 to September 30, 2013

Award numbers – S287C130044, S287C120044, and S287C110044

CFDA 84.365 – English Language Acquisition State Grants

Award years – July 1, 2013 to September 30, 2015, July 1, 2012 to September 30, 2014 and July 1, 2011 to September 30, 2013

Award numbers – S365A130043, S365A120043, and S365A110043

CFDA 84.367 – Improving Teacher Quality State Grants

Award years – July 1, 2013 to September 30, 2015, July 1, 2012 to September 30, 2014, and July 1, 2011 to September 30, 2013

Award numbers – S367A130041, S367A120041, and S367A110043

Special Education Cluster (IDEA)

Award years – July 1, 2013 to September 30, 2015, July 1, 2012 to September 30, 2014, and July 1, 2011 to September 30, 2013

Award numbers – H173A130004, H027A130168, H173A120004, H027A120008, H173A110004, and H027A110008

School Improvement Grants Cluster

Award years – July 1, 2012 to September 30, 2014, July 1, 2010 to September 30, 2013, July 1, 2009 to September 30, 2013, and July 1, 2008 to September 30, 2013

Award numbers – S377A120044, S377A100044, S377A090044, and S377A080044

School Improvement Grants Cluster – ARRA

Award year – February 17, 2009 to September 30, 2014

Award number – S388A090044

Type of finding – Significant Deficiency

The collection of Public Education Information Management System (PEIMS) data is required of all school districts by TEC §42.006. The *Data Standards* provides instructions regarding the submission of PEIMS data from a Local Education Agency (LEA) to the Texas Education Agency (TEA). The LEA is responsible for reporting federal, state, and local funds expended through PEIMS, along with various types of demographic data, and students served. In order to provide production support two PEIMS developers have access to the PEIMS production environment through individual user accounts on the application server. Access to migrate changes to the production environment should be restricted appropriately based on job function to help ensure adequate internal controls are in place and appropriate segregation of duties exist. A developer with access to migrate changes to

Initial Year Written:	2009
Status:	Partially Implemented
U.S. Department of Education	

production systems introduces the risk of unauthorized changes to applications and data. In general, developers should not have access privileges above read-only in the production environment. KPMG noted that one of twenty-five changes selected for testing was developed and migrated by the same developer. In addition, a periodic review at the application level, and all administrative access accounts (both user and generic) including those with knowledge of the passwords, was performed but not adequately documented to identify users and groups with access to PEIMS for appropriateness during fiscal year 2014.

The CEMS application is utilized for Student Special Education reporting for calculating entitlements for populations and poverty counts. CEMS extracts data from the PEIMS database. Access to administer the application and users within the system should be limited to IT personnel, however two program individual have access to the “Application Administrator” roles.

TEA uses the LEA submitted information for compliance with applicable compliance requirements under various components of Cash Management, Eligibility for Subrecipients, Matching, Level of Effort, and Earmarking, Reporting, and certain Special Tests and Provisions. No compliance exceptions were noted with regard to the use of PEIMS data in the analysis related to the applicable compliance requirements.

Corrective Action:

This finding was reissued as current year reference number 2015-040.

Reference No. 2014-021

Cash Management

Matching, Level of Effort, Earmarking

Maintenance of Effort (MOE) for Subrecipients

Period of Availability of Federal Funds

Reporting

Subrecipient Monitoring

Special Tests and Provisions – ARRA

Special Tests and Provisions – Developing and Implementing Improvement Plans

(Prior Audit Issues – 2013-031)

CFDA 84.010 – Title I Grants to Local Educational Agencies

Award years – July 1, 2013 to September 30, 2015, July 1, 2012 to September 30, 2014 and July 1, 2011 to September 30, 2013

Award numbers – S010A130043, S010A120043 and S010A110043A

CFDA 84.048 – Career and Technical Education–Basic Grants to States

Award years – July 1, 2013 to September 30, 2015, July 1, 2012 to September 30, 2014 and July 1, 2011 to September 30, 2013

Award numbers – V048A130043, V048A120043 and V048A110043

CFDA 84.287 – Twenty–First Century Community Learning Centers

Award years – July 1, 2013 to September 30, 2015, July 1, 2012 to September 30, 2014, and July 1, 2011 to September 30, 2013

Award numbers – S287C130044, S287C120044, and S287C110044

CFDA 84.365 – English Language Acquisition State Grants

Award years – July 1, 2013 to September 30, 2015, July 1, 2012 to September 30, 2014 and July 1, 2011 to September 30, 2013

Award numbers – S365A130043, S365A120043, and S365A110043

CFDA 84.367 – Improving Teacher Quality State Grants

Award years – July 1, 2013 to September 30, 2015, July 1, 2012 to September 30, 2014, and July 1, 2011 to September 30, 2013

Award numbers – S367A130041, S367A120041, and S367A110043

Special Education Cluster (IDEA)

Award years – July 1, 2013 to September 30, 2015, July 1, 2012 to September 30, 2014, and July 1, 2011 to September 30, 2013

Award numbers – H173A130004, H027A130168, H173A120004, H027A120008, H173A110004, and H027A110008

School Improvement Grants Cluster

Award years – July 1, 2012 to September 30, 2014, July 1, 2010 to September 30, 2013, July 1, 2009 to September 30, 2013, and July 1, 2008 to September 30, 2013

Award numbers – S377A120044, S377A100044, S377A090044, and S377A080044

School Improvement Grants Cluster – ARRA

Award year – February 17, 2009 to September 30, 2014

Award number – S388A090044

Type of finding – Significant Deficiency

The Texas Education Agency (TEA) utilizes the Integrated Statewide Administrative System (ISAS) for its general ledger. Prior to August 15, 2014, four developers shared accounts that allowed access to migrate program changes to the production environment. On August 15, 2014, TEA implemented the STAT tool to assist with the change management process. While STAT provides an audit log noting the users who developed, tested, approved and migrated ISAS program changes, TEA does not actively monitor whether segregation of duties are being followed by reviewing the STAT tool logs to determine whether users are developing and migrating their own changes. In addition, three developers have administrative access to the Windows production servers, four developers have access to the production database, and one developer has administrative access to the ISAS application. Access to migrate changes to the production environment should be restricted appropriately and based on job function to help ensure adequate internal controls are in place and appropriate segregation of duties exist. Developers with access to migrate changes to production systems introduce the risk of unauthorized changes to applications and data. In general, developers should not have access to migrate changes to the production environment and should not have access privileges above read-only in the application.

Initial Year Written:	2013
Status:	Partially Implemented
U.S. Department of Education	

TEA has procedures to remove or disable access for terminated or separated employees; however the TEA network accounts and the ISAS accounts for two terminated users remained active after their separation dates. In addition, TEA has procedures to review access to production applications; however TEA was unable to provide documentation of a review performed by one of five selected cost centers.

TEA uses the Budget Analysis Tool (BAT) to create funding and cost allocation journal entries. Nine users have inappropriate administrative access to the BAT production server. Access to migrate changes to the production environment should be restricted appropriately and based on job function to help ensure adequate internal controls are in place and appropriate segregation of duties exist. Developers with access to migrate changes to production systems introduce the risk of unauthorized changes to applications and data. In general, developers should not have access to migrate changes to the production environment and should not have access privileges above read-only in the application.

TEA uses information produced from ISAS and BAT for compliance with applicable compliance requirements under various components of Cash Management, Eligibility for Subrecipients, Matching, Level of Effort, and Earmarking, Period of Availability, Reporting, Subrecipient Monitoring, and certain Special Tests and Provisions. No compliance exceptions were noted with regard to the use of ISAS or BAT data in the analysis related to the applicable compliance requirements.

Corrective Action:

This finding was reissued as current year reference number 2015-041.

Texas Higher Education Coordinating Board

Reference No. 2014-022

Special Tests and Provisions – Individual Record Review

Special Tests and Provisions – Enrollment Reports

CFDA 84.032L – Federal Family Education Loans – (Lenders)

Award year – July 1, 2013 to June 30, 2014

Award number – CFDA 84.032L Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

For Individual Record Review, a lender is required to maintain current, complete, and accurate records of each loan that it holds. These loan records (files) form the basis for the information contained in the Lender’s Interest and Special Allowance Request and Report (LaRS). The records must be maintained in a system that allows ready identification of each loan’s status. Except for the loan application and the promissory note, these records may be stored in microform, computer file, optical disk, CD-ROM, or other media formats provided that the means of storage meets the requirements in 34 CFR sections 668.24(d)(3)(i) through (iv)(34 CFR section 682.414(a)).

Initial Year Written:	2014
Status:	Implemented
U.S. Department of Education	

For Enrollment Reporting, schools are required to confirm and report to the National Student Loan Data System (NSLDS) the enrollment status of students who receive Federal student loans. Enrollment information is used to determine the borrower’s eligibility for in-school status, deferment, interest subsidy, and grace period. Enrollment changes, such as a change from full-time to half-time status, graduation, withdrawal, or an approved leave of absence, are changes that need to be reported. The enrollment information is merged into the NSLDS database and reported to guarantors, lenders, and servicers of student loans.

Lenders must use the NSLDS data to make adjustments for interest and special allowance billings on each loan. The billing for interest benefits and special allowance payments relies on the timely and proper processing of student enrollment information, including timely conversion to repayment status. The conversion of a loan to repayment status is subject to a number of conditions as defined in 34 CFR section 682.209. Typically, Stafford loan borrowers begin repayment 6 months following the date on which the borrower is no longer enrolled on at least a half-time basis at a school. PLUS and consolidation loans go into repayment on the day the loan is disbursed, or if disbursed in multiple installments, on the date the loan is fully disbursed. The first payment is due within 60 days of the date the loan is fully disbursed (34 CFR section 682.209).

Clearinghouse Report or NSLDS data should be updated in the lender’s records within 60 days of notification (report date per NSLDS or Clearinghouse Reports). For students who are converting to repayment status, repayment date should be calculated based on the 6 month grace period or 30 day notice for students whose grace has already expired. If the borrower is in repayment when the Texas Higher Education Coordinating Board (THECB) is notified, the first payment must be due no later than 75 days from notification (report date). (34 CFR section 628.209)

During fiscal year 2014, THECB’s process was to divide accounts on the Clearinghouse reports between multiple account representatives for processing. THECB lacked a control to ensure all accounts were processed. Additionally, THECB failed to obtain and process eight Clearinghouse files between the period of July 2013 and April 2014. THECB receives approximately two reports each week. Out of these eight reports there were approximately 220 FFEL loans. Out of these 220 FFEL loans, eighteen were not updated timely with an approximate outstanding principal of \$218,000 as of January 2015.

When performing testing over Individual Record Review, an additional one out of forty records tested had not been updated in THECB’s loan application system - HELMS. The borrower withdrew from school in May 2013, which was certified by the school in September 2013. Per the LaRS submitted by THECB as of December 31, 2013, borrower was still identified as in deferment as a full-time student. THECB changed the borrower status when borrower called in April 2014 asking when deferment would end. THECB then verified through National Student Clearinghouse that the borrower had actually withdrawn in May 2013. Forbearance was given for the period from May 2013 through April 2014. Loan was paid in full on June 2014, so there are no questioned costs.

Further when performing testing over Enrollment Reporting, another one out of forty borrower statuses was not timely updated in HELMS (posted 64 days from report date/notification versus the required 60 days). Additionally, the borrower update was to repayment status and payment due date was not required until 95 days from report notification date (versus 75 days as required).

Corrective Action:

Corrective action was taken.

Reference No. 2014-023

**Reporting
Subrecipient Monitoring**
(Prior Audit Issue – 2013-032)

CFDA 84.048 – Career and Technical Education–Basic Grants to States
Award year – July 1, 2013 to September 30, 2015 and July 1, 2012 to September 30, 2014
Award number – V048A130043 and V048A120043
Type of finding – Significant Deficiency

The Texas Higher Education Coordinating Board (THECB) utilizes the Education Data Center (EDC) system to interface with the subrecipients and to accept and process data submitted by public community and technical colleges. Until March 11, 2014 one developer had knowledge of the passwords to four service accounts with administrative access on the EDC server. This level of access allows the user to migrate changes to production, resulting in inappropriate developer access to production. The EDC server supports the edit checking and data load process that occurs. Access to migrate changes to the production environment should be restricted appropriately based on job function to help ensure adequate internal controls are in place and appropriate segregation of duties exist. In general, programmers should not have access to migrate changes to the production environment.

Initial Year Written:	2013
Status:	Implemented
U.S. Department of Education	

No compliance exceptions were noted related to this test work for the major program above.

Corrective Action:

Corrective action was taken.

Texas Workforce Commission

Reference No. 2014-024

Matching, Level of Effort, Earmarking

Reporting

Special Tests and Provisions – Penalty for Failure to Comply with Work Verification Plan

(Prior Audit Issue – 2013-033)

CFDA 17.225 – Unemployment Insurance

Award years – October 1, 2013 to September 30, 2016, October 1, 2012 to September 30, 2015, and October 1, 2011 to September 30, 2014

Award numbers – UI-2523314-55-A-48, UI-2392013-55-A-48, and UI-22342-12-55-A-48

WIA Cluster

Award years – July 1, 2013 to June 30, 2016, April 1, 2013 to March 31, 2016, July 1, 2012 to June 30, 2015, April 1, 2012 to March 31, 2015, July 1, 2011 to June 30, 2014, and April 1, 2011 to March 31, 2014

Award numbers – AA-22964-12-55-A-48, AA-24121-13-55-A-48, AA-24121-13-55-A-48, AA-22964-12-55-A-48, AA-21424-11-55-A-48, and AA-21424-11-55-A-48

TANF Cluster

Award years – October 1, 2013 to September 30, 2014 and October 1, 2012 to September 30, 2013

Award numbers – 1402TXTANF3, 1402TXTANF, 1302TXTAN3, and 1302TXTANF

Type of finding – Significant Deficiency

The Texas Workforce Commission (TWC) utilizes the Texas Workforce Information System of Texas (TWIST) to manage subrecipient data. Two developers have access to the TWIST database through two generic accounts giving them the ability to promote changes to production. Access to migrate changes to the production environment should be restricted appropriately based on job function to help ensure adequate internal controls are in place and appropriate segregation of duties exist. A developer with access to migrate changes on any production system introduces the risk of unauthorized changes to applications and data. Additionally, developer access to move their own code changes into production increases the risk that unauthorized changes to application functionality have been deployed into the production environment. In general, programmers should not have access to migrate changes to the production environment. In addition, a periodic review was performed during fiscal year 2014 to identify and review users and groups with access to TWIST for appropriateness. However, documentation for this review was not retained.

Initial Year Written: 2013
Status: Partially Implemented

U.S. Department of Labor
U. S. Department of Health and
Human Services

No compliance exceptions were noted related to test work for the major programs and respective compliance requirements that rely on the TWIST database. These areas are:

- WIA Cluster – Low income youth earmarking
- TANF Cluster – TANF 199 report and Special Tests and Provisions – Penalty for Failure to Comply with Work Verification Plan
- Unemployment Insurance – Trade Act Participant Report (TARP)

Corrective Action:

This finding was reissued as current year reference number 2015-044.

TEXAS WORKFORCE COMMISSION

Reference No. 2014-025

Special Tests and Provisions – UI Benefit Payments

CFDA 17.225 – Unemployment Insurance

Award years – October 1, 2013 to September 30, 2016, October 1, 2012 to September 30, 2015, and October 1, 2011 to September 30, 2014

Award numbers – UI-2523314-55-A-48, UI-2392013-55-A-48, and UI-22342-12-55-A-48

Type of finding – Significant Deficiency and Non-Compliance

States are required by 20 CFR section 602.11(d) to operate a Benefits Accuracy Measurement (BAM) program to assess the accuracy of UI benefit payments and denied claims, unless the State is exempt from such requirement (20 CFR section 602.22). The program estimates error rates, that is, number of claims improperly paid or denied and dollar amounts of benefits improperly paid or denied by projecting the results from investigations of small random samples to the universe of all claims paid and denied in a State. Specifically, the State’s BAM unit is required to draw a weekly sample of payments and denied claims, review the records, and contact the claimant, employers, and third parties to verify all the information pertinent to the paid or denied claim that was sampled.

Initial Year Written: 2014
Status: Implemented
U.S. Department of Labor

One of the standard forms is the Form QC-14RT, Private Agency Registration Verification Form, which is required to be completed if a claimant is registered with a private agency. If the claimant states that she/he is registered with a private agency, the agency must be contacted for verification of registration and job referrals. Of thirty-two cases reviewed, one paid claimant was registered with a private agency. However, Form QC-14RT was not included in the claimant’s file. As such, the sample was expanded by seven to focus on claimants registered with a private agency. Form QC-14RT was not included in the paid claimant file for one additional sample. Therefore of thirty-nine total cases reviewed, exceptions were noted for two paid private agency claimants. Included in the file was BAM employer verification form and evidence of job search; therefore no questioned costs. Texas Workforce Commission has a Paid Case Assembly Sheet for case auditors to utilize when reviewing case files. Private Employment Agency Verification Form is included on the checklist. BAM peer auditors currently do not review all of the selected BAM cases. For these two exceptions, there was no peer review of the Paid Case Assembly Sheet.

Corrective Action:

Corrective action was taken.

Reference No. 2014-026

Special Tests and Provisions – UC Program Integrity – Overpayments

CFDA 17.225 – Unemployment Insurance

Award years – October 1, 2013 to September 30, 2016, October 1, 2012 to September 30, 2015, and October 1, 2011 to September 30, 2014

Award numbers – UI-2523314-55-A-48, UI-2392013-55-A-48, and UI-22342-12-55-A-48

Type of finding – Significant Deficiency and Non-Compliance

Pub. L. No. 112-40, Pub. L. No. 112-40, enacted on October 21, 2011, and effective October 21, 2013, amended sections 303(a) and 453A of the Social Security Act and sections 3303, 3304, and 3309 of the Federal Unemployment Tax Act (FUTA) to improve program integrity and reduce overpayments. (See UIPL Nos. 02-12, and 02-12, Change 1). States are (1) required to impose a monetary penalty (not less than 15 percent) on claimants whose fraudulent acts resulted in overpayments, and (2) States are prohibited from providing relief from charges to an employer’s UC account when overpayments are the result of the employer’s failure to respond timely or adequately to a request for information. States may continue to waive recovery of overpayments in certain situations and must continue to offer the individual a fair hearing prior to recovery.

Initial Year Written: 2014
Status: Implemented
U.S. Department of Labor

Section 2103 of Pub. L. No. 112-96 amended FUTA and the Social Security Act to require States to recover overpayments through an offset against UC payments. States must enter into two agreements prior to commencing the

recoveries: the Cross Program Offset and Recovery Agreement (See UIPL No. 05-13), which allows States to offset State UI from Federal UI overpayments, and the Interstate Reciprocal Overpayment Recovery Agreement, which allows States to recover overpayments from benefits being administered by another State.

Failure to respond timely or adequately to a request for information

In 2013, the 83rd Texas Legislature, Regular Session, passed SB1537, which amended the Texas Unemployment Compensation Act to conform to the changes in federal laws enacted October 21, 2013 pertaining to not relieving an employer of charges if an overpayment is a result of an employer's failure to respond timely or adequately to a request for information. In Texas, the new procedures became effective with initial claim notices issued July 7, 2014. As such, this compliance requirement was not implemented by the federal requirement of October 2013.

Audit procedures involved a review of twenty-five overpayments resulting from an untimely or inadequate response from an employer from the period July 7, 2014 to August 31, 2014. No exceptions were noted during this review.

Monetary penalty, not less than 15 percent

Texas began to impose this penalty beginning September 1, 2014. As such, this compliance requirement was not implemented by the federal requirement of October 2013.

Audit procedures involved a review of ten overpayments resulting from fraud from the period September 1, 2014 to September 30, 2014. No exceptions were noted during this review.

Corrective Action:

Corrective action was taken.

Department of Transportation

Reference No. 2014-131

Activities Allowed or Unallowed

Highway Planning and Construction Cluster

Award years – Multiple

Award numbers – Multiple

Type of finding – Significant Deficiency

Agencies shall maintain internal control over federal programs that provides reasonable assurance that agencies are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

Initial Year Written: 2014
Status: No Longer Valid

U.S. Department of
Transportation - Federal
Highway Administration

The Department of Transportation (Department) uses the Employee Time Sheet Application (ETSA) system to capture employee timesheet information and help ensure that it obtains required approvals from management. **The Department did not appropriately restrict access to the ETSA system.** Specifically:

- The individual accounts to the production application server for five former contractor employees were not removed immediately upon those individuals' terminations.
- The individual accounts to the production database server for one current employee of another state agency, nine former contractor employees, three former Department employees, and two former personnel that the Department could not identify were not removed immediately upon those individuals' terminations.

The Department's periodic user access review process was not effective in identifying and removing inappropriate access. Specifically, the Department has an automated process to notify responsible personnel of changes in the status of users' employment; however, the Department does not have a process to help ensure that it reviews and modifies access as necessary.

Access to the production environment should be restricted to current and appropriate personnel, based on job functions, to help ensure that adequate controls are in place and appropriate segregation of duties exists. Allowing inappropriate access to systems increases the risk of inappropriate changes to data.

Corrective Action:

The Department has decommissioned the ETSA system. Therefore this finding is no longer valid.

TRANSPORTATION, DEPARTMENT OF

Reference No. 2014-132

Davis-Bacon Act

(Prior Audit Issues 2013-156, 13-134, 12-142, 11-142, and 10-82)

Highway Planning and Construction Cluster

Highway Planning and Construction Cluster – ARRA

Award years – 2010, 2012, and 2013

Award numbers – IM 0356(438), BR 2010(786), NH 2013(887), NH 2013(889), STP 2013(176), STP 2013(275), STP 2012(145), and STP 2012(453)

Type of finding – Significant Deficiency and Non-Compliance

When required by the Davis-Bacon Act, the U.S. Department of Labor's governmentwide implementation of the Davis-Bacon Act, the American Recovery and Reinvestment Act, or federal program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the U.S. Department of Labor (Title 40, United States Code, Sections 3141-3142).

Initial Year Written: 2009
Status: Partially Implemented

U.S. Department of
Transportation – Federal
Highway Administration

Non-federal entities shall include in their construction contracts subject to the Davis-Bacon Act a requirement that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and U.S. Department of Labor regulations (Title 29, Code of Regulations (CFR), Part 5, Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction). That includes a requirement for the contractor or subcontractor to submit to the non-federal entity on a weekly basis, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls) signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract (Title 29, CFR, Sections 5.5). That reporting can be done using Optional Form WH-347, which includes the required statement of compliance (U.S. Office of Management and Budget No. 1215-0149).

For 8 (13 percent) of 60 construction projects tested, the Department of Transportation (Department) did not ensure that contractors submitted certified payrolls in accordance with federal regulations for fiscal year 2014. Specifically, the Department could not provide 25 certified weekly payrolls for the period tested, did not ensure that contractors signed the statements of compliance, and did not ensure that the statements of compliance submitted included all required information. The total amount of federal funds expended on those 8 projects, including payroll and non-payroll costs, was \$17,062,162.

The Department did not have a standardized process for its district offices to track certified payrolls that contractors submit. Each area office within each Department district office determined its own method for ensuring that contractors submitted certified payrolls, including ensuring that the statements of compliance were complete and signed by the contractors. Not having a standardized process increases the risk that the Department may not identify the contractors that have not submitted weekly certified payrolls. When the Department does not collect certified payrolls from its contractors, it cannot ensure that contractor and subcontractor employees are properly classified and being paid prevailing wage rates in accordance with the Davis-Bacon Act.

General Controls

Agencies shall maintain internal control over federal programs that provides reasonable assurance that agencies are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

The Department of Transportation (Department) uses the Electronic Project Records System (EPRS) to process and track weekly payroll submissions by contractors. **The Department did not appropriately restrict access to the EPRS system.** Specifically:

- The Department's information technology services provider is responsible for managing two local administrator accounts on the production application server and does not know which personnel have access to those accounts.

- The individual accounts to the production application server for four former contractor employees and one former Department employee were not removed immediately upon those individuals' terminations.
- The individual accounts to the production database server for one current employee of another state agency and eight former contractor employees were not removed immediately upon those individuals' terminations.

The Department's periodic user access review process was not effective in identifying and removing inappropriate access. Specifically, the Department has an automated process to notify responsible personnel of changes in users' employment; however, the Department does not have a process to ensure that it reviews and modifies access as necessary.

Access to the production environment should be restricted to current and appropriate personnel, based on job functions, to help ensure adequate controls are in place and appropriate segregation of duties exists. Allowing inappropriate access to systems increases the risk of inappropriate changes to data.

Corrective Action:

This finding was reissued as current year reference number 2015-049.

Reference No. 2014-133

Period of Availability of Federal Funds

Highway Planning and Construction Cluster

Award years – Multiple

Award numbers – Multiple

Type of finding – Significant Deficiency

Agencies shall maintain internal control over federal programs that provides reasonable assurance that agencies are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

Initial Year Written:	2014
Status:	Implemented

U.S. Department of Transportation - Federal Highway Administration
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The Department of Transportation (Department) uses the Federal Aid Funding Obligation System (FAFOS) to process and track project approvals from the Federal Highway Administration. FAFOS details when federal funds are authorized, which is the starting point for the period of availability of federal funds. The Department must obtain approval from the Federal Highway Administration prior to beginning work on any federal aid project (Title 23, Code of Federal Regulations, Section 630.106).

The Department did not appropriately restrict access to the FAFOS system. Specifically:

- Five developers had administrative access to the production application environment, and one of those five developers also had individual account access to make modifications to the production database.
- Developers used a shared account that existed on the production database. That account gave developers access to make modifications to the production database
- Individual accounts to the production Web application server and the production database server for five former contractor employees were not removed immediately upon those individuals' terminations.
- Individual accounts to the production database for three former contractor employees and one former Department employee were not removed immediately upon those individuals' terminations. Access to the production database and the production database server for one employee of another state agency was not removed immediately upon that individual's termination.

The Department's periodic user access review process was not effective in identifying and removing inappropriate access. Specifically, the Department has an automated process to notify responsible personnel of changes in the status

of users' employment; however, the Department does not have a process to ensure that it reviews and modifies access as necessary.

In fiscal year 2014, the Department made 14 changes to FAFOS and, based on audit testing of 4 of those changes, the same individual made the change and migrated the change to the production environment. Five developers responsible for developing changes for FAFOS also implemented those changes in the production environment. Access to deploy code into production is not appropriately restricted through segregation of duties controls established as part of the Department's change management process.

Access to the production environment should be restricted to current and appropriate personnel, based on job functions, to help ensure that adequate controls are in place and appropriate segregation of duties exists. A developer with access to migrate changes to any production system or environment increases the risk of unauthorized changes to production applications and data and does not allow for adequate segregation of duties. In general, developers should not have access to migrate changes to the production environment. Allowing inappropriate access to systems increases the risk of inappropriate changes to data and does not allow for proper segregation of duties.

The issues discussed above affected all awards for the Highway Planning and Construction Cluster on the State's Schedule of Expenditures of Federal Awards.

Corrective Action:

Corrective action was taken.

Reference No. 2014-134

Procurement and Suspension and Debarment

Highway Planning and Construction Cluster

Award years – 2008, 2009, 2010, and 2011

Award numbers – HP 2008(828), STP 2010(090)ESTE, STP 2009(703)ES, BR 1102(297), and NH 2012(038)

Type of finding – Significant Deficiency and Non-Compliance

In accordance with Title 49, Code of Federal Regulations (CFR), Section 18.36, grantees and subgrantees will use their own procurement procedures, which reflect applicable state and local laws and regulations, provided that the procurements conform to applicable federal law and the standards identified in that CFR. All procurement transactions must be conducted in a manner providing full and open competition.

Initial Year Written:	2014
Status:	Implemented
U.S. Department of Transportation – Federal Highway Administration	

The Texas Administrative Code (TAC) requires prequalification of potential bidders by submission of a confidential questionnaire to the Department of Transportation (Department). The Department will make its examination and determination based on the information submitted and advise the potential bidder of its approved bidding capacity (Title 43, TAC, Section 9.12(b)). The Department will provide a prequalification statement to the potential bidder advising the potential bidder of the length of time it is qualified to provide bids and the bidding capacity it may not exceed.

For 5 (8 percent) of 62 procurements tested, the Department did not maintain documentation of the prequalification statements it issued to the potential bidders that identified the periods and dollar amounts of the potential bidders' bidding capacity. According to the Department, that occurred because (1) the five associated projects existed before the Department began documenting information for archiving purposes and (2) the Department had shred documentation and did not comply with its retention schedule, did not save or create documentation, or filed documentation incorrectly.

Not maintaining documentation showing that potential bidders are qualified to bid on highway improvement contracts increases the risk that the Department could enter into an agreement with a contractor that does not have the financial capacity or technical experience to successfully complete the requirements of the project.

Corrective Action:

Corrective action was taken.

Reference No. 2014-135

**Real Property Acquisition Relocation Assistance
Special Tests and Provisions – Use of Other State or Local Government Agencies
Special Tests and Provisions – Utilities**
(Prior Audit Issue 2013-162)

**Highway Planning and Construction Cluster
Highway Planning and Construction Cluster – ARRA
Award years – 2009, 2010, and 2013
Award numbers – HP 2009(919), CM 2011(288), and STP 2013(512)
Type of finding – Significant Deficiency and Non-Compliance**

Utility agreements, permits, and supporting documentation define the conditions and provisions for accomplishing and reimbursing utility companies for utility relocation work that was required due to a project funded by the federal aid highway program. The utility agreement must specify the terms and amounts of any contribution or repayments made or to be made by the utility and must be supported by plans, specifications (when required), and itemized cost estimates of the work agreed upon. The utility agreement must be approved by the Federal Highway Administration (FHWA) prior to the utility incurring any costs or conducting any work that would be eligible for reimbursement (Title 23, Code of Federal Regulations, Section 645.113).

Initial Year Written:	2013
Status:	Implemented
U.S. Department of Transportation – Federal Highway Administration	

For 1 (20 percent) of 5 utility relocations tested, the Department of Transportation (Department) did not have an agreement to support all utility relocation work performed on the construction project. Specifically, the Department did not have an agreement that covered work performed on the sewer lines. As a result, auditors were unable to determine (1) whether the Department coordinated with the appropriate utilities prior to FHWA construction authorization, (2) whether the costs associated with the utility relocation work were allowable, and (3) whether the utility relocation work was performed in accordance with an approved agreement. Therefore, auditors considered the utility relocation cost of \$75,655 that was associated with award STP 2013(512) to be a questioned cost.

For 2 (3 percent) of 60 plans, specifications and estimates packages tested, the Department was unable to provide evidence of a utility agreement in the plans, specifications and estimates packages for construction projects. By not properly maintaining utility agreements, the Department may not adequately monitor utility relocation work to ensure compliance with federal requirements.

Other Compliance Requirements

Although general control weaknesses described below apply to Real Property Acquisition Relocation Assistance and Special Tests and Provisions – Use of Other State or Local Government Agencies, auditors identified no compliance issues regarding those compliance requirements.

General Controls

Agencies shall maintain internal control over federal programs that provides reasonable assurance that agencies are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

The Department of Transportation (Department) uses its SiteManager system as the system of record for *Daily Work Reports* that it uses to document the day-to-day operations of onsite construction and to calculate and generate monthly pay estimates to contractors. **The Department did not appropriately restrict access to the SiteManager system.** Specifically:

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- The Department's information technology services provider is responsible for managing a local administrator account on three production application servers and does not know which personnel have access to that account.
- The individual accounts to three production application servers for five former contractor employees were not removed immediately upon those individuals' terminations.
- The individual accounts to the production database server for one current employee of another state agency and eight former contractor employees were not removed immediately upon those individuals' terminations.
- One current Department employee had inappropriate access based on that employee's job functions.

In addition, **the Department did not appropriately restrict access to Right of Way Information System (ROWIS).** The Department uses ROWIS as the system of record for all right of way transactions across the state. Specifically:

- The individual accounts to the production database server for five former contractor employees were not removed immediately upon those individuals' terminations.
- The individual accounts to the production database for three former contractor employees were not removed immediately upon those individuals' terminations.
- Access to the production database and the production database server for one employee of another state agency was not removed immediately upon that individual's termination.
- Developers used a shared account that existed on the production database. That account gave developers access to make modifications to the production database.

The Department's periodic user access review process was not effective in identifying and removing inappropriate access. The Department has an automated process to notify responsible personnel of changes in the status of users' employment; however, the Department does not have a process to ensure that it reviews and modifies access as necessary. Access to the production environment should be restricted to current and appropriate personnel, based on job functions, to help ensure that adequate controls are in place and appropriate segregation of duties exists. A developer with access to migrate changes to any production system or environment increases the risk of unauthorized changes to production applications and data and does not allow for adequate segregation of duties. Allowing inappropriate access to systems increases the risk of inappropriate changes to data.

Corrective Action:

Corrective action was taken.

Reference No. 2014-136

Reporting

(Prior Audit Issues 2013-159, 13-137, and 12-145)

Highway Planning and Construction Cluster

Award year – 2013

Award number – PL 0011(049)

Type of finding – Significant Deficiency and Non-Compliance

The Federal Funding Accountability and Transparency Act (Transparency Act) requires prime recipients of federal awards made on or after October 1, 2010, to capture and report subaward and executive compensation data regarding first-tier subawards of \$25,000 or more. Prime recipients are to report subaward information no later than the end of the month following the month in which the obligation was made (Title 2, Code of Federal Regulations, Chapter 170, Appendix A).

Initial Year Written:	2011
Status:	Implemented

U.S. Department of Transportation – Federal Highway Administration
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For 1 (33 percent) of the 3 federal award identification numbers (FAIN) tested, the Department of Transportation (Department) did not submit Transparency Act reports for 25 subawards within the required time frame. The Department submitted those 25 Transparency Act reports 19 days late. That FAIN was an award for the 2014 Metropolitan Planning Organization Unified Planning Work Program.

That error occurred because the Department's process to identify subawards that are subject to Transparency Act reporting requirements was not sufficient to identify the subawards. In addition, the Department does not have documented policies and procedures for Transparency Act reporting.

Not submitting all required Transparency Act reports timely decreases the reliability and availability of information for the awarding agency and other users of that information.

Corrective Action:

Corrective action was taken.

Reference No. 2014-137

Subrecipient Monitoring

Special Tests and Provisions – R3 – Subrecipient Monitoring

(Prior Audit Issues 2013-158, 13-136, 12-144, 11-144, 10-84, and 09-80)

Highway Planning and Construction Cluster

Highway Planning and Construction Cluster – ARRA

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

The Department of Transportation (Department) is required by U.S. Office of Management and Budget (OMB) Circular A-133, Section .400, to monitor the provisions of contracts or grant agreements. Additionally, the Department is responsible for the construction of all federal aid projects, and it is not relieved of such responsibility by authorizing performance of the work by a local public agency or other federal agency. State transportation departments are responsible for ensuring that such projects receive adequate supervision and inspection to ensure that projects are completed in conformance with approved plans and specifications (Title 23, Code of Federal Regulations (CFR), Section 635.105(a)).

Initial Year Written:	2008
Status:	Partially Implemented

U.S. Department of Transportation – Federal Highway Administration
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Pre-award Monitoring

At the time of the award, pass-through entities must identify to subrecipients the applicable compliance requirements and the federal award information, including the Catalog of Federal Domestic Assistance (CFDA) title and number, the federal award name and number, the name of the federal awarding agency, and whether the award is for research and development (OMB Circular A-133, Section .400(d)).

For American Recovery and Reinvestment Act (Recovery Act) subawards, the Department must identify to subrecipients the requirement to register in the Central Contractor Registration (CCR) system, including obtaining a Data Universal Numbering System (DUNS) number, and maintain the currency of that information (Section 1512(h) of Recovery Act and Title 2, CFR, Section 176.50(c)). (The CCR system is now part of the System for Award Management (SAM).)

Beginning October 1, 2010, an agency may not make a non-Recovery Act award to an entity until it has obtained a DUNS number for that entity (Title 2, CFR, Sections 25.110 and Appendix A to 2 CFR Part 25).

Additionally, the Department is required to determine that its subrecipients have adequate project delivery systems for projects approved under Title 23 of the United States Code (USC) (Title 23, USC, Section 106(g)(4)(A)). The Department uses a letter of authority to document its assurance that all preliminary engineering and designs meet specifications and that the subrecipient is capable of proceeding to the construction phase of the project.

The Department did not consistently include all required elements in its subaward agreements, obtain DUNS numbers for subrecipients, assess subrecipients' compliance with CCR or SAM registration requirements, or issue all required letters of authority. Specifically:

- Thirteen (22 percent) of 60 subaward agreements tested did not contain all required elements, including CFDA title and number, award name, name of awarding federal agency, or whether the award was for research and development. Those subaward agreements were on prior Department subaward agreement templates that did not contain all required federal award information.
- For both Recovery Act subaward agreements tested, the Department did not assess subrecipient compliance with CCR or SAM registration requirements. The Department did not have a process to verify subrecipient registration with the CCR or SAM system prior to making a subaward with Recovery Act funds.
- For 18 (53 percent) of 34 subaward agreements tested for which the Department was required to obtain a DUNS number, the Department did not obtain a DUNS number from those subrecipients prior to issuing an award. The Department asserts that, in October 2013, it implemented a process to identify DUNS numbers before issuing subawards. It awarded the 18 subaward agreements without DUNS numbers prior to October 2013.
- For 1 (2 percent) of 46 subaward agreements tested, the Department did not issue a letter of authority to indicate that preliminary engineering and designs met specifications and that the subrecipient was approved to proceed to the construction phase of the project.

Inadequate identification of federal awards to subrecipients could lead to inaccurate reporting of federal funding on subrecipients' schedules of expenditures of federal awards. Not obtaining DUNS numbers or not verifying that subrecipients are registered with the CCR system or SAM prior to making a subaward could lead to inaccurate federal reporting. Not ensuring that preliminary engineering and designs meet specifications could lead to unforeseen complications or unplanned expenditures during the construction phase or after construction has been completed.

During-the-award Monitoring

Federal aid contracts must be awarded only on the basis of the lowest responsive bid submitted by a bidder meeting the criteria of responsibility established by the state transportation department in accordance with Title 23, CFR, Section 635.110. Awards must be made within the time established by the state transportation department and subject to the prior concurrence of the U.S. Department of Transportation's division administrator (Title 23, CFR, Section 635.114).

The Department requires subrecipients to obtain approval of its procurement method before a project can begin construction. The subrecipient is required to submit a competitive bid, a written cost-effect justification, or an emergency condition for approval. The Department provides a formal letter of concurrence as evidence of its approval of the procurement process.

For 3 (7 percent) of 42 projects tested that were subject to procurement requirements, the Department was unable to provide evidence that it provided a letter of concurrence showing that it approved those subrecipients' procurement policies and contractor selection. Those three projects were pass-through, toll-financed projects and during the time period in which the associated agreements were developed, the agreements did not contain a requirement for the Department to provide formal letters of concurrence on a subrecipient's contractor selection; however, the Department was still responsible for ensuring that proper procurement procedures were followed. By not providing a formal letter of concurrence, the Department is unable to demonstrate that it awarded federal-aid contracts to the lowest responsive bidder meeting the criteria of responsibility that the Department established.

After auditors brought the issues that are discussed above to its attention, the Department provided documentation of a review it performed on those subrecipients after construction and before the Department reimbursed the subrecipients for those costs. During that review, the Department reviewed the procurement process related to its contractor selection. For one of those subrecipients, the Department noted that it had not provided a formal concurrence to the subrecipient before construction.

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The issues discussed above affected the following awards:

<u>Award Number</u>	<u>Award Year</u>	<u>Award Number</u>	<u>Award Year</u>
CM 1102(104)	2011	STP 1102(498)SRS	2011
NH 1102(012)	2011	STP 1102(506)SRS	2011
PL 0011(048)	2013	STP 2000(591)TE	2002
PL 0011(049)	2014	STP 2002(109)ESTE (ARRA)	2005
PTF 2007(601)	2010	STP 2007(721)MM	2007
PTF 2007(913)	2008	STP 2009(705)ES (ARRA)	2010
PTF 2008(247)	2008	STP 2011(231)TE	2011
PTF 2008(469)	2008	STP 2011(702)SRS	2011
PTF 2009(886)	2009	STP 2012(019)SRS	2012
PTF 2009(889)	2009	STP 2012(265)SRS	2012
PTF 2012(125)	2012	STP 2012(267)SRS	2012
STP 1102(109)SRS	2011	STP 2012(268)SRS	2012
STP 1102(110)SRS	2011	STP 2012(479)SRS	2012
STP 1102(279)SRS	2011	STP 2013(197)MM	2013
STP 1102(496)SRS	2011	STP 2013(705)MM	2013

Corrective Action:

This finding was reissued as current year reference number 2015-047.

Reference No. 2014-138

Special Tests and Provisions – Quality Assurance Program

Special Tests and Provisions – Project Extensions

(Prior Audit Issues 2013-161, 13-138, 12-146, 11-146, 10-87, and 09-81)

Highway Planning and Construction Cluster

Highway Planning and Construction Cluster – ARRA

Award years – 2009 and 2013

Award numbers – NH 2009(750), STP 2013(385), IM 0356(442), STP 2013(181), and IM 0305(084)

Type of finding – Significant Deficiency and Non-Compliance

Each state transportation department must develop a quality assurance program that will ensure that the materials and workmanship incorporated into each federal-aid highway construction project on the National Highway System conforms with the requirements of the approved plans and specifications, including approved changes. The program must meet the criteria in Title 23, Code of Federal Regulations (CFR), Section 637.207, and be approved by the U.S. Department of Transportation’s Federal Highway Administration (FHWA) (Title 23, CFR, Section 637.205). Sampling and testing must be performed by qualified laboratories, and qualified sampling and testing personnel must be used in the acceptance decision (Title 23, CFR, Section 637.209).

Initial Year Written:	2008
Status:	Partially Implemented
U.S. Department of Transportation - Federal Highway Administration	

The Department of Transportation (Department) did not always comply with its approved quality assurance program. For 3 (5 percent) of the 60 quality assurance samples reviewed, auditors could not determine whether the tests were performed by an individual who was certified to perform those tests. The Department did not maintain documentation of the certification for those testers.

In addition, for 2 (3 percent) of the 60 quality assurance samples reviewed, the tester and reviewer were the same individual. The Department uses SiteManager as its system of record for quality assurance testing on its highway construction projects. SiteManager does not have sufficient edit checks to ensure that (1) only certified testers are able to enter and sign off on test records and (2) a tester does not also sign off as the reviewer on the same quality assurance sample.

Not segregating testing and reviewing responsibilities and having potentially unqualified personnel perform sample testing increases the risk that the Department may not detect project deficiencies that could affect safety and increase costs.

Other Compliance Requirements

Although general control weaknesses described below apply to Special Tests and Provisions – Project Extensions, auditors identified no compliance issues regarding that compliance requirement.

General Controls

Agencies shall maintain internal control over federal programs that provides reasonable assurance that agencies are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

The Department of Transportation (Department) uses its SiteManager system as the system of record for *Daily Work Reports* that it uses to document the day-to-day operations of onsite construction and to calculate and generate monthly pay estimates to contractors. **The Department did not appropriately restrict access to the SiteManager system.** Specifically:

- The Department’s information technology services provider is responsible for managing a local administrator account on three production application servers and does not know which personnel have access to that account.
- The individual accounts to three production application servers for five former contractor employees were not removed immediately upon those individuals’ terminations.
- The individual accounts to the production database server for one current employee of another state agency and eight former contractor employees were not removed immediately upon those individuals’ terminations.
- One current Department employee had inappropriate access based on that employee’s job functions.

The Department’s periodic user access review process was not effective in identifying and removing inappropriate access. The Department has an automated process to notify responsible personnel of changes in the status of users’ employment; however, the Department does not have a process to ensure that it reviews and modifies access as necessary.

Access to the production environment should be restricted to current and appropriate personnel, based on job functions, to help ensure that adequate controls are in place and appropriate segregation of duties exists. Allowing inappropriate access to systems increases the risk of inappropriate changes to data.

Corrective Action:

This finding was reissued as current year reference number 2015-050.

Summary Schedule of Prior Year Audit Findings – Other Auditors

Federal regulations (*Office of Management and Budget Circular OMB Circular A-133*) state, “the auditee is responsible for follow-up and corrective action on all audit findings.” As part of this responsibility, the auditee reports the corrective action it has taken for the following:

- Each finding in the 2014 Schedule of Findings and Questioned Costs.
- Each finding in the 2014 Summary Schedule of Prior Audit Findings that was not identified as implemented or reissued as a current year finding.

The Summary Schedule of Prior Audit Findings for the year ended August 31, 2015, has been prepared to address these responsibilities.

Angelo State University

Reference No. 12-104

Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2010 to June 30, 2011

Award numbers – CFDA 84.033 P033A113956, CFDA 84.375 P375A112258, CFDA 84.376 P376S112258, CFDA 84.007 P007A113956, CFDA 84.268 P268K112258, CFDA 84.063 P063P112258, and CFDA 93.264 E10HP13020-01-00

Type of finding – Significant Deficiency and Non-Compliance

Cost of Attendance

The determination of the federal student financial assistance award amount is based on financial need. Financial need is defined as a student’s cost of attendance (COA) minus the expected family contribution (EFC). The phrase “cost of attendance” refers to the “tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study.” An institution may also include an allowance for books, supplies, transportation, miscellaneous personal expenses, and room and board (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087ll).

Initial Year Written: 2011
Status: Partially Implemented

U.S. Department of Education
U.S. Department of Health and
Human Services

For Title IV programs, the EFC is the amount a student and his or her family are expected to pay for educational expenses and is computed by the federal central processor and included on the student’s Institutional Student Information Report (ISIR) provided to the institution. Awards must be coordinated among the various programs and with other federal and non-federal assistance to ensure that total assistance is not awarded in excess of the student’s financial need (Title 34, Code of Federal Regulations (CFR), Sections 673.5, 673.6, and 682.603).

A full-time student is defined as an enrolled student who is carrying a full-time academic workload, as determined by the institution, under a standard applicable to all students enrolled in a particular educational program. For an undergraduate student, an institution’s minimum standard must equal or exceed 12 semester hours. A half-time student is defined as an enrolled student who is carrying a half-time academic workload, as determined by the institution, which amounts to at least half of the workload of the applicable minimum requirement outlined in the definition of a full-time student (Title 34, CFR, Section 668.2).

Angelo State University (University) uses full-time COA budgets to determine COA for all students receiving financial assistance, regardless of each student’s actual or expected enrollment. As a result, for 4 (6.2 percent) of 65 students tested, the University based the students’ COA on full-time enrollment, although the students indicated that they would attend less than full-time. Using a full-time COA budget to estimate COA for students who attend less than full-time increases the risk of awarding financial assistance that exceeds financial need.

Because the University developed only full-time COA budgets to determine COA, auditors could not determine whether the students in the sample tested who were attending less than full-time were awarded financial assistance that exceeded their financial need for the 2010-2011 school year.

Recommendation:

The University should determine each student's COA and financial need based on the student's expected or actual enrollment.

Views of Responsible Officials and Corrective Action Plan 2011:

Management concurs with recommendations related to determination of eligibility for financial assistance specifically related to Cost of Attendance. Angelo State University will continue the practice of initially packaging student assistance based on projected fulltime enrollment. Manual procedures to subsequently update COA based on actual attendance will be implemented. Specifically, following the census date for fall or spring semester, Information Technology will provide a report to the Director of Financial Aid containing a list of students that are enrolled less than half-time. The Director will process the list, changing all affected students from the fulltime COA budgets to a less-than-half-time budget. Financial Aid Counselors will manually review each student for over-awards and correct the student's aid package to ensure the student's financial aid and need are correct. Since, summer semesters are packaged manually, students that have submitted a "summer supplemental application" will be reviewed by a Financial Aid Counselor to ensure students are placed in the correct COA budgets and ensure the student's financial aid and need are correct.

Views of Responsible Officials and Corrective Action Plan 2012:

Given that financial aid packages are initially prepared prior to registration, Financial Aid ordinarily uses full-time COA budgets during this process. Financial Aid believes the best available enrollment data on which to base final COA budgets is actual attempted enrollment, available at census date. The Division of Information Technology is creating a report that will identify three groups of students: those enrolled less than half-time; those enrolled half-time; and those enrolled for between half- and full-time. For those students identified in each group, Financial Aid counselors will correct COA budgets based on the actual attempted enrollment as of the census date and repackage financial aid as necessary. Calendar reminders are set for September 15th for future fall semesters and February 15th for future spring semester to ensure the report is run and COA budgets and financial aid packages are adjusted timely.

Views of Responsible Officials and Corrective Action Plan 2013:

Management is generating reports to identify students enrolled less than full time and awarded as full time. Once identified, these students have manual modifications made to their budgets and awards. Additionally, consulting services were contracted to assist the financial aid staff to develop and implement rules using algorithmic budgeting. This process will automate the adjustments to a student's budget and awards depending on their enrollment status. The Interim Director of Financial Aid is responsible for implementing the new process by January 15, 2014.

Views of Responsible Officials and Corrective Action Plan 2014:

Immediate corrective action: *Angelo State University has implemented a process to identify students who are enrolled for hours less than full time. There is a tracking requirement placed on the student's Banner account that will prohibit any awards from crediting until the costs of attendance (COA) are adjusted to reflect actual enrollment. We have rechecked all 2013-2014 students enrolled less than full time, identifying and correcting random isolated values that were manually inputted with errors. While we have reviewed COA for 2014-2015 students, we will be conducting a second phase check of all manually inputted budget values for all 2014-2015 terms and adjusting COA budgets using one-quarter time, half-time, three-quarters time, and full-time as appropriate.*

Long term corrective action: Angelo State University is developing an Algorithmic Rule budget program in the student management software Banner. Algorithmic rules show methods of calculating the various budget components, including looking up values from the RORALGS charts, calculating amounts based on the number of credits a student is taking, calculating amounts based on the number of courses the student is taking, and other parameters. This process is consistent with most other state institutions. Timeline for implementation is Fall 2015.

Views of Responsible Officials and Corrective Action Plan 2015:

We have implemented an immediate corrective action from a year ago to identify students who are enrolled in less than full time status and a process to manually adjust those budgets in a uniform manner consistent with actual costs incurred. We believe this interim process is working and the two findings from this last audit were based on human error, not system error. Corrective actions were taken and documented in both cases including education of the employee and correcting the cost of attendance of the student. We are implementing our long term corrective action this spring and will be in place for this 2015/2016 award year. The long term corrective action is the implementation of an algorithmic budgeting process that will adjust the student's cost of attendance based on enrolled hours and a designed value. This will nearly eliminate the human error element to the process.

Implementation Date: January 2016

Responsible Person: William Bloom

Lamar Institute of Technology

Reference No. 2013-101

Eligibility

(Prior Audit Issue 11-101)

Student Financial Assistance Cluster

Award year – July 1, 2012 to June 30, 2013

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A128695; CFDA 84.033, Federal Work-Study Program, P033A128695; CFDA 84.063, Federal Pell Grant Program, P063P125265; and CFDA 84.268, Federal Direct Student Loans, P268K135265

Type of finding – Significant Deficiency and Non-Compliance

Cost of Attendance

The determination of the federal student financial assistance award amount is based on financial need. Financial need is defined as a student’s cost of attendance (COA) minus the expected family contribution (EFC) (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087kk). The phrase “cost of attendance” refers to the “tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study.” An institution may also include an allowance for books, supplies, transportation, miscellaneous personal expenses, and room and board (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087ll).

Initial Year Written:	2010
Status:	Partially Implemented
U.S. Department of Education	

For Title IV programs, the EFC is the amount a student and his or her family are expected to pay for educational expenses and is computed by the federal central processor and included on the student’s Institutional Student Information Record (ISIR) provided to the institution. Awards must be coordinated among the various programs and with other federal and non-federal assistance to ensure that total assistance is not awarded in excess of the student’s financial need (Title 34, Code of Federal Regulations (CFR), Sections 668.2 and 673.5).

A full-time student is defined as an enrolled student who is carrying a full-time academic workload, as determined by the institution, under a standard applicable to all students enrolled in a particular educational program. For an undergraduate student, an institution’s minimum standard must equal or exceed 12 semester hours. A half-time student is defined as an enrolled student who is carrying a half-time academic workload, as determined by the institution, which amounts to at least half of the workload of the applicable minimum requirement outlined in the definition of a full-time student (Title 34, CFR, Section 668.2).

Lamar Institute of Technology (Institute) established different COA budgets for students based on living status (off campus and with parents) and term enrollment (full-time, half-time, three-quarter time, and less than half-time). The Institute budgets students at full-time anticipated enrollment for Fall and Spring. For Summer, it budgets students using a Summer budget if students request financial assistance for the Summer. At the census date of each semester, the Institute manually adjusts students’ COA budgets based on actual enrollment.

For 5 (8 percent) of 60 students tested, the Institute calculated COA incorrectly. Specifically:

- For three students, the Institute did not adjust the students’ COA budgets at the census date to match their actual enrollment. As a result, the students’ COA budgets were each understated by amounts ranging from \$606 to \$1,258.
- For one student, the Institute incorrectly budgeted the student’s COA for Summer 2013. The Institute manually adjusted the student’s COA at the census date; however, the adjustment was incorrect. As a result, the student’s COA budget was overstated by \$35.
- For one student, the Institute incorrectly budgeted the student’s COA for Spring 2013. The student was ineligible for assistance in Fall 2012. When the student regained eligibility for assistance in Spring 2013, the Institute applied a budget for Spring only; however, it used incorrect amounts for tuition, fees, and books. As a result, the student’s budget was understated by \$303.

The above errors were related to the Institute's manual process of adjusting COA. The errors did not result in overawards for those students; however, by incorrectly calculating COA, the Institute increases the risk of overawarding or underawarding financial assistance to students.

Corrective Action:

Corrective action was taken.

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

The Institute did not maintain adequate user access controls to its Banner student financial assistance application and its operating environment. Specifically, three third-party contractor database administrators (DBAs) did not have individual server accounts and, instead, they used a shared generic administrator account to authenticate to the Banner production servers. In addition, three Lamar University DBAs and three third-party contractor DBAs used two generic database accounts, which are administrative accounts required by the Oracle database, when performing administrative tasks on the Banner production database. Section 4.7 (Privileged Roles) of the Institute's Information Security Policies does not adequately address the sharing of administrative access accounts among users or the documentation of exemptions for generic administrative accounts that are required by the information technology systems. Sharing generic, administrative accounts reduces accountability by removing the ability to identify and log the individual users who access systems.

The Institute also did not periodically review administrative access to its network and user access to the Banner application, the Banner database, and the Banner servers to determine the appropriateness of users' access based on their job responsibilities. Section 4.4 (Owner Responsibilities) of the Institute's Information Security Policy does not adequately address the periodic review of user access to the information technology systems. Not periodically reviewing user access increases the risk of inappropriate access to critical applications and their associated databases and servers.

Additionally, the Institute did not configure password settings for the Banner application and the Banner database in accordance with its password policy. Not adhering to the Institute's password policy could result in unauthorized access or alteration to critical applications and data.

Recommendation:

The Institute should strengthen its information security policies by addressing the use of shared generic account, requiring documentation for all exemptions to the policy, and requiring the periodic review of user access to critical applications and their associated databases and servers.

Views of Responsible Officials and Corrective Action Plan 2013:

Management concurs with findings associated with maintaining adequate user access controls to it Banner student assistance application and its operating environment.

Review of existing access accounts will be performed on an annual basis for users in the Banner Financial Aid Module, database, and servers. Financial Aid Director will request printed documentation to review administrative access account assignments for both internal and external administrators to ensure those individuals have obtained individually assigned accounts for use when accessing the database and/or servers to perform duties associated with functions related to inquiries and assistance, administration, troubleshooting, and reporting functions associated with student financial aid. A report will be requested by the director to review utilization of any existing generic access

accounts, users with knowledge and access to such accounts, and justification of need for this type of access. A subsequent report will be required to demonstrate elimination or restricted access of generic accounts ensuring the security policies related to this practice have strengthened and enforced. Director will request review and update of password settings, to ensure the institution password policy has been followed.

Views of Responsible Officials and Corrective Action Plan 2014:

Management concurs with findings associated with maintaining adequate controls and establishing appropriate Information Security Policies to ensure the integrity and secure operation of automated systems.

Management will continue to review access for high profile roles, with periodic reviews of active/inactive user accounts and adherence to Information Security Policies now in place.

Views of Responsible Officials and Corrective Action Plan 2015:

Management will review and update its Information Security policies to adequately address (A) the sharing of administrative access accounts among users, (B) the documentation of exemptions for generic administrative accounts that are required by the information technology systems, and (C) periodic review of user access.

Implementation Date: March 2016

Responsible Person: Susan Cook

Reference No. 2013-102

Special Tests and Provisions – Verification

Student Financial Assistance Cluster

Award year – July 1, 2012 to June 30, 2013

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P125265; CFDA 84.007, Federal Supplemental Educational Opportunity Grant, P007A128695; CFDA 84.268, Federal Direct Student Loans, P268K135265; and CFDA 84.033, Federal Work-Study Program, P033A128695

Type of finding – Material Weakness and Material Non-Compliance

Verification of Applications

For each applicant whose Free Application for Federal Student Aid (FAFSA) is selected for verification by the Secretary of the U.S. Department of Education, an institution must verify all of the applicable items, which include household size, number of household members who are in college, adjusted gross income (AGI), U.S. income taxes paid, child support paid, food stamps, education credits, IRA deductions, and other untaxed income (Title 34, Code of Federal Regulations (CFR), Sections 668.54 and 668.56 and *Federal Register* Volume 76, Number 134). When the verification of an applicant’s eligibility results in any change to a non-dollar item or a change to a single dollar item of \$25 or more from the student’s FAFSA, the institution must submit a correction to the U.S. Department of Education and adjust the applicant’s financial aid package on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR). For the Federal Pell Grant Program, if an applicant’s FAFSA information changes as a result of verification, an institution must recalculate the applicant’s Federal Pell Grant on the basis of the EFC on the corrected ISIR and disburse any additional funds under that award (Title 34, CFR, Section 668.59).

Initial Year Written:	2013
Status:	Partially Implemented
U.S. Department of Education	

For 20 (33 percent) of 60 students tested, Lamar Institute of Technology (Institute) did not accurately verify all required information in student financial assistance applications and did not always correct student ISIR information when required. Specifically:

- For 1 (2 percent) of 60 students tested, the Institute did not ensure that the number of household members enrolled in post-secondary education reported on the student's application was adequately supported.
- For 3 (20 percent) of the 15 students who received food stamps, the Institute did not accurately verify that the students received food stamps.
- For 16 (27 percent) of 59 students who reported tax-related verification items, the Institute did not accurately verify the students' applications. Auditors identified application errors in education credits, income tax paid, AGI, and untaxed pensions.

According to the Institute, the errors occurred because of errors in manual processing during verification. In addition, the process the Institute uses to monitor verification addresses only corrections it makes to a student's ISIR and does not assess the overall quality of the verifications performed.

For the 20 students discussed above, the Institute did not initially correct the students' ISIRs to reflect the accurate information at the time of verification. As a result:

- For 7 students, the errors resulted in overawards of federal Pell Grant funds totaling \$2,475 associated with award number P063P125265.
- For 4 students, the errors resulted in underawards of federal Pell Grant funds totaling \$837 associated with award number P063P125265.
- For 9 students, the errors related to non-dollar items or did not result in a change to the students' EFC or awards.

When auditors brought the errors to the Institute's attention, it requested updated ISIRs and/or adjusted the students' awards; therefore, there were no questioned costs.

Not properly verifying FAFSA information can result in the Institute overawarding or underawarding student federal financial assistance.

Corrective Action:

Corrective action was taken.

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

The Institute did not maintain adequate user access controls to its Banner student financial assistance application and its operating environment. Specifically, three third-party contractor database administrators (DBAs) did not have individual server accounts and, instead, they used a shared generic administrator account to authenticate to the Banner production servers. In addition, three Lamar University DBAs and three third-party contractor DBAs used two generic database accounts, which are administrative accounts required by the Oracle database, when performing administrative tasks on the Banner production database. Section 4.7 (Privileged Roles) of the Institute's Information Security Policies does not adequately address the sharing of administrative access accounts among users or the documentation of exemptions for generic administrative accounts that are required by the information technology systems. Sharing generic, administrative accounts reduces accountability by removing the ability to identify and log the individual users who access systems.

The Institute also did not periodically review administrative access to its network and user access to the Banner application, the Banner database, and the Banner servers to determine the appropriateness of users' access based on

their job responsibilities. Section 4.4 (Owner Responsibilities) of the Institute's Information Security Policy does not adequately address the periodic review of user access to the information technology systems. Not periodically reviewing user access increases the risk of inappropriate access to critical applications and their associated databases and servers.

Additionally, the Institute did not configure password settings for the Banner application and the Banner database in accordance with its password policy. Not adhering to the Institute's password policy could result in unauthorized access or alteration to critical applications and data.

Recommendation:

The Institute should strengthen its information security policies by addressing the use of shared generic account, requiring documentation for all exemptions to the policy, and requiring the periodic review of user access to critical applications and their associated databases and servers.

Views of Responsible Officials and Corrective Action Plan 2013:

Management concurs with findings associated with maintaining adequate user access controls to it Banner student assistance application and its operating environment.

Review of existing access accounts will be performed on an annual basis for users in the Banner Financial Aid Module, database, and servers. Financial Aid Director will request printed documentation to review administrative access account assignments for both internal and external administrators to ensure those individuals have obtained individually assigned accounts for use when accessing the database and/or servers to perform duties associated with functions related to inquiries and assistance, administration, troubleshooting, and reporting functions associated with student financial aid. A report will be requested by the director to review utilization of any existing generic access accounts, users with knowledge and access to such accounts, and justification of need for this type of access. A subsequent report will be required to demonstrate elimination or restricted access of generic accounts ensuring the security policies related to this practice have strengthened and enforced. Director will request review and update of password settings, to ensure the institution password policy has been followed.

Views of Responsible Officials and Corrective Action Plan 2014:

Management concurs with findings associated with maintaining adequate controls and establishing appropriate Information Security Policies to ensure the integrity and secure operation of automated systems.

Management will continue to review access for high profile roles, with periodic reviews of active/inactive user accounts and adherence to Information Security Policies now in place.

Views of Responsible Officials and Corrective Action Plan 2015:

Management will review and update its Information Security policies to adequately address (A) the sharing of administrative access accounts among users, (B) the documentation of exemptions for generic administrative accounts that are required by the information technology systems, and (C) periodic review of user access.

Implementation Date: March 2016

Responsible Person: Susan Cook

Lamar State College - Orange

Reference No. 2013-103

Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2012 to June 30, 2012

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P124258; CFDA 84.268, Federal Direct Student Loans, P268K134258; CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A127177; and CFDA 84.033, Federal Work-Study Program, P033A127177

Type of finding – Significant Deficiency and Non-Compliance

Cost of Attendance

The determination of the federal student financial assistance award amount is based on financial need. Financial need is defined as a student’s cost of attendance (COA) minus the expected family contribution (EFC) (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087kk). The phrase “cost of attendance” refers to the “tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study.” An institution may also include an allowance for books, supplies, transportation, miscellaneous personal expenses, and room and board (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087ll).

Initial Year Written:	2013
Status:	Implemented
U.S. Department of Education	

A full-time student is defined as an enrolled student who is carrying a full-time academic workload, as determined by the institution, under a standard applicable to all students enrolled in a particular educational program. For an undergraduate student, an institution’s minimum standard must equal or exceed 12 semester hours. A half-time student is defined as an enrolled student who is carrying a half-time academic workload, as determined by the institution, which amounts to at least half of the workload of the applicable minimum requirement outlined in the definition of a full-time student (Title 34, CFR, Section 668.2).

Lamar State College – Orange (College) established different COA budgets for students enrolled full-time, three-quarter-time, half-time, and less-than-half-time, as required. The College’s financial aid system automatically applies the COA based on its full-time budgets; however, the College manually updates the COA budget for students whose attendance is less than full-time or who are not attending the College for a full academic year.

For 7 (12 percent) of 60 students tested, the College inconsistently or incorrectly calculated the student’s COA. That occurred because of manual errors the University made when adjusting COA for students enrolled less than full-time or enrolled only for a portion of the academic year. None of those students received student financial assistance in excess of their COA or auditor-calculated need; however, incorrectly or inconsistently calculating COA increases the risk that students may be overawarded or underawarded student financial assistance.

Corrective Action:

Corrective action was taken.

Lamar University

Reference No. 2013-105

Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2012 to June 30, 2013

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grant, P007A124051; CFDA 84.033, Federal Work-Study Program, P033A124051; CFDA 84.063, Federal Pell Grant Program, P063P122282; CFDA 84.268, Federal Direct Student Loans, P268K132282; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T132282; and CFDA 84.038, Federal Perkins Loan Program – Federal Capital Contributions, Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

Cost of Attendance

The determination of the federal student financial assistance award amount is based on financial need. Financial need is defined as a student’s cost of attendance (COA) minus the expected family contribution (EFC) (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087kk). The phrase “cost of attendance” refers to the “tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study.” An institution may also include an allowance for books, supplies, transportation, miscellaneous personal expenses, and room and board (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087ll).

Initial Year Written:	2013
Status:	Implemented
U.S. Department of Education	

Lamar University (University) has established full-time budgets in its financial aid system, and it also has established rates for three-quarter-time, half-time, and less-than-half-time enrollment. The University sets each of its rates based on actual tuition and fees charged (either resident or non-resident), average cost of books for students who attend, and estimated costs for living expenses and other personal expenses based on average living costs for the area in which the University is located. The school’s financial aid system automatically applies the COA based on a student’s academic schedule.

For 1 (3 percent) of 40 students tested, the University incorrectly calculated the student’s COA. That occurred because of an error the University made when it updated the COA budget tables in its financial aid system for the 2012-2013 academic year. Specifically, the University did not properly update amounts for all budget components in one budget group. A total of three students were affected by that error. As a result, the University understated the COA and financial need for each of those students by \$1,189. The University corrected those students’ COA when auditors brought the issue to its attention. However, not applying correct COA budgets to students could result in an overaward or underaward of student financial assistance.

Corrective Action:

Corrective action was taken.

Prairie View A&M University

Reference No. 2014-101

Eligibility

(Prior Audit Issue 10-33)

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A134098; CFDA 84.033, Federal Work-Study Program, P033A134098; CFDA 84.063, Federal Pell Grant Program, P063P132319; CFDA 84.268, Federal Direct Student Loans, P268K142319; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T142319

Type of finding – Significant Deficiency and Non-Compliance

Cost of Attendance

The determination of the federal student financial assistance award amount is based on financial need. Financial need is defined as a student’s cost of attendance (COA) minus the expected family contribution (EFC) (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087kk). The phrase “cost of attendance” refers to the “tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study.” An institution may also include an allowance for books, supplies, transportation, miscellaneous personal expenses, and room and board. Additionally, for a student who receives a loan under any federal law, or, at the option of the institution, a conventional student loan incurred by the student to cover a student’s COA at the institution, an allowance for the actual cost of any loan fee, origination fee, or the average cost of any such fee may be included in the cost of attendance (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087ll).

Initial Year Written: 2009
Status: Partially Implemented

U.S. Department of Education

A full-time student is defined as an enrolled student who is carrying a full-time academic workload, as determined by the institution, under a standard applicable to all students enrolled in a particular educational program. For an undergraduate student, an institution’s minimum standard must equal or exceed 12 semester hours. A half-time student is defined as an enrolled student who is carrying a half-time academic workload, as determined by the institution, which amounts to at least half of the workload of the applicable minimum requirement outlined in the definition of a full-time student (Title 34, Code of Federal Regulations (CFR), Section 668.2).

For 14 (23 percent) of 60 students tested, Prairie View A&M University (University) incorrectly or inconsistently calculated the students’ COA. Specifically:

- For 6 (43 percent) of those 14 students, the University made errors when manually adjusting the students’ COA for the tuition and fees, room and board, travel, and summer budget components. Additionally, for two of those six students, the University did not update COA to reflect actual enrollment. These errors did not result in an overaward or underaward of financial assistance, but they increase the risk of an underaward or overaward of student financial assistance.
- For 8 (57 percent) of those 14 students, the University based graduate and doctoral students’ COA on full-time enrollment, when those students attended less than full-time for one or more semesters during the award year. The University uses full-time COA budgets to determine COA for all graduate and doctoral students receiving financial assistance, regardless of each student’s actual enrollment. That increases the risk of overawarding financial assistance. Because the University developed only full-time COA budgets to determine COA for graduate students, auditors could not determine whether the graduate students in the sample tested, who were attending less than full-time, were overawarded financial assistance for the 2013-2014 award year.

Satisfactory Academic Progress

A student is eligible to receive Title IV, Higher Education Act (HEA) Program assistance if the student maintains satisfactory progress in his or her course of study according to the institution's published standards of satisfactory progress that satisfy the provisions of Title 34, CFR, Section 668.16(e), and the provisions of Title 34, CFR, Section 668.34 (Title 34, CFR, Section 668.32(f)). An institution's satisfactory academic progress (SAP) policy should include a qualitative component that consists of grades or comparable factors that are measureable against a norm, and a quantitative component that consists of the pace at which students must progress through their program to ensure that they graduate within the maximum time frame required to complete their education (U.S. Department of Education 2013-2014 *Federal Student Aid Handbook*).

The University's satisfactory academic progress policy includes a maximum time frame for graduate students of 54 total attempted hours. If a student does not meet that requirement, the student is considered ineligible for financial assistance based on excessive hours.

The University did not always apply its SAP policy consistently. For 1 (2 percent) of 60 students tested, the University disbursed financial assistance to the student when that student did not meet the University's satisfactory academic progress policy. The student was enrolled in a second master's degree program that, according to the University, requires the SAP committee to complete a manual review. The student did not meet the University's SAP guidelines for maximum allowable time frame and should have been placed on suspension for financial assistance. The student was not eligible to receive federal financial assistance; however, the University awarded and disbursed to the student a total of \$9,380 associated with CFDA 84.268, Federal Direct Student Loans, award number P268K142319, which are considered questioned costs.

Recommendations:

The University should:

- Correctly and consistently apply and adjust COA budgets for all students.
- Determine each student's COA and financial need based on the student's expected or actual enrollment.
- Consistently and appropriately apply its SAP policy to determine whether students are eligible for financial assistance prior to the disbursement of that assistance.

Views of Responsible Officials and Corrective Action Plan 2014:

Financial Aid management staff agrees with your finding and recommendations as it pertains to Cost of Attendance.

Financial Aid management has made significant changes listed below for the 14-15 aid year:

- *Developed a spreadsheet of all cost of attendances which assesses on-campus and off-campus living expenses.*
- *Created new budgets in Banner for less-than full time graduate students.*
- *Created new budgets for off-campus and at-home students.*
- *Developed a SQL to monitor enrollment changes from seven days before the 1st class day and up to the 20th class day.*
- *Established a process utilizing the Banner enrollment freeze process on the RSRENRL and Banner mix budget process in RBABUDD. A report is run twice a week and is reviewed by the Director and reports are disseminated to the Scholarships and Loans and Associate Director for clean up.*
- *Through weekly monitoring, financial aid management reviews the COA for all students and manually adjusts COAs based on changes in enrollment status to ensure that COAs accurately reflect actual enrollment. In addition, system modifications have been developed that will only allow to Director or Associate Directors the authority to make manual component adjustments to student COAs. If there are manual adjustments that are made to specific components, there will be documentation required to support the adjustments and policies and procedures are in place to indicate as such.*

Financial Aid management staff agrees with your finding and recommendations as it pertains to SAP policy.

Financial Aid management has reviewed SAP business practices and policy for 14-15 aid years and has implemented the following changes:

- *The current SAP policy and procedures have been reviewed and updated for accuracy.*
- *Financial Aid management has reviewed SAP rules in Banner for accuracy and verified the conversion tables are calculating SAP warnings correctly.*
- *A SQL report has been developed to extract data from Banner to review and validate SAP output. The program is run on a weekly basis. The report is reviewed by the Associate Director to validate the calculation and to ensure accuracy before an award cycle is processed. Financial Aid management is working closely with the Registrar's Office to confirm student's record in Banner is coded correctly to ensure the institution is in compliance with federal regulations when disbursing aid to students.*
- *The SAP status has been added to the ready to package population selection group to ensure SAP is reviewed during the packaging process.*
- *The staff has been trained on the updated SAP rules. A new committee has been formed to review SAP appeal requests at the beginning of each semester.*

Views of Responsible Officials and Corrective Action Plan 2015:

As indicated above, the Office of Financial Aid & Scholarships has implemented a number of internal controls to monitor and revise cost of attendances for students based on actual enrollment. Weekly spreadsheets are provided to the supervisory staff to make adjustments to COA's when there are changes in enrollment statuses throughout the semester. The Banner "Mixed Enrollment" feature is used to accurately assign cost of attendances to students who are enrolled at different levels during the aid year. COA budgets for all cohorts have been correctly updated for the 2014-2015 & 2015-2016 aid year using the COA calculation spreadsheet. In addition, over awards are monitored and revised as needed. In conducting their follow-up audit work, the auditor identified three out of fifteen students whose COA was not calculated correctly due to using the wrong on- or off-campus budget or residency status. Based on their findings, the office will ensure that when corrections are made to the budget group that the appropriate corrections are made to the ISIR information in Banner on the RNANAx form.

The Office has also written a residency check program to identify any students who have been paid aid to determine if there has been any residency status changes in the student record (SGASTDN). This program will be run monthly to identify possible changes.

Implementation Date: January 2016

Responsible Person: Ralph Perri

As indicated above, the Office of Financial Aid & Scholarships has updated the Satisfactory Academic Policy and Procedures to reflect the current institutional policy. Banner SAP rules are reviewed every award cycle and updated, if necessary. The Associate Director reviews the SAP check that is provided by the Director of Student Financial Aid & Scholarships; this spreadsheet is used to ensure that SAP statuses have been calculated correctly. The Banner SAP rules and population selections have been updated to reflect the current SAP policy and is used to ensure accuracy before aid is packaged and/or disbursed. In conducting their follow-up audit work, the auditor identified one out of fifteen students whose manual review of the student's SAP was not documented for the Spring 2015 semester. The office will continue to monitor and review to ensure all SAP reviews are documented.

Implementation Date: January 2016

Responsible Person: Ralph Perri

Reference No. 2014-102

Special Tests and Provisions – Verification

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A134098; CFDA 84.033, Federal Work-Study Program, P033A134098; CFDA 84.063, Federal Pell Grant Program, P063P132319; CFDA 84.268, Federal Direct Student Loans, P268K142319; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T142319

Type of finding – Significant Deficiency and Non-Compliance

Verification of Applications

For each applicant whose Free Application for Federal Student Aid (FAFSA) is selected for verification by the Secretary of the U.S. Department of Education, an institution must verify all of the applicable items, which include household size, number of household members who are in college, adjusted gross income (AGI), U.S. income taxes paid, child support paid, food stamps, education credits, IRA deductions, other untaxed income, high school completion status, and identity and statement of educational purpose (Title 34, Code of Federal Regulations (CFR), Sections 668.54 and 668.56, and *Federal Register* Volume 77, Number 134). When the verification of an applicant’s eligibility results in any change to a non-dollar item or a change to a single dollar item of \$25 or more from the student’s FAFSA, the institution must submit a correction to the U.S. Department of Education and adjust the applicant’s financial aid package on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR). For the federal Pell Grant Program, if an applicant’s FAFSA information changes as a result of verification, an institution must recalculate the applicant’s federal Pell Grant on the basis of the EFC on the corrected ISIR and disburse any additional funds under that award (Title 34, CFR, Section 668.59).

Initial Year Written:	2014
Status:	Partially Implemented
U.S. Department of Education	

For 10 (17 percent) of 60 students tested, Prairie View A&M University (University) did not accurately verify all required information on students’ FAFSAs and did not always correct student ISIR information, when required. For those students, the University did not accurately verify one or more of the following verification items: the number of household members, the number of household members who are in college, food stamps, the amount of child support paid, adjusted gross income, U.S. income taxes paid, education credits, and income information for nontax filers. According to the University, those errors occurred because of manual errors it made during the verification process.

When auditors brought those errors to the University’s attention, the University made corrections to the students’ ISIRs. For seven of those students, no change in EFC or aid was associated with the errors; however, not properly verifying FAFSA information could result in the University overawarding or underawarding financial assistance. For one student, the error caused the student’s EFC to be understated, but no change in aid was associated with that error. For two students, the errors resulted in overawards of federal Pell Grant funds associated with award number P063P132319 totaling \$900. The University subsequently adjusted the students’ awards; therefore, there were no questioned costs.

Verification Policies and Procedures

An institution must establish and use written policies and procedures for verifying an applicant’s FAFSA information. Those policies must include: (1) the time period within which an applicant must provide any documentation requested by the institution in accordance with Title 34, CFR, Section 668.57; (2) the consequences of an applicant’s failure to provide required documentation within the specified time period; (3) the method by which the institution notifies an applicant of the results of verification if, as a result of verification, the applicant’s EFC changes and results in a change in the applicant’s assistance under Title IV, Higher Education Act (HEA) of 1965 programs; (4) the procedures the institution will follow itself or the procedures the institution will require an applicant to follow to correct FAFSA information determined to be in error; and (5) the procedures for making referrals under Title 34, CFR, Section 668.16(g).

An institution’s procedures must also provide that it furnish, in a timely manner, to each applicant selected for verification a clear explanation of (1) the documentation needed to satisfy the verification requirements and (2) the applicant’s responsibilities with respect to the verification of application information, including the deadlines for

completing any required actions and the consequences of failing to complete any required action. Finally, an institution's procedures must provide that an applicant whose FAFSA information is selected for verification is required to complete verification before the institution exercises authority under Section 479A(a) of the HEA to make changes to the applicant's cost of attendance (COA) or to the values of the data items required to calculate the EFC (Title 34, CFR, Section 668.53).

The University's policies and procedures for its verification process did not include all of the required elements. Specifically, the University's verification policies and procedures did not address the following required elements:

- The consequences of an applicant's failure to provide the requested documentation within the specified time period.
- The method by which the institution notifies an applicant of the results of verification if, as a result of verification, the applicant's EFC changes and that results in a change in the applicant's award or loan.
- The procedures for making referrals.

Having inadequate policies and procedures increases the risk that the University may not perform verification in accordance with federal requirements and that students may not understand their responsibilities when their FAFSAs are verified.

Recommendations:

The University should:

- Accurately verify all required FAFSA information for applicants selected for verification and request updated ISIRs when required.
- Include all required elements in its verification policies and procedures.

Views of Responsible Officials and Corrective Action Plan 2014:

Financial Aid management staff agrees with your finding and recommendations as it pertains to Verification.

Financial aid management has developed a plan of action to perform the following:

- *The Associate Director will conduct a complete desk audit and select 100 students for verification for the current school year to validate the accuracy of the verification process as per federal regulations, which will be completed by February 2015.*
- *A desk audit will also be performed by the Associate Director on a monthly basis for each alpha cluster to confirm the verification process has been performed as per federal regulations.*

For the 15-16 aid years, Financial Aid management will look to implement:

- *A second check, by another counselor, will be performed after the initial verification process has been completed, if no corrections are required.*
- *A third check, by another counselor, will be performed after the initial verification process has been completed, if corrections are required.*

Financial Aid management will update the Verification SOP to include:

- *Copies of communication sent to students in the different verification groups notifying them of the following:*
 - *They have been selected for verification, which group they are in and an explanation of the Verification process.*
 - *The required documentation needed to perform the verification before the financial aid can be packaged and disbursed.*

- *The time frame in which the student must submit the required verification documentation.*
- *The consequences of failure to submit the required verification documents.*
- *The method of communication that will be used to notify the student when the amount of Title IV aid is adjusted as a result of an EFC change due to the verification process.*
- *The procedures on how to correct the information on the FAFSA.*
- *The procedures on how to refer the student to the Office of Inspector General.*

Views of Responsible Officials and Corrective Action Plan 2015:

As indicated above, the Office of Financial Aid & Scholarships revised its verification policies and procedures to reflect the verification processes and to document controls and communications as it relates to the verification processes. Additionally, the office returned funds and made necessary corrections as a result of discrepancies found during their tests of verification. In conducting their follow-up work, the auditor identified a few issues related to the verification of specific pieces of student information for three out of fifteen students tested. To address the issues noted, for the 2015 - 2016 aid year, the Office of Financial Aid and Scholarships completed verification checks to ensure the accuracy of verification of items before packaging. In addition, the Associate Director conducted a secondary check by performing desk audits on a selected pool of students with federal aid disbursements for the 2015-2016 aid year.

Implementation Date: January 2016

Responsible Person: Ralph Perri

Reference No. 2014-103

Special Tests and Provisions – Disbursements To or On Behalf of Students

(Prior Audit Issues 10-34 and 08-038)

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T142319; CFDA 84.268, Federal Direct Student Loans, P268K142319; and CFDA 84.063, Federal Pell Grant Program, P063P132319

Type of finding – Significant Deficiency and Non-Compliance

Disbursement Notification Letters

If an institution credits a student's account at the institution with Teacher Education Assistance for College and Higher Education (TEACH) Grant Program funds, the institution must notify the student of (1) the date and amount of the disbursement, (2) the student's right to cancel all or a portion of that TEACH Grant or TEACH Grant disbursement and have the TEACH Grant proceeds returned to the U.S. Department of Education, and (3) the procedures and time by which the student must notify the institution that he or she wishes to cancel the TEACH Grant or TEACH Grant disbursement. The notification must be sent in writing or electronically no earlier than 30 days before, and no later than 30 days after, crediting the student's account at the institution (Title 34, Code of Federal Regulations (CFR), Section 668.165).

Initial Year Written:	2007
Status:	Partially Implemented
U.S. Department of Education	

Prairie View A&M University (University) did not send disbursement notification letters to students who received TEACH Grants in the 2013-2014 award year. A total of four students at the University received a total of \$12,220 in TEACH Grant funds for that award year. While loan disbursement notifications are automated, the University asserts that, because there are so few TEACH Grant disbursements, its process for sending disbursement notification letters is manual. However, the University did not send notifications for the four TEACH Grant recipients

in the 2013-2014 award year. Not receiving those notifications could impair students' ability to cancel their TEACH Grants.

Recommendation:

The University should establish and implement controls to send disbursement notification letters within 30 days before or after crediting a student's account with a TEACH Grant.

Views of Responsible Officials and Corrective Action Plan 2014:

Financial Aid management staff agrees with your finding and recommendations as it pertains to Disbursement of Funds. Financial Aid management has reviewed Disbursement business practice and policy for 14-15 aid years and has implemented the following change:

Controls have been implemented and a process has been put in place to electronically send disbursement notification letters within 30 days before or after crediting a student's account with TEACH grants.

Views of Responsible Officials and Corrective Action Plan 2015:

The Office of Financial Aid and Scholarships worked with IT to develop TEACH grant notifications to undergraduate and graduate students when TEACH grant funds are disbursed. This process was implemented in May 2015 to become effective for the 2015 - 2016 aid year. Fall 2015 TEACH grant recipients received the automated notifications.

Implementation Date: May 2015

Responsible Person: Ralph Perri

Disbursement of Funds Prior to Enrollment

An institution must disburse Title IV, Higher Education Act program funds to a student or parent for a payment period only if the student is enrolled for classes for that payment period and is eligible to receive those funds (Title 34, CFR, Section 668.164).

For 1 (2 percent) of 60 students tested, the University disbursed federal financial assistance when the student was not enrolled for the Spring 2014 term. While the student was initially enrolled in that term, the student's enrollment was subsequently dropped for non-payment of tuition and fees on January 31, 2014. The student was reinstated in the dropped courses on February 5, 2014, but the University disbursed funds to that student on February 3, 2014. When the student's enrollment was dropped for non-payment, the University placed the student in a drop and retain status, which did not prevent disbursement.

The student remained in a drop and retain status until the student paid tuition, at which time the Registrar's Office processed the student's reinstatement form. The student received a federal Pell Grant and Federal Direct Student Loans. After the University made the disbursement, it reinstated the student in the courses for the term and the student was eligible to receive the student financial assistance; therefore, there are no questioned costs associated with the disbursement error. However, not having controls to prevent disbursements to students who are not enrolled at the time of disbursement increases the risk that students could receive aid for which they are not eligible.

Corrective Action:

Corrective action was taken.

Sam Houston State University

Reference No. 2013-121

Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2012 to June 30, 2013

Award number – CFDA 84.063, Federal Pell Grant Program, P063P122301

Type of finding – Significant Deficiency and Non-Compliance

For the federal Pell Grant program, institutions use the payment and disbursement schedules provided each year by the U.S. Department of Education for determining award amounts (Title 34, Code of Federal Regulations (CFR), Section 690.62). Those schedules provide the maximum annual amount a student would receive for a full academic year for a given enrollment status, estimated family contribution (EFC), and cost of attendance (COA). There are separate schedules for three-quarter-time, half-time, and less-than-half-time students.

Initial Year Written: 2013
 Status: Partially Implemented

 U.S. Department of Education

Additionally, a student’s eligibility for a Pell Grant must first be determined and considered before the student is awarded other assistance, such as Direct Subsidized or Direct Unsubsidized loans (Title 34, CFR, Section 685.200). Students who are enrolled less-than-half-time are eligible for Pell based on the Pell disbursement tables, which include calculations based on less-than-half-time enrollment. Institutions do not have the discretion to refuse to provide Pell funds to an eligible part-time student, including during a summer term or intersession (U.S. Department of Education *2012-2013 Federal Student Aid Handbook*).

An institution must establish a reasonable satisfactory academic progress (SAP) policy for determining whether an otherwise eligible student is making satisfactory academic progress in his or her educational program and may receive assistance under the Title IV, Higher Education Act programs. The Secretary of the U.S. Department of Education considers the institution’s SAP policy to be reasonable if it meets certain conditions. To be considered reasonable, the policy must be at least as strict as the policy the institution applies to a student who is not receiving federal financial assistance and provide for consistent application of standards to all students within categories of students (for example, full-time, part-time, undergraduate, and graduate students). The policy also must specify the grade point average that a student must achieve at each evaluation and the pace at which a student must progress through his or her educational program. An institution calculates the pace at which a student is progressing by dividing the cumulative number of hours the student has successfully completed by the cumulative number of hours the student has attempted (Title 34, CFR, Section 668.34).

The determination of the federal student financial assistance award amount is based on financial need. Financial need is defined as a student’s COA minus the EFC (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087kk). The phrase “cost of attendance” refers to the “tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study.” An institution may also include an allowance for books, supplies, transportation, miscellaneous personal expenses, and room and board (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087ll).

Sam Houston State University (University) did not disburse federal student financial assistance to students enrolled in fewer than six course hours in a semester, even when those students were eligible to receive financial assistance. As a result, for 1 (2 percent) of 60 students tested, the University underawarded the student \$694 in federal Pell Grant assistance for which the student was eligible. That underaward was associated with award number P063P122301.

The University requires that students be enrolled in at least six hours each semester to make satisfactory academic progress toward a degree and be eligible to receive financial aid. The University has implemented a disbursement rule in its financial aid system that prevents disbursement to students who are enrolled in fewer than six hours for a semester. However, that policy contradicts federal requirements related to Pell Grant eligibility determination and does not meet federal requirements for a reasonable SAP policy. As a result, students enrolled in fewer than six course hours may not receive financial assistance for which they are eligible.

Additionally, for 11 (18 percent) of 60 students tested, the University did not determine the students' COA based on tuition and fees normally assessed for students carrying the same academic workload. Those students were enrolled in fewer than six hours in one or more semesters, and the University assigned them COA budgets that did not reflect their actual enrollment. Because the University does not disburse federal student financial assistance to students enrolled in fewer than six hours, it did not have correct COA budgets to assign to those students. Incorrectly calculating COA increases the risk that students may be overawarded or underawarded assistance.

Recommendation:

The University should revise its COA budgets to include a less-than-half-time enrollment category.

Views of Responsible Officials and Corrective Action Plan 2013:

Sam Houston State University acknowledges and agrees with the finding. As of August 2013, Pell was disbursed to all eligible students enrolled in less than half time for the 2012-2013 academic year. Management has modified disbursement rules to allow Pell disbursement for eligible students enrolled in less than half.

Management concurs with the State Auditor's Office (SAO) regarding the Satisfactory Academic Progress Policy (SAP). The SAP policy has been modified as of June 2013 to meet federal requirements for reasonableness. In the future, the Financial Aid and Scholarships Office will conduct an annual review of the policy.

Management recognizes the need for less than half time cost of attendance (COA) budgets. As indicated by the finding, Sam Houston State University identified all affected students and has taken corrective action as necessary. As of August 2013, COA budgets for less than half-time have been implemented. In the future, the Financial Aid and Scholarships Office will conduct an annual, secondary review of both the programmatic and business elements to ensure correct calculations.

2014 Update:

The University awarded federal Pell Grant funds to eligible part-time students and updated its SAP policy to meet federal requirements for reasonableness. The University also revised its COA budgets to include a less than half-time enrollment category; however, the less-than-half-time budgets include a component for personal/miscellaneous expenses which is not allowable per Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087 II (4).

Views of Responsible Officials and Corrective Action Plan 2014:

Corrective action taken concerning Pell eligible students. Software awarding and disbursement rules were modified to allow Pell awarding and disbursement for less than half time. Pell was paid to students enrolled in less than half time for Fall 2012, Spring 2013, and Summer 2013 terms.

Cost of Attendance budgets created for less than half time enrollment August 2013 and will be modified to comply with Federal Regulation for the 15-16 academic year.

Views of Responsible Officials and Corrective Action Plan 2015:

Cost of Attendance budgets modified to exclude component for personal/miscellaneous for less than half time enrollment for summer 2015 and 15-16 academic year.

Implementation Date: May 2015

Responsible Person: Lydia Hall

Texas A&M AgriLife Extension Service

Reference No. 2013-123

**Activities Allowed or Unallowed
Allowable Costs/Cost Principles**

CFDA 10.500 – Cooperative Extension Service
Award year – September 1, 2012 to August 31, 2013
Award number – 2012-41200-04400
Type of finding – Significant Deficiency and Non-Compliance

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

Initial Year Written:	2013
Status:	Implemented
U.S. Department of Agriculture	

The Extension Service did not have sufficient controls over change management testing and migration for its Time and Effort application. Specifically, for 2 (67 percent) of 3 changes to the Time and Effort application tested, the Extension Service did not maintain adequate documentation of its testing or final authorization prior to migrating those changes to the production environment. The Extension Service has general change management policies; however, it does not have specific procedures for change management related to the Time and Effort application. Additionally, the Extension Service did not adequately restrict developers' access to modify code in the production environment for the Time and Effort application.

Insufficient change management procedures or inadequate segregation of duties among developers increases the risk of unauthorized programming changes being made to critical information systems.

Corrective Action:

Corrective action was taken.

Reference No. 2013-126

Reporting

CFDA 10.500 - Cooperative Extension Service
Award years – September 1, 2011 to August 31, 2012 and June 1, 2011 to August 31, 2013
Award numbers – 2011-48679-31066 and 2011-41534-30982
Type of finding – Significant Deficiency and Non-Compliance

Federal Financial Reports (FFR) should include all receipts and expenditures of federal, state, and county appropriations and contributions from non-tax sources, for furtherance of extension work. Expenditures are considered to be cash disbursements and valid liquidated obligations chargeable to the reporting fiscal year (*Administrative Handbook for Cooperative Extension Work*, Chapter 3 Financial Operations, Section L(1) Annual Financial Report). When reports are required on an annual basis, they are due 90 days after the end of the grant or agreement period (Title 7, Code of Federal Regulations, Section 3015.82(d)).

Initial Year Written:	2013
Status:	Implemented
U.S. Department of Agriculture	

For 1 (11 percent) of 9 financial reports tested, the Texas A&M AgriLife Extension Service (Extension Service) did not ensure that the financial report included all activity in the reporting period and was supported by applicable accounting records. The Texas A&M System Sponsored Research Services (Sponsored Research Services), which prepared the financial report for the Extension Service, inaccurately reported cash disbursements for

the period as \$0 instead of \$9,999. Sponsored Research Services does not review financial reports to verify that they are accurate and supported by accounting records. Sponsored Research Services corrected and resubmitted the report after auditors identified the error.

Additionally, the Extension Service did not submit 2 (22 percent) of the 9 financial reports tested within the required time frame. Sponsored Research Services, which prepared and submitted the financial reports for the Extension Service, submitted those reports 356 days late and 382 days late. (One of those reports was the report also discussed above.) At the time those reports were due, Sponsored Research Services did not have a process to monitor the due dates of financial reports.

Inaccurate information in and late submission of financial reports increases the risk that federal agencies may not have accurate information to manage and monitor awards.

Corrective Action:

Corrective action was taken.

Texas A&M AgriLife Research

Reference No. 12-129

Period of Availability of Federal Funds

Research and Development Cluster

Award years – Multiple

Award numbers – Multiple

Type of finding – Significant Deficiency

When a funding period is specified, a recipient may charge to a grant only allowable costs resulting from obligations incurred during the funding period and any preaward costs authorized by the federal awarding agency (Title 2, Code of Federal Regulations, Section 215.28). Unless the federal awarding agency authorizes an extension, a recipient shall liquidate all obligations incurred under the award not later than 90 calendar days after the funding period or the date of completion as specified in the terms and conditions of the award or in agency implementing instructions (Title 2, Code of Federal Regulations, Section 215.71).

Initial Year Written: 2011
Status: Partially Implemented

Federal agencies that award R&D funds

Texas AgriLife Research's (AgriLife) contracts and grants procedures require AgriLife's contracts and grants office to review grant expenditures to ensure they do not occur after the grant funding period has ended. In addition, contracts and grants office staff are responsible for submitting closeout paperwork to sponsors, closing grant accounts in AgriLife's accounting system, and processing cost overruns or disallowed expenses against unit accounts within the 90-day closeout period.

AgriLife does not have a process to close grant accounts in the accounting system within the required 90-day closeout period. While AgriLife has written policies and procedures that set project closeout requirements, it does not adhere to those policies and procedures. Before grant accounts can be closed in the accounting system, contracts and grants office staff must process any cost overruns on the accounts. However, auditors identified multiple instances in which AgriLife did not process cost overruns within the required 90-day closeout period. AgriLife processed cost overruns between 178 days to more than 12 years following the end of the grant budget period. The average length of time between the end of the grant budget period and AgriLife's processing of cost overruns was 5 years.

Auditors did not identify any compliance errors related to period of availability of federal funds. However, not closing grant accounts in the accounting system in a timely manner could lead to obligations being incurred outside of the funding period. AgriLife relies on contracts and grants office staff to review monthly expenditure reports and identify charges outside of the funding period to ensure that those charges are not paid for with federal funds. If staff do not identify charges outside of the funding period, federal funds could be improperly spent, which could affect AgriLife's ability to obtain future grant funding.

Corrective Action:

This finding was reissued as current year reference number 2015-104.

Texas A&M Engineering Experiment Station

Reference No. 2013-127

**Activities Allowed or Unallowed
Allowable Costs/Cost Principles**

Research and Development Cluster

Award year – November 1, 2007 to October 31, 2013

Award number – CFDA 47.076, Education and Human Resources, HRD-0703290

Type of finding – Significant Deficiency and Non-Compliance

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

Initial Year Written:	2013
Status:	Implemented
National Science Foundation	

The Experiment Station did not have sufficient controls over change management testing and migration for its Time and Effort application.

Specifically, for 2 (67 percent) of 3 changes to the Time and Effort application tested, the Experiment Station did not maintain adequate documentation of its testing or final authorization prior to migrating those changes to the production environment. The Experiment Station’s change management policies require that documentation. Additionally, the Experiment Station did not adequately restrict developers’ access to modify code in the production environment for the Time and Effort application.

Insufficient change management procedures or inadequate segregation of duties among developers increases the risk of unauthorized programming changes being made to critical information systems.

Corrective Action:

Corrective action was taken.

Reference No. 2013-128

Reporting

Research and Development Cluster

Award years – December 1, 2009 to November 30, 2013; September 1, 2011 to April 30, 2013; August 1, 2011 to August 31, 2014; and March 15, 2011 to March 15, 2014

Award numbers – CFDA 12.300, Basic and Applied Scientific Research, N00014-10-1-0389; CFDA 81.049, Office of Science Financial Assistance Program, DE-SC0006885; CFDA 47.041, Engineering Grants, CMMI-1131758; and CFDA 12.630, Basic, Applied, and Advanced Research in Science and Engineering, HQ0147-11-C-6009

Type of finding – Significant Deficiency and Non-Compliance

Financial Reporting

Recipients are responsible for managing, monitoring, and reporting performance for each project, program, subaward, function, or activity supported by the award (Title 2, Code of Federal Regulations (CFR), Sections 215.51 and 215.52). Recipients use the Federal Financial Report SF-425 or the Request for Advance or Reimbursement SF-270 to report financial activity. The U.S. Office of Management and Budget provides specific instructions for completing the SF-425 and SF-270, including definitions and requirements of key reporting elements.

Initial Year Written:	2013
Status:	Partially Implemented
Office of Naval Research U.S. Department of Energy National Science Foundation Missile Defense Agency	

During fiscal year 2013, Texas A&M System Sponsored Research Services (Sponsored Research Services) prepared the financial reports for the Texas A&M Engineering Experiment Station (Experiment Station).

The Experiment Station did not ensure that its financial reports included all activity in the reporting period, were supported by applicable accounting records, and were fairly presented in accordance with program requirements. Specifically, for 2 (3 percent) of 60 reports tested, the reports did not accurately reflect award expenditures:

- For one SF-270 report, there was a formula error in the spreadsheet used to calculate program expenditures and cash draws to date. The formula double-counted a monthly draw; as a result, the SF-270 report was overstated by \$5,347.
- For one SF-425 report, Sponsored Research Services used a prior period's accounting system report; as a result, the SF-425 was understated by \$7,976.

The Experiment Station and Sponsored Research Services do not review financial reports after they are prepared to verify that the reports are accurate and supported by accounting system records. Unsupported and inaccurate information in financial reports increases the risk that federal agencies could rely on inaccurate information to manage and monitor its awards.

Recommendation:

The Experiment Station should ensure that its financial reports accurately include all activity in the reporting period and are supported by applicable accounting records.

Views of Responsible Officials and Corrective Action Plan 2013:

Texas A&M Engineering Experiment Station acknowledges and agrees with the finding. Sponsored Research Services (SRS) reviewed its internal procedures and implemented the following additional steps to ensure that financial reports are accurate:

- *When setting up a new spreadsheet for use in calculating data to be transferred to a financial report, the spreadsheet will be reviewed and verified for accuracy by a second SRS accountant before use.*
- *EPIK reports used to prepare financial reports will always be accessed utilizing the "Billing History by Billing Method" to ensure that all expenses are accurately reported.*
- *All financial reports will be reconciled to the accounting system for accuracy and signed by a second SRS accountant before submission.*

Views of Responsible Officials and Corrective Action Plan 2014:

Texas A&M Engineering Experiment Station and Texas A&M System Sponsored Research Services acknowledge and agree with the finding. An error on a financial report occurred when a required manual calculation was not accurately performed, resulting in an incorrect amount reported for the IDC base. Additional training has been provided to the secondary reviewer of the reports to ensure that calculation oversights are corrected before submission.

Views of Responsible Officials and Corrective Action Plan 2015:

The Total Federal Funds Authorized field reported an incorrect total as a result of incorrect information in the research administration system. The SRS accountant will review the awarded amounts recorded and work with the project administrator to ensure that the correct award amount is reported for current awards.

Processing new awards and new modifications will include a Quality Check in order to ensure that the correct total award amount is reflected in the system.

Implementation Date: January 2016

Responsible Persons: Diane Hassel and Katherine Kissmann

Texas A&M Forest Service

Reference No. 2013-132

Cash Management

CFDA 97.046 - Fire Management Assistance Grant

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

A state must minimize the time between the drawdown of federal funds from the federal government and their disbursement for federal program purposes. The timing and amount of funds transfers must be as close as is administratively feasible to a state's actual cash outlay (Title 31, Code of Federal Regulations (CFR), Section 205.33).

Initial Year Written:	2013
Status:	Implemented
U.S. Department of Homeland Security – Federal Emergency Management Agency	

Additionally, the state’s financial management systems must include written procedures to minimize the time elapsing between the transfer of funds to the recipient from the U.S. Treasury and the issuance or redemption of checks, warrants, or payments by other means for program purposes by the recipient (Title 2, CFR, Section 215.21(b)(5)).

For 26 (81 percent) of 32 transactions tested, the Texas A&M Forest Service (Forest Service) did not minimize the time between its drawdowns of federal funds and disbursement of those funds. The Forest Service disbursed funds between 29 and 151 days after it received funds. That occurred because the Forest Service does not have controls to minimize the time between its drawdowns of federal funds and disbursement of those funds. The Forest Service used those funds to pay five federal agencies for fire-related services. The Forest Service’s practice is to pay those agencies after it receives sufficient federal funds to pay the invoices in full, which results in a delay between drawdown and disbursement. For the Fire Management Assistance Grant program, the Forest Service earned an estimated \$17,802 in interest on advances of federal funds during fiscal year 2013, and it remitted that amount to U.S. Treasury in September 2013.

Additionally, the Forest Service does not have a process to review the invoicing package that it uses to support its requests for federal funds. Program staff prepare that package, but no other Forest Service staff review that package prior to submission to ensure that requests for federal funds are adequately supported. Although auditors did not identify compliance errors associated with the invoicing packages, a lack of review increases the risk that errors in the request for funds could go undetected.

The issues noted above affected the following Fire Management Assistance Grant program awards:

Disaster Number	Award Number	Disaster Declaration Date
2867	2867FMTXP00000001	March 11, 2011
2870	2870FMTXP00000001	March 12, 2011
2881	2881FMTXP00000001	April 3, 2011
2882	2882FMTXP00000001	April 5, 2011
2884	2884FMTXP00000001	April 9, 2011
2885	2885FMTXP00000001	April 9, 2011
2886	2886FMTXP00000001	April 9, 2011
2888	2888FMTXP00000001	April 15, 2011
2889	2889FMTXP00000001	April 15, 2011
2891	2891FMTXP00000001	April 15, 2011
2892	2892FMTXP00000001	April 15, 2011
2894	2894FMTXP00000001	April 16, 2011
2896	2896FMTXP00000001	April 17, 2011

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<u>Disaster Number</u>	<u>Award Number</u>	<u>Disaster Declaration Date</u>
2898	2898FMTXP00000001	April 17, 2011
2901	2901FMTXP00000001	April 27, 2011
2903	2903FMTXP00000001	April 29, 2011
2904	2904FMTXP00000001	April 30, 2011
2905	2905FMTXP00000001	April 30, 2011
2906	2906FMTXP00000001	May 8, 2011
2908	2908FMTXP00000001	May 9, 2011
2910	2910FMTXP00000001	May 24, 2011
2911	2911FMTXP00000001	May 29, 2011
2912	2912FMTXP00000001	May 29, 2011
2913	2913FMTXP00000001	May 29, 2011
2914	2914FMTXP00000001	June 2, 2011
2916	2916FMTXP00000001	June 3, 2011
2922	2922FMTXP00000001	June 16, 2011
2924	2924FMTXP00000001	June 17, 2011
2925	2925FMTXP00000001	June 18, 2011
2926	2926FMTXP00000001	June 18, 2011
2927	2927FMTXP00000001	June 20, 2011
2928	2928FMTXP00000001	June 20, 2011
2929	2929FMTXP00000001	June 20, 2011
2930	2930FMTXP00000001	June 21, 2011
2931	2931FMTXP00000001	June 21, 2011
2937	2937FMTXP00000001	July 11, 2011
2949	2949FMTXP00000001	August 15, 2011
2952	2952FMTXP00000001	August 30, 2011
2958	2958FMTXP00000001	September 4, 2011
2959	2959FMTXP00000001	September 5, 2011
2960	2960FMTXP00000001	September 5, 2011
2962	2962FMTXP00000001	September 6, 2011
2964	2964FMTXP00000001	September 6, 2011
2965	2965FMTXP00000001	September 6, 2011
2967	2967FMTXP00000001	September 8, 2011
2968	2968FMTXP00000001	September 9, 2011

Corrective Action:

Corrective action was taken.

Texas A&M Health Science Center

Reference No. 2013-133

**Activities Allowed or Unallowed
Allowable Costs/Cost Principles**

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

Payroll Expenditures

The method of payroll distribution used by entities that receive federal awards must recognize the principle of after-the-fact confirmation or determination so that costs distributed represent actual costs, unless a mutually satisfactory alternative agreement is reached. Direct cost activities and facilities and administrative cost activities may be confirmed by responsible persons with suitable means of verification that the work was performed. Additionally, for professorial and professional staff, activity reports must be prepared each academic term, but no less frequently than every six months (Title 2, CFR, Section 220, Appendix A (J)(10)).

Initial Year Written:	2013
Status:	Implemented
U.S. Department of Defense U.S. Department of Health and Human Services	

For 5 (8 percent) of 60 payroll transactions tested, the Health Science Center did not have certified time and effort reports. According to the Health Science Center’s policy, employees must certify their time and effort reports within 45 days after they are released to principal investigators for certification. The outstanding time and effort reports were certified after auditors brought the errors to the Health Science Center’s attention; therefore, there were no questioned costs. However, the time and effort reports were submitted between 34 and 70 days late. A prolonged elapsed time between activity and certification of the activity can decrease the accuracy of reporting and increase the time between payroll distribution and any required adjustments to that distribution. The Health Science Center notifies employees when their time and effort certifications are late; however, it does not actively monitor outstanding time and effort reports to ensure they are completed. The award number and years associated with this issue are listed below.

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

The Health Science Center did not have sufficient controls over change management testing and migration for its Time and Effort application. Specifically, for 2 (67 percent) of 3 changes to the Time and Effort application tested, the Health Science Center did not maintain adequate documentation of its testing or final authorization prior to migrating those changes to the production environment. The Texas A&M University System’s change management policies, which govern the Health Science Center’s change management practices, require that documentation. Additionally, the Health Science Center did not adequately restrict developers’ access to modify code in the production environment for the Time and Effort application.

Insufficient change management procedures or inadequate segregation of duties among developers increases the risk of unauthorized programming changes being made to critical information systems.

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The following awards were affected by the issue discussed above in which the Health Science Center did not obtain certified time and effort reports in a timely manner:

CFDA No.	CFDA Title	Award Number	Award Year
93.855	Allergy, Immunology and Transplantation Research	7R01AI098984-02	March 1, 2013 to June 30, 2014
12.351	Basic Scientific Research - Combating Weapons of Mass Destruction	HDTRA 1-13-1-0003	October 22, 2012 to October 28, 2015
93.837	Cardiovascular Diseases Research	7R01HL102314-03	July 1, 2012 to April 30, 2014
93.121	Oral Diseases and Disorders Research	R22091	December 1, 2011 to November 30, 2013
93.837	Cardiovascular Diseases Research	7R01HL102314-03	July 1, 2012 to April 30, 2014

Corrective Action:

Corrective action was taken.

Reference No. 2013-134

Cash Management

Research and Development Cluster

Research and Development Cluster - ARRA

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

A state must minimize the time between the drawdown of federal funds from the federal government and their disbursement for federal program purposes. The timing and amount of funds transfers must be as close as is administratively feasible to a state’s actual cash outlay for direct program costs and the proportionate share of any allowable indirect costs (Title 31, Code of Federal Regulations, Section 205.33(a)). To minimize the time between drawdown of federal funds and disbursement, the Texas A&M Health Science Center (Health Science Center) operates on a reimbursement basis under which it bases its drawdowns of federal funds only on expended amounts.

Initial Year Written:	2013
Status:	Implemented
U.S. Department of Health and Human Services	

The Health Science Center did not consistently ensure that it drew down the correct amounts of federal funds and, therefore, did not consistently minimize the time between drawdown and disbursement. Specifically:

- For 1 (4 percent) of 28 drawdowns tested, the Health Science Center based the draw request on a report that it used for the previous draw request. However, because the Health Science Center did not refresh its report query, it based the draw amount on a report that was 12 days old and included expenditures for which it had previously drawn funds. The total amount of the draw was \$465,257. The Health Science Center identified and corrected the error during the subsequent draw one week later. However, for a portion of the time between the draws, the Health Science Center had overdrawn federal funds. The potential interest obligation resulting from the inaccurate draw was less than the threshold for remitting interest to the federal government; therefore, there were no questioned costs.

TEXAS A&M HEALTH SCIENCE CENTER

- For 3 (11 percent) of 28 drawdowns tested, the Health Science Center included invalid expenditures in the draw. Those three draws each contained an award that exceeded its approved budget; therefore, the Health Science Center should not have drawn funds on those awards. For two of those draws, which were associated with the same award, the Health Science Center drew \$7,474 more than the approved budget for the award. For the other draw, the Health Science Center drew \$51,289 more than the approved budget for that award. The Health Science Center subsequently removed the overbudget amount from one award and later received additional funding for the other award; therefore there were no questioned costs.

The Health Science Center’s policy requires a multiple-level review and approval of each cash draw. However that review did not identify the errors noted above. Additionally, the Health Science Center has written policies and procedures for its cash draws, but those policies do not address any adjustments that the Health Science Center should make prior to submitting draw requests.

The following awards were affected by the issue discussed above in which the Health Science Center based a draw request on a report that it used for the previous draw request:

CFDA No.	CFDA Title	Award Number	Award Year
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	7R01NS05478006	July 1, 2011 to December 31, 2012
93.837	Cardiovascular Diseases Research	7R01HL068838-07	December 1, 2011 to November 30, 2013
93.837	Cardiovascular Diseases Research	7R01HL068838-07	December 1, 2011 to November 30, 2013
93.837	Cardiovascular Diseases Research	7R01HL068838-07	December 1, 2011 to November 30, 2013
93.837	Cardiovascular Diseases Research	7R01HL068838-07	December 1, 2011 to November 30, 2013
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	7R01AR044415-13	December 1, 2011 to November 30, 2013
93.855	Allergy, Immunology and Transplantation Research	7R03AI09215302	December 1, 2011 to November 30, 2013
93.121	Oral Diseases and Disorders Research	7R01DE019471-04	December 1, 2011 to November 30, 2013
93.701	Trans-NIH Recovery Act Research Support	7RC2ES018789-03	September 1, 2011 to July 31, 2013
93.113	Environmental Health	7R01ES008263-14	September 1, 2011 to February 28, 2014
93.701	Trans-NIH Recovery Act Research Support	3R01ES008263-14S1	September 1, 2011 to August 31, 2012
93.113	Environmental Health	7R21ES020055-02	January 25, 2012 to May 31, 2013

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CFDA No.	CFDA Title	Award Number	Award Year
93.867	Vision Research	7R01EY01842005	January 1, 2012 to December 31, 2013
93.396	Cancer Biology Research	7R01CA134731-03	January 1, 2012 to December 31, 2013
93.865	Child Health and Human Development Extramural Research	1R21HD06884101A1	January 1, 2013 to December 31, 2013
93.173	Research Related to Deafness and Communication Disorders	7R01DC009014-05	March 1, 2012 to February 28, 2014
93.837	Cardiovascular Diseases Research	5R01HL095786-04	February 1, 2012 to January 31, 2014
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	5R03NS07114102	February 1, 2012 to January 31, 2014
93.396	Cancer Biology Research	7R01CA096824-09	February 1, 2012 to January 31, 2014
93.173	Research Related to Deafness and Communication Disorders	7R01DC005606-10	April 1, 2012 to March 31, 2014
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	5R01NS065842-03	April 1, 2012 to August 1, 2012
93.121	Oral Diseases and Disorders Research	7R01DE18885-04	April 1, 2012 to March 31, 2013
93.855	Allergy, Immunology and Transplantation Research	5R21AI095935	March 7, 2012 to February 28, 2014
93.866	Aging Research	7R01AG04136002	April 15, 2012 to March 31, 2014
93.855	Allergy, Immunology and Transplantation Research	7R01AI042345	April 1, 2012 to March 31, 2014
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	1R01DK095118-01	May 1, 2012 to April 30, 2014
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	7R01DK082435-03	May 1, 2012 to April 30, 2014

TEXAS A&M HEALTH SCIENCE CENTER

CFDA No.	CFDA Title	Award Number	Award Year
93.837	Cardiovascular Diseases Research	7K02HL098956-03	June 1, 2012 to May 31, 2014
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	5K01DK081661-05	June 1, 2012 to May 31, 2014
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	7R01S07489503	June 3, 2012 to May 31, 2014
93.396	Cancer Biology Research	7R01CA142862-03	June 1, 2012 to May 31, 2014
93.859	Biomedical Research and Research Training	7R01GM08406204	June 1, 2012 to May 31, 2014
93.213	Research and Training in Complementary and Alternative Medicine	7R21AT00625603	December 1, 2011 to September 29, 2013
93.121	Oral Diseases and Disorders Research	7R01DE00509235	July 1, 2012 to June 30, 2014
93.351	Research Infrastructure Programs	7P40OD011050-10	June 1, 2012 to June 14, 2013
93.121	Oral Diseases and Disorders Research	7R01DE018486-05	July 1, 2012 to June 30, 2014
93.855	Allergy, Immunology and Transplantation Research	1R21AI101740-02	July 1, 2012 to June 30, 2014
93.855	Allergy, Immunology and Transplantation Research	7U01AI082226-04	July 1, 2012 to June 30, 2013
93.837	Cardiovascular Diseases Research	7R01HL102314-03	July 1, 2012 to April 30, 2014
93.262	Occupational Safety and Health Program	2T03OH00410-04	July 1, 2012 to June 30, 2013
93.307	Minority Health and Health Disparities Research	7R01MD006228-03	July 4, 2012 to November 30, 2013
93.157	Centers of Excellence	D34HP24458	July 1, 2012 to June 30, 2013
93.837	Cardiovascular Diseases Research	5R21HL115463-02	July 10, 2012 to April 30, 2014
93.121	Oral Diseases and Disorders Research	1R01DE022975-01	July 11, 2012 to June 30, 2014

TEXAS A&M HEALTH SCIENCE CENTER

CFDA No.	CFDA Title	Award Number	Award Year
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	7R01DK062975-06	August 1, 2012 to July 31, 2014
93.866	Aging Research	7R01AG030578-05	August 1, 2012 to July 31, 2014
93.121	Oral Diseases and Disorders Research	7T32DE01838005	July 1, 2012 to June 30, 2014
93.856	Microbiology and Infectious Diseases Research	7R01AI20624-29	September 1, 2012 to August 31, 2014
93.855	Allergy, Immunology and Transplantation Research	1R56AI97372-01	August 1, 2012 to January 31, 2014
93.855	Allergy, Immunology and Transplantation Research	1R01AI095293-01A1	August 3, 2012 to July 31, 2014
93.837	Cardiovascular Diseases Research	1K08HL11487701	July 1, 2012 to June 30, 2014
93.855	Allergy, Immunology and Transplantation Research	7R01AI083646-04	September 1, 2012 to August 31, 2014
93.121	Oral Diseases and Disorders Research	7R03DE021773-02	September 1, 2012 to August 31, 2014
93.866	Aging Research	7R01AG042189-02	September 1, 2012 to May 31, 2014
93.273	Alcohol Research Programs	7R01AA013440-10	September 1, 2012 to August 31, 2014
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	5R21NS077177-02	September 1, 2012 to July 31, 2014
93.837	Cardiovascular Diseases Research	7R01HL096552-04	August 1, 2012 to July 31, 2014
93.837	Cardiovascular Diseases Research	7R01HL090817-04	August 1, 2012 to July 31, 2014
93.855	Allergy, Immunology and Transplantation Research	5R21AI095788-02	September 13, 2012 to August 31, 2014
93.121	Oral Diseases and Disorders Research	1R01DE02212901A1	August 15, 2012 to July 31, 2014

TEXAS A&M HEALTH SCIENCE CENTER

The following awards were affected by the issue discussed above in the Health Science Center included invalid expenditures in draw requests:

<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>
93.701	Trans-NIH Recovery Act Research Support	7RC2ES018789-03	September 1, 2011 to August 31, 2012
93.396	Cancer Biology Research	7RO1CA143811-03	January 1, 2012 to December 31, 2013

Corrective Action:

Corrective action was taken.

Reference No. 2013-135

Period of Availability of Federal Funds

Research and Development Cluster

Award years – November 1, 2011 to July 30, 2012 and September 30, 2011 to November 13, 2012

Award numbers – CFDA 93.262, Occupational Safety and Health Program, 12-174-395071 and CFDA 93.061, Innovations in Applied Public Health Research, 1R43DP003339

Type of finding – Significant Deficiency and Non-Compliance

When a funding period is specified, a recipient may charge to a grant only allowable costs resulting from obligations incurred during the funding period and any preaward costs authorized by the federal awarding agency (Title 2, Code of Federal Regulations (CFR), Section 215.28). Unless the federal awarding agency authorizes an extension, a recipient shall liquidate all obligations incurred under the award not later than 90 calendar days after the funding period or the date of completion as specified in the terms and conditions of the award or in agency implementing instructions (Title 2, CFR, Section 215.71).

Initial Year Written: 2013
 Status: Partially Implemented

 U.S. Department of Health and Human Services

The Texas A&M Health Science Center (Health Science Center) did not always incur costs within the period of availability and did not always liquidate its obligations within the required time period. Specifically:

- For 1 (11 percent) of 9 transactions tested that were recorded after the end of the award period of availability, the Health Science Center did not incur the cost within the funding period. The Health Science Center incurred the \$264 cost associated with that transaction 157 days after the end of the funding period. The Health Science Center later reversed the charge to CFDA 93.262 award number 12-174-395071 and refunded the sponsor; therefore, there were no questioned costs associated with that error.
- For an additional transaction tested, the Health Science Center did not liquidate the obligation within 90 days after the end of the funding period. The Health Science Center liquidated the \$1,800 obligation 120 days after the end of the funding period, but it did not request an extension or make the sponsor aware of additional outstanding charges for CFDA 93.061 award number 1R43DP003339.

The Health Science Center’s internal policy requires review and approval of all vouchers by Texas A&M System Sponsored Research Services. However, that review did not identify the errors discussed above.

Recommendation:

The Health Science Center should ensure that all costs it charges to federal awards are incurred within the period of availability and liquidated within required time frames.

Views of Responsible Officials and Corrective Action Plan 2013:

The Texas A&M Health Science Center and Texas A&M Sponsored Research Services acknowledge and agree with the finding. Texas A&M System Sponsored Research Services has implemented a procedure which provides for the close out of federal projects within 90 days of the project termination date. This procedure includes liquidation of all outstanding obligations and the final invoice or financial report submission to the sponsor within 90 days.

Views of Responsible Officials and Corrective Action Plan 2014:

Texas A&M System Sponsored Research Services has implemented a procedure which provides for the close out of federal projects within 90 days of the project termination date. This procedure includes liquidation of all outstanding obligations and the final invoice or financial report submission to the sponsor within 90 days. The Health Science Center and Texas A&M System Sponsored Research Services will continue to train staff and principal investigators regarding the closeout of federal projects within 90 days of the project termination date.

Views of Responsible Officials and Corrective Action Plan 2015:

Texas A&M System Sponsored Research Services has implemented a procedure which provides for the close out of federal projects within the time specified by the sponsor. This procedure includes liquidation of all outstanding obligations and the final invoice or financial report submission to the sponsor. The Health Science Center and Texas A&M System Sponsored Research Services will continue to train staff and principal investigators regarding the closeout of federal projects per sponsor requirements. The exceptions identified in the follow up review were fixed price federal flow-through projects which we believe are low risk.

Implementation Date: January 2016

Responsible Person: Michele Lacy

Texas A&M International University

Reference No. 2014-114

Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.268, Federal Direct Student Loans, P268K143216; CFDA 84.063, Federal Pell Grant Program, P063P133216; CFDA 84.033, Federal Work-Study Program, P033A134137; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grant, P379T143216; and CFDA 84.007, Federal Supplemental Educational Opportunity Grant, P007A134137

Type of finding – Significant Deficiency and Non-Compliance

Cost of Attendance

The determination of the federal student financial assistance award amount is based on financial need. Financial need is defined as a student’s cost of attendance (COA) minus the expected family contribution (EFC) (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087kk). The phrase “cost of attendance” refers to the “tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study.” An institution may also include an allowance for books, supplies, transportation, miscellaneous personal expenses, and room and board (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087II).

Initial Year Written:	2014
Status:	Implemented
U.S. Department of Education	

For Title IV programs, the EFC is the amount a student and his or her family are expected to pay for educational expenses and is computed by the federal central processor and included on the student’s Institutional Student Information Record (ISIR) provided to the institution. Awards must be coordinated among the various programs and with other federal and non-federal assistance to ensure that total assistance is not awarded in excess of the student’s financial need (Title 34, Code of Federal Regulations (CFR), Sections 668.2 and 673.5).

A full-time student is defined as an enrolled student who is carrying a full-time academic workload, as determined by the institution, under a standard applicable to all students enrolled in a particular educational program. For an undergraduate student, an institution’s minimum standard must equal or exceed 12 semester hours. A half-time student is defined as an enrolled student who is carrying a half-time academic workload, as determined by the institution, which amounts to at least half of the workload of the applicable minimum requirement outlined in the definition of a full-time student (Title 34, CFR, Section 668.2).

Texas A&M International University (University) established different COA budgets for students based on living status (at home, off campus, and on campus) and term enrollment (full-time, three-quarter time, half-time, and less than half-time). The University’s financial aid system budgets students based on enrollment as of the Fall semester census date for the Fall and Spring semesters. The University calculates Summer semester budgets manually based on hours provided in each student’s application for Summer semester financial aid.

For 7 (12 percent) of 60 students tested, the University calculated COA incorrectly. Specifically, the University did not adjust COA budgets based on actual enrollment for the Spring semester. The University’s financial aid system updates the Fall semester budget based on actual enrollment information as of the Fall semester census date, but it does not update the Spring semester budget based on the Spring semester census date enrollment information. As a result, the University overawarded one of those seven students \$469 associated with CFDA 84.268, Federal Direct Student Loans, award number P268K143216. The Summer semester award process is manual, and it is not affected by the system limitations.

Incorrectly calculating COA increases the risk that the University will overaward or underaward financial assistance to students.

Pell Grant Awards

For the federal Pell Grant program, institutions use the payment and disbursement schedules provided each year by the U.S. Department of Education for determining award amounts (Title 34, CFR, Section 690.62). Those schedules provide the maximum annual amount a student would receive for a full academic year for a given enrollment status, EFC, and COA. There are separate schedules for full-time, three-quarter-time, half-time, and less-than-half-time students (U.S. Department of Education *2013-2014 Federal Student Aid Handbook*).

For 1 (2 percent) of 50 students tested who received Pell Grants, the University awarded the student an amount that was less than the amount the student was eligible to receive. Specifically, the University underawarded the student \$499 in Pell Grant assistance associated with award P063P133216. That occurred because the University's student financial aid system did not recalculate the Pell award when the student registered for additional hours (those hours were added manually and resulted in a change to the student's enrollment status).

Corrective Action:

Corrective action was taken.

Texas A&M University

Reference No. 2014-115

Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award number – CFDA 84.379, Teacher Assistance for College and Higher Education Grants, P379T145286

Type of finding – Significant Deficiency and Non-Compliance

A student who is a current teacher and who has submitted a completed application and meets the requirements of Title 34, Code of Federal Regulations (CFR), Part 668, Subpart C, is eligible to receive a Teacher Assistance for College and Higher Education (TEACH) grant if the student has a signed agreement to serve as required under Title 34, CFR, Section 686.12; is a current teacher or retiree who is applying for a grant to obtain a master's degree or is or was a teacher who is pursuing certification through a high-quality alternative certification route; and is enrolled in a TEACH grant-eligible institution in a TEACH grant-eligible program during the period required for the completion of a master's program (Title 34, CFR, Section 686.11(b)).

Initial Year Written: 2014
Status: Implemented

U.S. Department of Education

Texas A&M University (University) awarded TEACH grant funds to one student who was not eligible for those funds. The University manually disbursed TEACH grant funds to that student because the student was teaching in a high-need field and enrolled in a master's degree program. However, that program was not a TEACH grant-eligible program. The University's financial aid system maintains a list of TEACH grant-eligible programs and compares a student's enrolled degree program to the list before disbursement; however, the University does not have a control to prevent disbursement if it manually disburses a TEACH grant to an ineligible student. The University disbursed a total of \$3,964 in TEACH grant funds to that student. After auditors brought the error to its attention, the University provided documentation showing that the student returned the funds; therefore, there were no questioned costs. All 209 other students who received TEACH grants were enrolled in TEACH grant-eligible programs.

Corrective Action:

Corrective action was taken.

Texas A&M University - Commerce

Reference No. 2013-141

Eligibility

Special Tests and Provisions – Verification

Student Financial Assistance Cluster

Award year – July 1, 2012 to June 30, 2013

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A124016; CFDA 84.063, Federal Pell Grant Program, P063P130384; CFDA 84.268, Federal Direct Student Loans, P268K130384; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T130384; CFDA 84.033, Federal Work Study Program, P033A124016; and CFDA 84.038, Federal Perkins Loan Program - Federal Capital Contributions, Award Number Not Applicable

Type of finding – Significant Deficiency

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

Initial Year Written:	2013
Status:	Implemented
U.S. Department of Education	

Texas A&M University - Commerce (University) did not have sufficient change management controls for its student financial aid system, Banner. For all five system changes that auditors tested, the University did not have sufficient documentation supporting that (1) the changes were properly tested and authorized prior to being migrated to the production environment or (2) the changes were migrated to the production environment by authorized personnel. That increases the risk of unauthorized programming changes being made to critical information systems.

The University also did not consistently maintain appropriate administrator-level access. Specifically, one employee who was responsible for making programming changes for Banner had inappropriate access to the Banner production database. After auditors brought this to the University’s attention, the University removed the inappropriate access. Allowing users inappropriate or excessive access increases the risk of inappropriate changes to systems and does not allow for proper segregation of duties.

University management asserted that it reviews user access at the database level every six months; however, it does not document that review. The University also did not have a process to periodically review user access on application or server user accounts. This is not in compliance with the University’s user account management policy, which requires data owners to review access privileges to information resources at least biannually and for those reviews to be documented.

Although the general control weaknesses described above apply to eligibility and special tests and provisions – verification, auditors identified no compliance issues regarding those compliance requirements.

Corrective Action:

Corrective action was taken.

Texas A&M University – Corpus Christi

Reference No. 2014-116

**Activities Allowed or Unallowed
Allowable Costs/Cost Principles**

**Research and Development Cluster
Research and Development Cluster - ARRA
Award years – Multiple
Award numbers – Multiple
Type of finding – Significant Deficiency**

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

Initial Year Written:	2014
Status:	Implemented
Federal agencies that award R&D funds	

Texas A&M University – Corpus Christi (University) follows Texas A&M University System (System) policies, in addition to its supplemental University policy. The System policy requires system administrators or designated staff to have a documented process for periodically reviewing existing user access accounts for validity. The System’s *Administrator and Special Access Policy* also requires departments to maintain a list of personnel who have administrator or special access accounts for departmental information resource systems. That list must be reviewed at least annually by the appropriate department head, director, or a designee.

The University did not maintain adequate user access over its Electronic Time and Effort System or its TimeTraq application, which it uses to track time and effort for exempt and non-exempt University employees, respectively. Specifically:

- One user had domain administrator-level access at the network and server levels for the Electronic Time and Effort System and the TimeTraq application. That access did not align with the employee’s job duties.
- One user had both server-level access to deploy Web applications and development responsibilities for the Electronic Time and Effort System and the TimeTraq application.
- Two users had system administrator roles for support of the TimeTraq application when they no longer performed those duties.
- Two developers for the Electronic Time and Effort System had access to migrate their own code into the production environment.

The University did not conduct periodic reviews of the TimeTraq application or the Electronic Time and Effort System at any level to ensure that access was appropriate for users’ job duties, as required by policy.

Not maintaining appropriate access increases the risk of unauthorized access to or modification of data.

Corrective Action:

Corrective action was taken.

Reference No. 2014-117

Reporting

Research and Development Cluster

Award years – September 1, 2012 to August 31, 2015; July 26, 2012 to August 31, 2014; September 30, 2012 to March 18, 2015; and September 25, 2013 to March 31, 2014

Award numbers – CFDA 10.318, Women and Minorities in Science, Technology, Engineering, and Mathematics Fields, 2012-38503-20278; CFDA 10.652, Forestry Research, 12-DG-11330101-096; CFDA 12.630, Monitor, Analysis, and Interpretation of Hydrodynamic and Sediment Transport System, W912HZ-12-C-0066; and CFDA 93.310, Trans-NIH Research Support, 1P20MD008690-01

Type of finding – Significant Deficiency and Non-Compliance

Financial Reporting

Recipients are responsible for managing, monitoring, and reporting performance for each project, program, subaward, function, or activity supported by the award (Title 2, Code of Federal Regulations (CFR), Sections 215.51 and 215.52). Recipients use the Federal Financial Report Standard Form 425 (SF-425) or the Request for Advance or Reimbursement Standard Form 270 (SF-270) to report financial activity. The U.S. Office of Management and Budget provides specific instructions for completing the SF-425 and SF-270, including definitions and requirements of key reporting elements.

Initial Year Written: 2014
Status: Partially Implemented

U.S. Department of Agriculture
U.S. Department of Defense
U.S. Department of Health and Human Services

Texas A&M University – Corpus Christi (University) did not always ensure that it submitted financial reports or that the reports it submitted were accurate and complete. Specifically, the University did not submit the SF-425 for 1 (14 percent) of 7 financial reports tested. That occurred because the University did not have an internal process for tracking financial report due dates.

In addition, the University did not ensure that 1 (17 percent) of the 6 remaining SF-425s tested was accurate. For the cash receipts amount on that SF-425, the University reported total expenditures instead of the actual cash received from the sponsor. The University included a receivable in the cash receipts amount that was not identified during the review and approval process. As a result, it overstated the cash receipts and the cash on hand amounts in that report by \$815. In addition, the University did not document its review and approval of another financial report tested; however, the information in that report was accurate.

Inaccurate information in financial reports increases the risk that federal agencies could rely on inaccurate information to manage and monitor awards.

Recommendation:

The University should strengthen controls to ensure that the federal financial reports it submits are complete and accurate.

Views of Responsible Officials and Corrective Action Plan 2014:

Texas A&M University-Corpus Christi acknowledges and agrees with the findings that it did not always ensure that it submitted financial reports or that the reports it submitted were accurate and complete. The Office of Sponsored Research Administration reviewed its internal procedures and has implemented the following additional steps to strengthen controls and assure that reports are complete, accurate and submitted in a timely manner:

- *Supervisory review of financial reports is performed to assure accuracy and completeness of data and information included in the reports.*
- *Implementation of Maestro Project Module, a sponsored research administration system, which allows to monitor and analyze award and research expenditure activity. The system utilizes a notification functionality that creates reminders to the assigned responsible person when financial reports are due and assures timely submission of required reporting.*

Views of Responsible Officials and Corrective Action Plan 2015:

Texas A&M University-Corpus Christi acknowledges and agrees with the findings that it did not always ensure that it submitted financial reports or that the reports it submitted were accurate and complete. The Office of Sponsored Research Administration reviewed its internal procedures and has implemented the following additional steps to strengthen controls and assure that reports are complete, accurate and submitted in a timely manner:

- *Supervisory review of financial reports is performed to assure accuracy and completeness of data and information included in the reports.*
- *The Maestro Project Module, a sponsored research administration system, utilizes a notification functionality that creates reminders to the assigned responsible person when financial reports are due and assures timely submission of required reporting and a final copy is uploaded to Maestro. The office is currently conducting a comprehensive review of all active projects to ensure that notification reminders are activated and updated in the system.*

Implementation Date: August 2016

Responsible Person: Mayra A. Hough

Federal Funding Accountability and Transparency Act Reporting

The Federal Funding Accountability and Transparency Act (Transparency Act) requires prime recipients of federal awards made on or after October 1, 2010, to capture and report subaward and executive compensation data regarding first-tier subawards that exceed \$25,000. Prime recipients are to report subaward information no later than the end of the month following the month in which the obligation was made (Title 2, CFR, Chapter 170).

The University did not always submit Transparency Act reports in a timely manner. Specifically, the University did not submit 2 (67 percent) of 3 Transparency Act reports tested by the last day of the month following the month in which the subaward obligations were made. The University submitted both reports one month late due to a manual error. While the University uses a spreadsheet to track Transparency Act reports, it does not have a review and approval process to ensure that reports are complete and accurate and that it submits reports in a timely manner.

Not reporting subaward information within the required time frames decreases the reliability and availability of information to the awarding agency and other users of that information.

Corrective Action:

Corrective action was taken.

Texas A&M University - Kingsville

Reference No. 2014-118

Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A134135; CFDA 84.033, Federal Work-Study Program, P033A134135; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P132325; and CFDA 84.268, Federal Direct Student Loans, P268K142325

Type of finding – Significant Deficiency and Non-Compliance

Cost of Attendance

The determination of the federal student financial assistance award amount is based on financial need. Financial need is defined as a student’s cost of attendance (COA) minus the expected family contribution (EFC) (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087kk). The phrase “cost of attendance” refers to the “tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study.” An institution may also include an allowance for books, supplies, transportation, miscellaneous personal expenses, and room and board (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087ll).

Initial Year Written:	2014
Status:	Partially Implemented
U.S. Department of Education	

For Title IV programs, the EFC is the amount a student and his or her family are expected to pay for educational expenses and is computed by the federal central processor and included on the student’s Institutional Student Information Record (ISIR) provided to the institution. Awards must be coordinated among the various programs and with other federal and non-federal assistance to ensure that total assistance is not awarded in excess of the student’s financial need (Title 34, Code of Federal Regulations (CFR), Sections 668.2 and 673.5).

A full-time student is defined as an enrolled student who is carrying a full-time academic workload, as determined by the institution, under a standard applicable to all students enrolled in a particular educational program. For an undergraduate student, an institution’s minimum standard must equal or exceed 12 semester hours. A half-time student is defined as an enrolled student who is carrying a half-time workload, as determined by the institution, which amounts to at least half of the workload of the applicable minimum requirement outlined in the definition of a full-time student (Title 34, CFR, Section 668.2).

Texas A&M University - Kingsville (University) administers student financial assistance for Texas A&M University - San Antonio. The University uses its financial aid system to calculate the COA for all students at both the Kingsville and San Antonio campuses.

For 9 (15 percent) of 60 of students tested, the University incorrectly calculated COA. Those errors occurred because the University set up specific budget groups incorrectly in the financial aid system. Specifically:

- When establishing budgets in the system for the 2013-2014 financial aid year, the University used budget information from the 2011-2012 financial aid year for certain budget groups. That affected all students who were enrolled in Texas A&M University - San Antonio for a Fall and/or Spring semester and a Summer semester. Seven students tested were affected by that issue.
- The University did not accurately establish budgets in the system for students enrolled at Texas A&M University – Kingsville who had mixed enrollment (full-time enrollment for one term and less than full-time enrollment for one term) for the 2013-2014 aid year. The University asserted that issue affected all students assigned to a mixed enrollment budget in the 2013-2014 aid year. Two students tested were affected by that issue.

Auditors were not able to quantify the total number of students affected by the budgeting errors. While the errors did not result in overawards for the nine students discussed above, they increase the risk of overawarding or underawarding financial assistance to students.

Recommendation:

The University should correctly update and maintain COA budgets within the financial aid system to ensure that it uses the correct budgets in the COA calculation.

Views of Responsible Officials and Corrective Action Plan 2014:

Management agrees with the recommendations to ensure correct budgets are utilized. The university process is updated to review and maintain budgets in the financial aid system (Banner) prior to each processing cycle (fall/spring and summer) to ensure the accuracy of COA calculations.

Views of Responsible Officials and Corrective Action Plan 2015:

- *Created an excel spread sheet to extract all cost of attendance budgets utilized for the Kingsville & San Antonio campuses*
- *Updated existing Cost of Attendance components for all possible attendance patterns.*
- *Updating Summer budgets to include all components existing within the developed cost of attendance patterns.*
- *Inclusion of new budget components will eliminate manual calculation of tuition and fees for summer enrollment.*
- *Developing a weekly monitoring process to be enable the FA staff to evaluate student enrollment and revise cost of attendance patterns if needed.*
- *Will utilize excel spread sheet to review all COA components for revisions, as needed for the Banner Financial Aid COA New Year Set Up.*

Implementation Date: March 2016

Responsible Persons: Darylann Thomas and Bill Saenz

Satisfactory Academic Progress

A student is eligible to receive Title IV, Higher Education Act (HEA) Program assistance if the student maintains satisfactory progress in his or her course of study according to the institution's published standards of satisfactory progress that satisfy the provisions of Title 34, CFR, Section 668.16(e), and the provisions of Title 34, CFR, Section 668.34 (Title 34, CFR, Section 668.32(f)). An institution's satisfactory academic progress (SAP) policy should include a qualitative component that consists of grades or comparable factors that are measureable against a norm, and a quantitative component that consists of the pace at which students must progress through their program to ensure that they will graduate within the maximum time frame required to complete their education (U.S. Department of Education 2013-2014 *Federal Student Aid Handbook*).

For an undergraduate program measured in credit hours, a period no longer than 150 percent of the published length of the program as measured in credit hours should be used to determine the maximum timeframe quantitative component of SAP (Title 34, CFR, Section 668.34(b)(1)).

The University's SAP policy did not meet all federal requirements. The University's SAP policy for calculating the maximum time frame for undergraduate students uses 195 hours as the maximum number of hours a student can attempt and still meet SAP requirements, which is 150 percent of 130 hours. However, the majority of the University's undergraduate degree programs require fewer than 130 hours to complete. That increases the risk that the University could incorrectly determine that students meet SAP requirements when they are enrolled in a degree program requiring fewer than 130 hours for completion; as a result, the University could award financial aid to students who are not eligible for that aid.

Corrective Action:

Corrective action was taken.

Federal Direct Student Loan

The Budget Control Act of 2011 eliminated subsidized loan eligibility for graduate and professional students for loan periods of enrollment beginning on or after July 1, 2012 (U.S. Department of Education *2013-2014 Federal Student Aid Handbook*). Therefore, only undergraduate students are eligible to receive subsidized Direct Loans, and graduate students are eligible only for unsubsidized Direct Loans or Direct Parent Loan for Undergraduate Student (PLUS) Loans.

The University disbursed a total of \$7,006 in subsidized Direct Loans to three graduate students after July 1, 2012. According to the University, those errors occurred because the University packaged those students' assistance while the students were undergraduates; however, the students received the subsidized Direct Loans after becoming graduate students. After auditors brought this issue to its attention, the University provided evidence that it corrected the errors; therefore, there were no questioned costs.

Corrective Action:

Corrective action was taken.

Reference No. 2014-119

Special Tests and Provisions - Verification

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A134135; CFDA 84.033, Federal Work-Study Program, P033A134135; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P132325; and CFDA 84.268, Federal Direct Student Loans, P268K142325

Type of finding – Significant Deficiency and Non-Compliance

Verification of Applications

For each applicant whose Free Application for Federal Student Aid (FAFSA) is selected for verification by the Secretary of the U.S. Department of Education, an institution must verify all of the applicable items, which include household size, number of household members who are in college, adjusted gross income, U.S. income taxes paid, child support paid, food stamps, education credits, IRA deductions, other untaxed income, high school completion, and identity and statement of educational purpose (Title 34, Code of Federal Regulations (CFR), Sections 668.54 and 668.56, and *Federal Register*, Volume 77, Number 134). When the verification of an applicant's eligibility results in any change to a non-dollar item or a change to a single dollar item of \$25 or more from the student's FAFSA, the institution must submit a correction to the U.S. Department of Education and adjust the applicant's financial aid package on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR). For the Federal Pell Grant Program, if an applicant's FAFSA information changes as a result of verification, an institution must recalculate the applicant's federal Pell Grant on the basis of the EFC on the corrected ISIR and disburse any additional funds under that award (Title 34, CFR, Section 668.59).

Initial Year Written:	2014
Status:	Partially Implemented
U.S. Department of Education	

For 2 (3 percent) of 60 students tested, Texas A&M University – Kingsville (University) did not accurately verify all required information in students' FAFSAs and did not always correct student ISIR information when required. Specifically:

- For one student, the University did not accurately verify the number of household members. No change in EFC or aid was associated with that error.
- For one student, the University did not accurately verify an IRA deduction. The error caused the student's EFC to be understated, but no change in aid was associated with that error.

According to the University, those errors occurred because of manual errors made during the verification process. When auditors brought those errors to the University's attention, the University made corrections to the students' ISIRs. The corrections did not result in any changes to the students' financial assistance; however, not properly verifying FAFSA information can result in the University overawarding or underawarding student federal financial assistance.

Corrective Action:

Corrective action was taken.

Verification Policies and Procedures

An institution must establish and use written policies and procedures for verifying an applicant's FAFSA information. Those policies must include: (1) the time period within which an applicant shall provide the documentation; (2) the consequences of an applicant's failure to provide required documentation within the specified time period; (3) the method by which the institution notifies an applicant of the results of verification if, as a result of verification, the applicant's EFC changes and results in a change in the applicant's award or loan; (4) the procedures the institution requires an applicant to follow to correct application information determined to be in error; and (5) the procedures for making referrals under Title 34, CFR, Section 668.16. The procedures must provide that the institution shall furnish, in a timely manner, to each applicant selected for verification a clear explanation of (1) the documentation needed to satisfy the verification requirements and (2) the applicant's responsibilities with respect to the verification of application information, including the deadlines for completing required actions and the consequences of failing to complete any required action. An institution's procedures must also provide that an applicant whose FAFSA information is selected for verification is required to complete verification before the institution makes changes to the applicant's cost of attendance or to the values of the data items required to calculate the EFC (Title 34, CFR, Section 668.53).

The University's policies and procedures for its verification process did not include all of the required elements. Specifically, the University's verification policies and procedures did not include:

- The time period within which an applicant shall provide the documentation.
- The method by which the institution notifies an applicant of the results of verification if, as a result of verification, the applicant's EFC changes and results in a change in the applicant's award or loan.
- The procedures for making referrals under Title 34, CFR, Section 668.16.
- The applicant's responsibilities with respect to the verification of application information, including the deadlines for completing required actions.
- A statement specifying that an applicant whose FAFSA information is selected for verification is required to complete verification before the institution makes changes to the applicant's COA or to the values of the items required to calculate the EFC.

Having inadequate policies and procedures increases the risk that the University may not perform verification in accordance with federal requirements and that applicants may not understand their responsibilities when their FAFSAs are verified.

Recommendation:

The University should include all required elements in its written verification policies and procedures.

Views of Responsible Officials and Corrective Action Plan 2014:

Management acknowledges and agrees with the finding that policy and procedures did not include all required elements. The Verification policies and procedures will be updated to include all required elements, including deadlines, responsibilities, notification methods, and referral process for Title 34, CFR, Section 668.16.

Views of Responsible Officials and Corrective Action Plan 2015:

Financial Aid management staff agrees with your findings and recommendations as it pertains to Federal Verification and the administrative capability to perform this review.

- *The 2014-2015 Verification policies and procedures have been updated.*
- *The Financial Aid Website has been updated to include the required elements as defined under 34 CFR Chapter 6 Part 668 Subpart E*
- *The 2015-2016 Verification policies and procedures were created in accordance with 34 CFR 668.54 to include:*
 - *The required time period within which an applicant must provide any documentation requested by Texas A&M University – Kingsville*
 - *Consequences of a student applicant's failure to provide the requested documentation within a the specified time period;*
 - *The Method by which TAMUK notifies the student of the results of verification, changes to the student's EFC and monetary awards.*
 - *The procedures the Financial Aid Officer uses to correct the FAFSA information and/or errors.*
 - *Documentation required to satisfy the verification requirements.*
 - *Consequences if the student fails to meet the required deadlines.*
- *Develop a compliance check to ensure that all verification procedures are being met within the required timeline and that communication has been sent to the student.*
- *Train Financial Aid Officers, Associate Director and the Compliance officer for the review of and completion of Federal verification.*
- *Train Financial Aid support staff for form completion and identification as a required form.*

Implementation Date: June 2016

Responsible Person: Darylann Thomas

Texas A&M University - Texarkana

Reference No. 2014-120

Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A138417; CFDA 84.033, Federal Work-Study Program, P033A138417; CFDA 84.063, Federal Pell Grant Program, P063P134851; CFDA 84.268, Federal Direct Student Loans, P268K144851; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T144851

Type of finding – Significant Deficiency and Non-Compliance

Cost of Attendance

The determination of the federal student financial assistance award amount is based on financial need. Financial need is defined as a student’s cost of attendance (COA) minus the expected family contribution (EFC) (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087kk). The phrase “cost of attendance” refers to the “tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study.” An institution may also include an allowance for books, supplies, transportation, miscellaneous personal expenses, and room and board (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087II).

Initial Year Written: 2014
Status: Partially Implemented

U.S. Department of Education

For 1 (2 percent) of 60 students tested, Texas A&M University - Texarkana (University) incorrectly calculated the student’s COA. The University calculates each student’s COA based on tables in its financial aid system; however, that system had an incorrect budget amount in its table for a non-resident student enrolled three-quarter time during the Summer semester. The University’s budgets indicate that non-resident tuition and fees for three-quarter time enrollment for the Summer semester was \$5,541; however, the financial aid system specified a budget of \$4,749 for tuition and fees. The difference of \$792 did not result in an overaward. However, not applying correct COA budgets could result in an overaward or underaward of student financial assistance. Auditors reviewed information the University provided and identified one additional student whose COA was understated because of that error.

Corrective Action:

Corrective action was taken.

Satisfactory Academic Progress

A student is eligible to receive Title IV, Higher Education Act (HEA) Program assistance if the student maintains satisfactory progress in his or her course of study according to the institution’s published standards of satisfactory progress that satisfy the provisions of Title 34, Code of Federal Regulations (CFR), Section 668.16(e), and the provisions of Title 34, CFR, Section 668.34 (Title 34, CFR, Section 668.32(f)). An institution’s satisfactory academic progress (SAP) policy should include a qualitative component that consists of grades or comparable factors that are measurable against a norm, and a quantitative component that consists of the pace at which students must progress through their program to ensure that they will graduate within the maximum time frame required to complete their education (U.S. Department of Education 2013-2014 *Federal Student Aid Handbook*).

The University’s SAP policy requires a graduate student receiving federal aid to (1) maintain a minimum 3.00 cumulative grade point average (GPA); (2) successfully complete at least 67 percent of the student’s credit hours over the course of his or her attendance at all educational institutions, regardless of whether financial aid was received; and (3) meet the student’s degree objectives within 54 total attempted hours. If a student does not meet those requirements, the student may be placed on financial aid probation or financial aid suspension. If the student is placed under financial

aid suspension, the student may appeal the suspension. If an appeal is denied, the student will not be eligible for financial aid until he or she meets SAP requirements.

The University did not always apply its SAP policy consistently. For 1 (2 percent) of 60 students tested, the University disbursed aid to a student who did not meet the University's SAP policy. The student did not meet the University's minimum GPA requirement and did not successfully complete 67 percent of the credit hours attempted. The student had received warnings but did not maintain satisfactory progress while on probation. After auditors brought this matter to its attention, the University returned all federal aid provided to that student; therefore, there were no questioned costs.

The University did not consistently document its process to identify students who do not meet quantitative and qualitative SAP requirements. For 45 (75 percent) of 60 students tested, the University did not document the manual SAP review it completed. As a result, auditors were unable to verify that the University completed the manual SAP review for all semesters those students attended.

Not evaluating and documenting the review of students' compliance with SAP requirements increases the risk of awarding financial assistance to ineligible students.

Recommendation:

The University should develop and implement processes to determine whether students meet all SAP policy requirements prior to the disbursement of financial assistance.

Views of Responsible Officials and Corrective Action Plan 2014:

Action Item: Texas A&M University-Texarkana current Satisfactory Academic Progress (SAP) policy is found at http://www.tamut.edu/Student-Support/Financial%20Aid/pdf/SATISFACTORY_ACADEMIC_PROGRESS.pdf and is published in the academic catalog.

During the A-133 audit review process, the state auditors found that "The University did not consistently document its process to identify students who do not meet quantitative and qualitative SAP requirements." In addition, the auditors stated "The University did not always apply its SAP policy consistently."

It is my understanding that as part of the awarding/packaging process, Satisfactory Academic Progress was in some cases monitored manually using the "2013-2014 Application Prep/Verification Worksheet". When monitoring SAP, TAMUT financial aid officials would update Banner's ROASTAT "Eligibility Status" form in cases where student were found not to be making SAP. This protocol was not properly documented and thus handled inconsistently depending on the financial aid official. Secondly, WebFocus reports used to monitor Satisfactory Academic Progress were determined to be ineffective and did not contain the necessary information needed to properly update the Banner system for each student's SAP status.

Action Plan: In June 2014, Texas A&M University-Texarkana entered into a contract with Strata Information Group to review Texas A&M University-Texarkana current Satisfactory Academic Progress technical process (which included a review of TAMUT's WebFocus reports and SAP processing procedures.) The outcome of the review determined that the current SAP process was not sufficient. Effective July 2014, Banner was setup to populate SAP automatically for all students and statuses are now maintained electronically on BANNER ROASTAT "Eligibility Status" form.

Offices that need to be involved: Financial Aid, Registrar's Office and Texas A&M University-Commerce IT Department.

Modifications to the SAP process will be made as issues are identified.

On July 31, 2014, for the first time since going live on Banner, TAMU-T was able to run an automated SAP process on over 4,000 students, bringing each student's status current. On August 20, 2014 TAMUT ran the automated SAP

process for students who were enrolled in Summer 2014. The final results were successful. Satisfactory Academic Progress processing procedures were updated on December 18, 2014.

Effective for the 2015-2016 academic year, Texas A&M University-Texarkana will conduct a more thorough review of its current SAP policy and revise/update as necessary.

Views of Responsible Officials and Corrective Action Plan 2015:

In June 2014, Texas A&M University-Texarkana entered into a contract with Strata Information Group to review Texas A&M University-Texarkana current Satisfactory Academic Progress technical process (which included a review of TAMUT's WebFocus reports and SAP processing procedures.) The outcome of the review determined that the current SAP process was not sufficient. Effective July 2014, Banner was setup to populate SAP automatically for all students and statuses are now maintained electronically on BANNER ROASTAT "Eligibility Status" form.

Further revisions have been made to this policy as we fine tune the SAP program in Banner. On November 4, 2015, this policy was revised to include all classes attempted in determination of the maximum time frame, pace, and GPA requirement. In addition, we have included SAP terms that match the definition set forth in the financial aid handbook in relation to warning, probation, and academic plan. Other additions to this policy include changing eligibility requirement from years to credit hours for second bachelor, second masters and doctoral students.

Implementation Date: August 2014

Responsible Person: Michael Fuller

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

The University did not maintain adequate user access controls to its Banner student financial assistance application and its operating environment. Specifically, the director of admissions and the interim director of enrollment had access to the Banner student financial aid application screens allowing awarding and disbursing of aid. Additionally, a former employee, whose last day of employment was in July 2013, still had access to the network in May 2014. After auditors brought those issues to the University's attention, the University removed the inappropriate access.

Allowing users inappropriate or excessive access increases the risk of inappropriate changes to systems and does not allow for proper segregation of duties.

Recommendation:

The University should limit user access to Banner to current employees, and ensure that access is appropriate based on job responsibilities.

Views of Responsible Officials and Corrective Action Plan 2014:

Action Item: *User Access*

Limit user access to Banner to current employees, and ensure that access is appropriate based on job responsibilities.

Action Plan: Enhance Processes

Banner Security

Texas A&M University Texarkana makes a concerted effort to ensure that business owners sign off on individual's access to their module's forms. Information Technology maintains a paper-trail and has processes in place for new hires, changes, and terminations. However, the user access process can be unwieldy and an effort is underway to streamline the assignment of proper privileges for Banner.

On July 30, 2014, the business owners met to discuss the existing security processes and avenues for enhancing user access controls. The current process for Banner security processing follows:

- 1. User fills out a Banner security access form*
- 2. It is signed by the business owners for the Registrar, Business Office, and Financial Aid.*
- 3. Completed form is delivered to IT*
 - a. FERPA forms must be submitted for faculty and adjunct to Registrar*
 - b. Forms are delivered to the Texarkana Banner Administrator, Nikki Thomson*
 - c. Banner Administrator creates user account for Banner access*
 - d. Form is stored in a secure location.*
- 4. There is a change or delete access form. This is for change of access, change of job function, and terminations.*

Visibility into Banner Security is provided via an online Banner user access level report. With this information, business owners can review access at any time by a particular user, class, or form.

There is an effort underway to review access to Banner forms and consolidate access rights through profiles designated by job function. This will assist with onboarding new personnel and make it easier to administer security access.

Offices that need to be involved: Information Technology

Views of Responsible Officials and Corrective Action Plan 2015:

The original implementation target of March 2015 for the project to review Banner access assignment and consolidate access rights through profiles by designated job function/responsibility was not met due to the unanticipated complexity and sheer size of the project. The project, however, was completed and implemented on June 1st, 2015. The action plan for process enhancement is now implemented.

Implementation Date: June 2015

Responsible Person: Jeff Hinton

Reference No. 2014-121

Special Tests and Provisions - Verification

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A138417; CFDA 84.033, Federal Work-Study Program, P033A138417; CFDA 84.063, Federal Pell Grant Program, P063P134851; CFDA 84.268, Federal Direct Student Loans, P268K144851; and CFDA 84.379, Teacher Education Assistance For College and Higher Education Grants, P379T144851

Type of finding – Significant Deficiency and Non-Compliance

Verification

An institution must establish and use written policies and procedures for verifying an applicant's Free Application for Federal Student Aid (FAFSA) information. Those policies must include (1) the time period within which an applicant must provide any documentation requested by the institution in accordance with Title 34, Code of Federal Regulations (CFR), Section 668.57; (2) the consequences of an applicant's failure to provide the requested documentation within the specified time period; (3) the method by which the institution notifies an applicant of the results of its verification if, as a result of verification, the applicant's expected family contribution (EFC) changes and results in a change in the amount of the applicant's assistance under Title IV, Higher Education Act (HEA) of 1965 programs; (4) the procedures the institution will follow itself or the procedures the institution will require an applicant to follow to correct FAFSA information determined to be in error; and (5) the procedures for making referrals under Title 34, CFR, Section 668.16(g).

Initial Year Written:	2014
Status:	Partially Implemented
U.S. Department of Education	

An institution's procedures must also provide that it will furnish, in a timely manner, to each applicant whose FAFSA information is selected for verification a clear explanation of (1) the documentation needed to satisfy the verification requirements and (2) the applicant's responsibilities with respect to the verification of FAFSA information, including the deadlines for completing any required actions and the consequences of failing to complete any required action. Finally, an institution's procedures must provide that an applicant whose FAFSA information is selected for verification is required to complete verification before the institution exercises any authority under Section 479A(a) of the HEA to make changes to the applicant's cost of attendance (COA) or to the values of the data items required to calculate the EFC (Title 34, CFR, Section 668.53).

Texas A&M University - Texarkana's (University) policies and procedures for its verification process did not include all of the required elements. Specifically, the University's policies and procedures did not address the following required elements:

- The time period within which an applicant must provide any documentation requested by the institution.
- The procedures for making referrals.
- A description of the documentation needed to satisfy the verification requirements.
- The applicant's responsibility to provide documentation by the deadline.
- A statement specifying that a student must successfully complete verification prior to consideration of changes to the COA or EFC.

Having inadequate policies and procedures increases the risk that the University may not perform verification in accordance with federal requirements and that applicants may not understand their responsibilities when their FAFSAs are verified.

Recommendation:

The University should include all required elements in its written verification policies and procedures.

Views of Responsible Officials and Corrective Action Plan 2014:

Action Item:

Texas A&M University-Texarkana's current 2013-2014 procedures were missing the required areas that are mandated by the Department of Education (see below):

- 1 the time period within which an applicant must provide any documentation requested by the institution in accordance with Title 34, Code of Federal Regulations (CFR), Section 668.57;
- 2 the consequences of an applicant's failure to provide the requested documentation within the specified time period;
- 3 the method by which the institution notifies an applicant of the results of its verification if, as a result of verification, the applicant's expected family contribution (EFC) changes and results in a change in the amount of the applicant's assistance under Title IV, Higher Education Act (HEA) of 1965 programs;
- 4 the procedures the institution will follow itself or the procedures the institution will require an applicant to follow to correct FAFSA information determined to be in error; and (5) the procedures for making referrals under Title 34, CFR, Section 668.16(g).

In addition, during the A-133 audit review process, the state auditors found that "An institution's procedures must also provide that it will furnish, in a timely manner, to each applicant whose FAFSA information is selected for verification a clear explanation of (1) the documentation needed to satisfy the verification requirements and (2) the applicant's responsibilities with respect to the verification of FAFSA information, including the deadlines for completing any required actions and the consequences of failing to complete any required action. Finally, an institution's procedures must provide that an applicant whose FAFSA information is selected for verification is required to complete verification before the institution exercises any authority under Section 479A(a) of the HEA to make changes to the applicant's cost of attendance (COA) or to the values of the data items required to calculate the EFC (Title 34, CFR, Section 668.53)."

Action Plan:

Effective for the 2014-2015 and 2015-2016 award year, Texas A&M University will update its verification policies and procedures to include the following elements:

- The time period within which an applicant must provide any documentation requested by the institution.
- The procedures for making referrals.
- A description of the documentation needed to satisfy the verification requirements.
- The applicant's responsibility to provide documentation by the deadline.
- A statement specifying that a student must successfully complete verification prior to consideration of changes to the COA or EFC.

Offices that need to be involved: Financial Aid and Compliance Office.

Views of Responsible Officials and Corrective Action Plan 2015:

Texas A&M University updated its verification policies and procedures to include the following elements:

- The time period within which an applicant must provide any documentation requested by the institution.
- The procedures for making referrals.
- A description of the documentation needed to satisfy the verification requirements.
- The applicant's responsibility to provide documentation by the deadline.
- A statement specifying that a student must successfully complete verification prior to consideration of changes to the COA or EFC.

The policy is now available on the website at <http://www.tamut.edu/Admissions/Enrollment-Services/Financial-Aid/Verification/index.html>.

Implementation Date: June 2015

Responsible Person: Michael Fuller

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

The University did not maintain adequate user access controls to its Banner student financial assistance application and its operating environment. Specifically, the director of admissions and the interim director of enrollment had access to the Banner student financial aid application screens allowing awarding and disbursing of aid. Additionally, a former employee, whose last day of employment was in July 2013, still had access to the network in May 2014. After auditors brought those issues to the University's attention, the University removed the inappropriate access.

Allowing users inappropriate or excessive access increases the risk of inappropriate changes to systems and does not allow for proper segregation of duties.

Recommendation:

The University should limit user access to Banner to current employees, and ensure that access is appropriate based on job responsibilities.

Views of Responsible Officials and Corrective Action Plan 2014:

Action Item: *User Access*

Limit user access to Banner to current employees, and ensure that access is appropriate based on job responsibilities.

Action Plan: *Enhance Processes*

Banner Security

Texas A&M University Texarkana makes a concerted effort to ensure that business owners sign off on individual's access to their module's forms. Information Technology maintains a paper-trail and has processes in place for new hires, changes, and terminations. However, the user access process can be unwieldy and an effort is underway to streamline the assignment of proper privileges for Banner.

On July 30, 2014, the business owners met to discuss the existing security processes and avenues for enhancing user access controls. The current process for Banner security processing follows:

- 1 User fills out a Banner security access form*
- 2 It is signed by the business owners for the Registrar, Business Office, and Financial Aid.*
- 3 Completed form is delivered to IT*
 - a) FERPA forms must be submitted for faculty and adjunct to Registrar*
 - b) Forms are delivered to the Texarkana Banner Administrator, Nikki Thomson*
 - c) Banner Administrator creates user account for Banner access*
 - d) Form is stored in a secure location.*
- 4 There is a change or delete access form. This is for change of access, change of job function, and terminations.*

Visibility into Banner Security is provided via an online Banner user access level report. With this information, business owners can review access at any time by a particular user, class, or form.

There is an effort underway to review access to Banner forms and consolidate access rights through profiles designated by job function. This will assist with onboarding new personnel and make it easier to administer security access.

Offices that need to be involved: Information Technology

Views of Responsible Officials and Corrective Action Plan 2015:

The original implementation target of March 2015 for the project to review Banner access assignment and consolidate access rights through profiles by designated job function/responsibility was not met due to the unanticipated complexity and sheer size of the project. The project, however, was completed and implemented on June 1st, 2015. The action plan for process enhancement is now implemented.

Implementation Date: June 2015

Responsible Person: Jeff Hinton

Texas Southern University

Reference No. 11-127

Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2009 to June 30, 2010

Award numbers – CFDA 84.063 P063P092327, CFDA 84.007 P007A094145, CFDA 84.033 P033A094145, CFDA 84.375 P375A09327, CFDA 84.376 P376S092327, CFDA 84.379 P379T102327, CFDA 84.032 Award Number Not Applicable, CFDA 84.038 Award Number Not Applicable, and CFDA 84.268 Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

Initial Year Written: 2010
Status: Implemented
U.S. Department of Education

The University has not configured its Banner enterprise software to enforce rules regarding password length or complexity. Banner can be configured to enforce any standards specified in the University’s information security policy. Not enforcing password rules increases the risk of unauthorized access to key financial aid processes, student records, and University financial data.

Corrective Action:

Corrective action was taken.

Reference No. 11-128

Special Tests and Provisions – Disbursements To or On Behalf of Students

Student Financial Assistance Cluster

Award year – July 1, 2009 to June 30, 2010

Award numbers – CFDA 84.063 P063P092327, CFDA 84.007 P007A094145, CFDA 84.033 P033A094145, CFDA 84.375 P375A09327, CFDA 84.376 P376S092327, CFDA 84.379 P379T102327, CFDA 84.032 Award Number Not Applicable, CFDA 84.038 Award Number Not Applicable, and CFDA 84.268 Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

Initial Year Written: 2010
Status: Implemented
U.S. Department of Education

The University has not configured its Banner enterprise software to enforce rules regarding password length or complexity. Banner can be configured to enforce any standards specified in the University’s information security policy. Not enforcing password rules increases the risk of unauthorized access to key financial aid processes, student records, and University financial data.

Corrective Action:

Corrective action was taken.

Texas State Technical College - Harlingen

Reference No. 2013-142

Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2012 to June 30, 2013

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P133162; CFDA 84.007, Federal Supplemental Educational Opportunity Grant, P007A134149; CFDA 84.268, Federal Direct Student Loans, P268K133162; and CFDA 84.033, Federal Work-Study Program, P033A134149

Type of finding – Significant Deficiency and Non-Compliance

Cost of Attendance

The determination of the federal student financial assistance award amount is based on financial need. Financial need is defined as a student’s cost of attendance (COA) minus the expected family contribution (EFC) (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087kk). The phrase “cost of attendance” refers to the “tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study.” An institution may also include an allowance for books, supplies, transportation, miscellaneous personal expenses, and room and board (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087ll). A full-time student is defined as an enrolled student who is carrying a full-time academic workload, as determined by the institution, under a standard applicable to all students enrolled in a particular educational program. For an undergraduate student, an institution’s minimum standard must equal or exceed 12 semester hours. A half-time student is defined as an enrolled student who is carrying a half-time academic workload, as determined by the institution, which amounts to at least half of the workload of the applicable minimum requirement outlined in the definition of a full-time student (Title 34, Code of Federal Regulations (CFR), Section 668.2).

Initial Year Written:	2013
Status:	Partially Implemented
U.S. Department of Education	

For Title IV programs, the EFC is the amount a student and his or her family are expected to pay for educational expenses and is computed by the federal central processor and included on the student’s Institutional Student Information Report (ISIR) provided to the institution. Awards must be coordinated among the various programs and with other federal and non-federal assistance to ensure that total assistance is not awarded in excess of the student’s financial need (Title 34, CFR, Sections 673.5 and 668.2).

A federal Pell Grant is calculated by determining a student’s enrollment for the term, and then based on that enrollment status, determining the annual award from a disbursement schedule. The amount of a student's award for an award year may not exceed his or her scheduled federal Pell Grant award for that award year (Title 34, CFR, Sections 690.63 (b) and (g)). No federal Pell Grant can exceed the difference between the EFC for a student and the COA at the institution in which the student is in attendance (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1070b).

Direct Loans have annual and aggregate limits that are the same for all students at a given grade level and dependency status. In general, a loan may not be more than the amount the borrower requests, the borrower’s cost of attendance, the borrower’s maximum borrowing limit, or the borrower’s unmet financial need (U.S. Department of Education 2012-2013 *Federal Student Aid Handbook*).

For 6 (10 percent) of 60 students tested, Texas State Technical College – Harlingen (College) did not calculate the students’ COA in accordance with its published COA schedule. Specifically:

- For 5 students, the College did not remove room and board and personal expense charges for terms the students did not attend, which resulted in the students’ COA being overstated. However, the College did not overaward assistance to those students as a result of that error.
- For 1 student, the College increased the student’s COA by \$2,500 in miscellaneous fees to offset a merit-based scholarship the student received, but it did not document its rationale for exercising that professional judgment. However, the College did not overaward assistance to that student as a result of that error.

In addition, for 2 (3 percent) of 60 students tested, the College overawarded need-based financial assistance and awarded financial assistance in excess of the students' COA. Specifically:

- Through a manual process, the College awarded one student \$794 in Subsidized Direct Loans. That assistance exceeded the student's need by \$794; therefore, the amount of questioned costs associated with award P268K133162 was \$794. Additionally, that student's total assistance exceeded the student's COA by \$650. The \$650 overaward was associated with Direct Plus Loans, which also means that the student's assistance exceeded the Direct Plus Loan limit.
- The College awarded one student \$1,388 in Pell Grant funds even though the student's COA was only \$1,284. That resulted in a \$104 overaward of Pell Grant funds; therefore, the amount of questioned costs associated with award P063P133162 was \$104. The College awarded Pell Grant funds based on the student's Pell COA, which the College calculates differently from its institutional COA. The methodology the College used to determine Pell COA overstated the student's COA and resulted in the overaward of assistance.

These errors occurred because for the 2012-2013 award year, the College initially packaged student assistance based on full-time enrollment, regardless of students' actual enrollment. In summer 2013, the College redesigned its automated COA process and retroactively adjusted students' COA to reflect their actual enrollment for each term of the 2012-2013 award year. However, the College did not retroactively adjust COA for students whose COA budgets the College had locked following previous manual adjustments. Incorrectly calculating COA increases the risk that students may be overawarded or underawarded financial assistance.

The College's automated controls over Direct Loans and Pell Grant awards do not ensure that manually entered awards comply with federal assistance limits. In addition, the College awarded all Direct Loans through manual processes during the 2012-2013 award year. Thirteen staff members at the College have the ability to modify or override eligibility rules. That increases the risk of awards exceeding limits.

Recommendation:

The College should calculate students' COA in accordance with its published COA schedule.

Views of Responsible Officials and Corrective Action Plan 2013:

The College will calculate initial cost of attendance and awards based on full-time enrollment. After the census date each semester, an automated process will be run to adjust the cost of attendance based on the student's actual enrollment levels. Awards will be adjusted as needed in according to student's actual enrollment at official census date.

The Financial Aid Office will implement procedures to ensure that programming and setup of annual COA budgets is verified and correctly calculated. Training will be provided to the Financial Aid staff to be able trouble shoot, report, and/or correct errors in the financial aid management system.

Views of Responsible Officials and Corrective Action Plan 2014:

The College will calculate initial cost of attendance and awards based on full-time enrollment. After the census date each semester, an automated process will be run to adjust the cost of attendance based on the student's actual enrollment levels Awards will be adjusted as needed in according to student's actual enrollment at official census date.

In order to implement the plan above Financial Aid Office will work closely with IT to implement additional procedures to ensure that programming and setup of annual COA budgets are verified and correctly calculated. This collaboration will allow the Financial Aid Office to test student's records to ensure compliance. As procedures are updated training will be provided to the Financial Aid staff in order to troubleshoot, report, and/or correct errors in the financial aid student information system. Initial Cost of Attendance will be based on full time [36 credit hours (12

per semester)] and use actual enrolled credits after census date. Student's not at least half time status for the term will have the Tuition/Fees and Books components adjusted accordingly.

Together with IT we will create an automated process that will reduce the Room/Board, and Personal Expenses budget components in the COA for students that are enrolled less-than half time. With the transition of a new Financial Aid System Analyst these procedures and processes will be closely monitored.

Views of Responsible Officials and Corrective Action Plan 2015:

The College calculates initial cost of attendance and awards based on full-time enrollment. After the census date each semester, an automated process is run to adjust the tuition and book components of the cost of attendance based on the student's actual enrollment levels. Awards are adjusted as needed according to the students' actual enrollment at official census date.

We met with our IT department programmer to request an automated process that will remove the Room/Board and Personal Expenses budget components in the COA for students who are enrolled less-than half time. TSTC Tracker Ticket #4567 was created on January 21, 2016 for this process and we expect to have this fully implemented before the start of the Summer, 2016 term. We will then be able to utilize this new functionality to properly adjust the cost of attendance for all students who are enrolled during the 2015-16 award year. The Financial Aid System Analyst who was hired in January 2015 will be in charge of these procedures and will develop reports to assure that the process has calculated the cost of attendance figures accurately.

During this period of time the Texas State Technical College System Board approved the merger of all Texas State Technical Colleges into One College statewide with 11 locations. The Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) approved the consolidation/merger as of June 11, 2015 and receive the Program Participation Agreement from The Department of Education on August 20, 2015.

Implementation Date: August 2016

Responsible Persons: Federico Peña, Jr., Javier Nieto and April Falkner

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subchapter C, Section 300(b)).

The College did not maintain adequate user access controls over its Colleague student financial assistance application. Specifically:

- Eight administrators and the Colleague application vendor had access to a shared default Colleague system account for performing administrative tasks on the Colleague application. The number of individuals with access to that account was excessive.
- One of the Colleague administrators also had responsibilities as a programmer.
- Programmers migrated code to the Colleague production environment.

Allowing users inappropriate or excessive access to systems and allowing programmers to migrate code to the production environment increases the risk of inappropriate changes to systems and does not allow for proper segregation of duties.

The Texas State Technical College System maintains the Colleague application for all of its institutions.

Corrective Action:

Corrective action was taken.

Reference No. 2013-143

Special Tests and Provisions - Verification

Student Financial Assistance Cluster

Award year – July 1, 2012 to June 30, 2013

Award numbers – CFDA 84.033, Federal Work-Study Program, P033A131419; CFDA 84.063, Federal Pell Grant Program, P063P133162; CFDA 84.007, Federal Supplemental Educational Opportunity Grant, P007A134149; and CFDA 84.268, Federal Direct Student Loans, P268K133162

Type of finding – Significant Deficiency and Non-Compliance

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subchapter C, Section 300(b)).

Initial Year Written:	2013
Status:	Implemented
U.S. Department of Education	

The College did not maintain adequate user access controls over its Colleague student financial assistance application. Specifically:

- Eight administrators and the Colleague application vendor had access to a shared default Colleague system account for performing administrative tasks on the Colleague application. The number of individuals with access to that account was excessive.
- One of the Colleague administrators also had responsibilities as a programmer.
- Programmers migrated code to the Colleague production environment.

Allowing users inappropriate or excessive access to systems and allowing programmers to migrate code to the production environment increases the risk of inappropriate changes to systems and does not allow for proper segregation of duties.

The Texas State Technical College System maintains the Colleague application for all of its institutions.

Corrective Action:

Corrective action was taken.

Texas State Technical College - Marshall

Reference No. 2014-122

Eligibility

Special Tests and Provisions – Verification

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A138753; CFDA 84.033, Federal Work-Study Program, P033A138753; CFDA 84.063, Federal Pell Grant Program, P063P135503; and CFDA 84.268, Federal Direct Student Loans, P268K135503

Type of finding – Significant Deficiency and Non-Compliance

Cost of Attendance

The determination of the federal student financial assistance award amount is based on financial need. Financial need is defined as a student’s cost of attendance (COA) minus the expected family contribution (EFC) (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087kk). The phrase “cost of attendance” refers to the “tuition and fees normally assessed for a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study.” An institution may also include an allowance for books, supplies, transportation, miscellaneous personal expenses, and room and board (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087ll).

Initial Year Written:	2014
Status:	Partially Implemented
U.S. Department of Education	

For Title IV programs, the EFC is the amount a student and his or her family are expected to pay for educational expenses and is computed by the federal central processor and included on the student’s Institutional Student Information Record (ISIR) provided to the institution. Awards must be coordinated among the various programs and with other federal and non-federal assistance to ensure that total assistance is not awarded in excess of the student’s financial need (Title 34, Code of Federal Regulations (CFR), Sections 668.2 and 673.5).

For students with less-than-half-time enrollment, COA includes tuition and fees and an allowance for only books, supplies, and transportation; dependent care expenses; and room and board costs, except that a student may receive an allowance for such costs for not more than three semesters, or the equivalent, of which not more than two semesters or the equivalent may be consecutive (Higher Education Act of 1965 (HEA), Section 472(4)).

Texas State Technical College – Marshall (College) initially calculates student COA budgets based on full-time enrollment. After the census date each semester, the College identifies students with less-than-full-time enrollment and runs a process within its financial aid system, Colleague, to adjust those students’ COA budgets. That process requires the College to manually enter specific award codes to adjust students’ COA based on their enrollment.

For 5 (8 percent) of 60 students tested, the College did not correctly or consistently calculate COA. The five students were enrolled less than full-time, and the College did not adjust their COA after the census date based on their actual enrollment. That occurred because the College did not enter the correct award codes for those students, and Colleague did not identify that the COA needed to be adjusted. That resulted in overawards for 2 of those students totaling \$2,399 in Federal Direct Student Loans. After auditors brought those overawards to the University’s attention, it corrected the overawards and returned the funds; therefore, there were no questioned costs.

Additionally, the College’s COA budgets are not consistent with federal requirements. The College’s COA budgets include a personal expense component for all students. However, the personal expense component is not allowable for students who are enrolled less than half-time. Two (3 percent) of 60 students tested were enrolled less than half-time, but the College assigned them a personal expense COA component that they were not eligible. That occurred because the College was not aware that less-than-half-time students were not eligible for a personal expense component. Although those two students were not overawarded student financial assistance, including COA components for which students are not eligible increases the risk that students could be overawarded student financial assistance.

Recommendations:

The College should:

- Adjust COA accurately and consistently for students with less-than-full-time enrollment.
- Include COA budget components, such as personal expenses, in the COA calculation only for students who are eligible for those components.

Views of Responsible Officials and Corrective Action Plan 2014:

The College calculates initial cost of attendance and awards based on full-time enrollment. After the census date each semester, a process is run to adjust the cost of attendance based on the student's actual enrollment levels. Awards are adjusted as needed in accordance to student's actual enrollment at official census date. This process required Financial Aid staff to enter award codes requiring adjustment. The process has been automated to no longer require award code entry.

The Financial Aid Office will ensure that only eligible budget components are included in the COA calculation for all less-than-full-time students.

Views of Responsible Officials and Corrective Action Plan 2015:

The College calculates initial cost of attendance and awards based on full-time enrollment. After the census date each semester, an automated process is run to adjust the tuition and book components of the cost of attendance based on the student's actual enrollment levels. Awards are adjusted as needed according to the students' actual enrollment at official census date.

We met with our IT department programmer to request an automated process that will remove the Room/Board and Personal Expenses budget components in the COA for students who are enrolled less-than half time. TSTC Tracker Ticket #4567 was created on January 21, 2016 for this process and we expect to have this fully implemented before the start of the Summer, 2016 term. We will then be able to utilize this new functionality to properly adjust the cost of attendance for all students who are enrolled during the 2015-16 award year. The Financial Aid System Analyst who was hired in January 2015 will be in charge of these procedures and will develop reports to assure that the process has calculated the cost of attendance figures accurately.

During this period of time the Texas State Technical College System Board approved the merger of all Texas State Technical Colleges into One College statewide with 11 locations. The Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) approved the consolidation/merger as of June 11, 2015 and receive the Program Participation Agreement from The Department of Education on August 20, 2015.

Implementation Date: August 2016

Responsible Persons: Federico Peña, Jr., Javier Nieto and April Falkner

Pell Grant and Direct Loan Limits

For the federal Pell Grant Program, institutions use the payment and disbursement schedules provided each year by the U.S. Department of Education to determine award amounts (Title 34, CFR, Section 690.62). Those schedules provide the maximum and annual amounts a student would receive for a full academic year for a given enrollment status, EFC, and COA. There are separate schedules for students enrolled three-quarter-time, half-time, and less-than-half-time (U.S. Department of Education 2013-2014 *Federal Student Aid Handbook*).

Direct Loans have annual and aggregate limits that are the same for all students at a given grade level and dependency status. In general, a loan may not be more than the amount the borrower requests, the borrower's cost of attendance,

the borrower's maximum borrowing limit, or the borrower's unmet financial need (U.S. Department of Education 2013-2014 *Federal Student Aid Handbook*).

The College's automated controls over Direct Loans and Pell Grant awards do not ensure that manually entered awards comply with federal financial assistance limits. The automated packaging process within Colleague has limits to prevent awarding more student financial assistance than a student is eligible to receive. However, if the College manually awards student financial assistance, Colleague does not prevent students from being awarded more than the limits. That increases the risk that students could be overawarded student financial assistance. Auditors tested 60 students and did not identify any students who were awarded federal financial assistance that exceeded their annual or aggregate award limits.

Corrective Action:

Corrective action was taken.

Other Compliance Requirement

Although the general control weaknesses described below apply to special tests and provisions – verification, auditors identified no compliance issues regarding that compliance requirement.

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subchapter C, Section 300(b)).

The College did not maintain adequate user access controls over Colleague. Specifically:

- Eight administrators and the Colleague application vendor had access to a shared default Colleague administrative account for performing administrative tasks on the Colleague application. Four of those eight administrators also had programming responsibilities. The number of individuals with access to that account was excessive.
- One of the Colleague database administrators also had responsibilities as a programmer.
- Programmers migrated their own code to the Colleague production environment.

Allowing users inappropriate or excessive access to systems and allowing programmers to migrate code to the production environment increases the risk of inappropriate changes to systems and does not allow for proper segregation of duties.

In addition, the College did not conduct formal, periodic reviews of user access to Colleague to determine the appropriateness of users' access based on job responsibilities. During the audit period, the College had no policies requiring such reviews. However, as of June 2014, the College had information technology operational governance policies regarding periodic review that were pending approval. Not periodically reviewing user access increases the risk of inappropriate access to critical information systems.

The Texas State Technical College System maintains Colleague for all of its institutions.

Corrective Action:

Corrective action was taken.

Texas State Technical College - Waco

Reference No. 2013-144

Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2012 to June 30, 2013

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P122321; CFDA 84.007, Federal Supplemental Educational Opportunity Grant, P007A124147; CFDA 84.268, Federal Direct Student Loans, P268K132321; and CFDA 84.033, Federal Work-Study Program, P033A124147

Type of finding – Material Weakness and Non-Compliance

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subchapter C, Section 300(b)).

Initial Year Written:	2013
Status:	Implemented
U.S. Department of Education	

The College did not maintain adequate user access controls over its Colleague student financial assistance application. Specifically:

- Fifteen individuals had inappropriate access based on their job responsibilities to either award or post federal grants and loans.
- Eight administrators and the Colleague application vendor had access to a shared default Colleague system account for performing administrative tasks on the Colleague application. The number of individuals with access to that account was excessive.
- One of the Colleague administrators also had responsibilities as a programmer.
- Programmers migrated code to the Colleague production environment.

Allowing users inappropriate or excessive access to systems and allowing programmers to migrate code to the production environment increases the risk of inappropriate changes to systems and does not allow for proper segregation of duties.

In addition, the College did not conduct a formal, periodic review of user access to its Colleague application to determine the appropriateness of users' access based on their job responsibilities. It did not have any policies requiring such reviews. Not periodically reviewing user access increases the risk of inappropriate access to critical information systems.

The Texas State Technical College System maintains the Colleague application for all of its institutions.

Corrective Action:

Corrective action was taken.

Reference No. 2013-145

Special Tests and Provisions - Verification

Student Financial Assistance Cluster

Award year – July 1, 2012 to June 30, 2013

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P122321; CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A124147; CFDA 84.268, Federal Direct Student Loans, P268K132321; and CFDA 84.033, Federal Work-Study Program, P033A124147

Type of finding – Significant Deficiency and Non-Compliance

Verification of Applications

For each applicant whose Free Application for Federal Student Aid (FAFSA) is selected for verification by the Secretary of the U.S. Department of Education, an institution must verify all of the applicable items, which include household size, number of household members who are in college, adjusted gross income (AGI), U.S. income taxes paid, child support paid, food stamps, education credits, IRA deductions, and other untaxed income (Title 34, Code of Federal Regulations (CFR), Sections 668.54 and 668.56 and *Federal Register*, Volume 76, Number 134). When the verification of an applicant’s eligibility results in any change to a non-dollar item or a change to a single dollar item of \$25 or more from the student’s FAFSA, the institution must submit a correction to the U.S. Department of Education and adjust the applicant’s financial aid package on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR). For the Federal Pell Grant Program, if an applicant’s FAFSA information changes as a result of verification, an institution must recalculate the applicant’s federal Pell Grant on the basis of the EFC on the corrected ISIR and disburse any additional funds under that award (Title 34, CFR, Section 668.59).

Initial Year Written:	2013
Status:	Implemented
U.S. Department of Education	

For 8 (13 percent) of 60 applicants tested, Texas State Technical College – Waco (College) did not accurately verify all required information in student financial assistance applications and did not always correct applicant ISIR information when required. Specifically, the College did not always accurately verify the applicants’ education credits, income tax paid, or household members. According to the College, that resulted in an overaward of \$150 to one student and underawards totaling \$101 to two students in federal Pell Grant funds associated with award P063P122321.

For the eight students discussed above, the College also did not correct the students’ ISIRs to reflect the accurate information at the time of verification. The College was unable to request updated ISIRs for those students when auditors brought the errors to its attention because that occurred after the U.S. Department of Education’s due date for corrections. Therefore, the effects on EFC and assistance noted above, including the questioned costs, are based on the College’s assertion. The errors occurred because of manual errors the College made in verification.

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subchapter C, Section 300(b)).

The College did not maintain adequate user access controls over its Colleague student financial assistance application. Specifically:

- Fifteen individuals had inappropriate access based on their job responsibilities to either award or post federal grants and loans.
- Eight administrators and the Colleague application vendor had access to a shared default Colleague system account for performing administrative tasks on the Colleague application. The number of individuals with access to that account was excessive.
- One of the Colleague administrators also had responsibilities as a programmer.
- Programmers migrated code to the Colleague production environment.

Allowing users inappropriate or excessive access to systems and allowing programmers to migrate code to the production environment increases the risk of inappropriate changes to systems and does not allow for proper segregation of duties.

In addition, the College did not conduct a formal, periodic review of user access to its Colleague application to determine the appropriateness of users' access based on their job responsibilities. It did not have any policies requiring such reviews. Not periodically reviewing user access increases the risk of inappropriate access to critical information systems.

The Texas State Technical College System maintains the Colleague application for all of its institutions.

Corrective Action:

Corrective action was taken.

Texas State Technical College – West Texas

Reference No. 2013-146

Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2012 to June 30, 2013

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P123266; CFDA 84.007, Federal Supplemental Educational Opportunity Grant, P007A124150; CFDA 84.268, Federal Direct Student Loans, P268K123266; and CFDA 84.033, Federal Work-Study Program, P033A124150

Type of finding – Material Weakness and Non-Compliance

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subchapter C, Section 300(b)).

Initial Year Written:	2013
Status:	Implemented
U.S. Department of Education	

The College did not maintain adequate user access controls over its Colleague student financial assistance application. Specifically:

- Three individuals had inappropriate access based on their job responsibilities to post federal grants and loans.
- Eight administrators and the Colleague application vendor had access to a shared default Colleague system account for performing administrative tasks on the Colleague application. The number of individuals with access to the account was excessive.
- One of the Colleague administrators also had responsibilities as a programmer.
- Programmers migrated code to the production environment.

Allowing users inappropriate or excessive access to systems and allowing programmers to migrate code to the production environment increases the risk of inappropriate changes to systems and does not allow for proper segregation of duties.

In addition, the College did not conduct a formal, periodic review of user access to its Colleague application to determine the appropriateness of users' access based on their job responsibilities. It did not have any policies requiring such reviews. Not periodically reviewing user access increases the risk of inappropriate access to critical information systems go undetected.

The Texas State Technical College System maintains the Colleague application for all of its institutions.

Corrective Action:

Corrective action was taken.

Reference No. 2013-147

Special Tests and Provisions – Verification

Student Financial Assistance Cluster

Award year – July 1, 2012 to June 30, 2013

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grant, P007A124150; CFDA 84.033, Federal Work Study Program, P033A124150; CFDA 84.063, Federal Pell Grant Program, P063P123266; and CFDA 84.268, Federal Direct Student Loans, P268K133266

Type of finding – Significant Deficiency and Non-Compliance

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subchapter C, Section 300(b)).

Initial Year Written:	2013
Status:	Implemented
U.S. Department of Education	

The College did not maintain adequate user access controls over its Colleague student financial assistance application. Specifically:

- Three individuals had inappropriate access based on their job responsibilities to post federal grants and loans.
- Eight administrators and the Colleague application vendor had access to a shared default Colleague system account for performing administrative tasks on the Colleague application. The number of individuals with access to the account was excessive.
- One of the Colleague administrators also had responsibilities as a programmer.
- Programmers migrated code to the production environment.

Allowing users inappropriate or excessive access to systems and allowing programmers to migrate code to the production environment increases the risk of inappropriate changes to systems and does not allow for proper segregation of duties.

In addition, the College did not conduct a formal, periodic review of user access to its Colleague application to determine the appropriateness of users' access based on their job responsibilities. It did not have any policies requiring such reviews. Not periodically reviewing user access increases the risk of inappropriate access to critical information systems go undetected.

The Texas State Technical College System maintains the Colleague application for all of its institutions.

Corrective Action:

Corrective action was taken.

Texas State University

Reference No. 2014-123

Special Tests and Provisions – Verification

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A134122; CFDA 84.033, Federal Work-Study Program, P033A134122; CFDA 84.063, Federal Pell Grant Program, P063P130387; CFDA 84.268, Federal Direct Student Loans, P268K140387; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T140387; and CFDA 84.408, Postsecondary Education Scholarships for Veteran’s Dependents, P408A130387

Type of finding – Significant Deficiency and Non-Compliance

For each applicant whose Free Application for Federal Student Aid (FAFSA) is selected for verification by the Secretary of the U.S. Department of Education, an institution must verify all of the applicable items, which include household size; number of household members who are in college; adjusted gross income (AGI); U.S. income taxes paid; child support paid; and certain types of untaxed income and benefits such as food stamps, education credits, IRA deductions, other untaxed income, high school completion, and identity and statement of educational purpose (Title 34, Code of Federal Regulations (CFR), Sections 668.54 and 668.56, and *Federal Register* Volume 77, Number 134).

Initial Year Written:	2014
Status:	Implemented
U.S. Department of Education	

When the verification of a student’s eligibility results in any change to a non-dollar item or a change to a single dollar item of \$25 or more from the student’s FAFSA, the institution must submit a correction to the U.S. Department of Education and adjust the student’s financial aid package on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR). For the Federal Pell Grant Program, if a student’s FAFSA information changes as a result of verification, an institution must recalculate the student’s Federal Pell Grant on the basis of the EFC on the corrected ISIR and disburse any additional funds under that award (Title 34, CFR, Section 668.59).

For 4 (7 percent) of 60 students tested, Texas State University (University) did not accurately verify all required information on students’ FAFSAs and did not always correct student ISIR information when required. The University did not accurately verify tax-related information on those students’ FAFSAs. Auditors identified errors in adjusted gross income, reported income taxes paid, and education tax credits. Three of those errors resulted in the students’ EFC being understated; for two of those students, that resulted in the University making Pell Grant overawards of \$100 and \$400.

According to the University, those errors occurred because of manual errors it made during the verification process. When auditors brought those errors to the University’s attention, the University made corrections to the students’ ISIRs and adjusted the students’ awards; therefore, there were no questioned costs.

Not properly verifying FAFSA information can result in the University overawarding or underawarding student federal financial assistance.

Corrective Action:

Corrective action was taken.

Reference No. 2014-124

Special Tests and Provisions – Return of Title IV Funds

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A134122; CFDA 84.063, Federal Pell Grant Program, P063P130387; CFDA 84.268, Federal Direct Student Loans, P268K140387; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T140387; and CFDA 84.408, Postsecondary Education Scholarships for Veteran’s Dependents, P408A130387

Type of finding – Significant Deficiency and Non-Compliance

When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV assistance earned by the student as of the student’s withdrawal date (Title 34, Code of Federal Regulations (CFR), Section 668.22(a)(1)). If the total amount of Title IV assistance earned by the student is less than the amount that was disbursed to the student or on his or her behalf as of the date of the institution’s determination that the student withdrew, the difference must be returned to the Title IV programs and no additional disbursements may be made to the student for the payment period or period of enrollment. If the amount the student earned is more than the amount disbursed, the difference between the amounts must be treated as a post-withdrawal disbursement (Title 34, CFR, Section 668.22(a)).

Initial Year Written:	2014
Status:	Partially Implemented
U.S. Department of Education	

An institution must return the amount of Title IV funds for which it is responsible as soon as possible but no later than 45 days after the date of the institution’s determination that the student withdrew (Title 34, CFR, Section 668.22(j)).

When a recipient of Title IV grant or loan assistance does not begin attendance at an institution during a payment period or period of enrollment, all disbursed Title IV grant and loan funds must be returned. The institution must determine which Title IV funds it must return, and it must determine which funds were disbursed directly to a student. The institution must return those Title IV funds as soon as possible, but no later than 30 days after the date that the institution becomes aware that the student will not or has not begun attendance (Title 34, CFR, Section 668.21(b)).

Texas State University (University) did not always return Title IV funds within the required time frames. Specifically:

- For 1 (2 percent) of 50 students tested who withdrew, the University did not return Title IV funds within the required 45-day time frame. The University returned funds 274 days after it determined the student withdrew.
- For 1 (7 percent) of 14 students tested who never began attendance, the University did not return Title IV funds within the required 30-day time frame. The University returned funds 70 days after the student withdrew.

Those errors occurred because the University did not process withdrawal notifications in a timely manner.

Not determining withdrawal dates in a timely manner or making returns after the required time frame reduces the information available to the U.S. Department of Education for its program management.

Corrective Action:

This finding was reissued as current year reference number 2015-114.

Reference No. 2014-125

Special Tests and Provisions – Enrollment Reporting

(Prior Audit Issue 2013-148)

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A134122; CFDA 84.033, Federal Work-Study Program, P033A134122; CFDA 84.063, Federal Pell Grant Program, P063P130387; CFDA 84.268, Federal Direct Student Loans, P268K140387; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T140387; and CFDA 84.408, Postsecondary Education Scholarships for Veteran’s Dependents, P408A130387

Type of finding – Non-Compliance

Unless an institution expects to submit its next enrollment reporting roster file to the Secretary of the U.S. Department of Education or the guaranty agency within the next 60 days, it must notify the guaranty agency or lender within 30 days if it discovers that a Federal Family Education Loan (FFEL), Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan has been made to or on behalf of a student who (1) enrolled at that institution but has ceased to be enrolled on at least a half-time basis; (2) has been accepted for enrollment at that institution but failed to enroll on at least a half-time basis for the period for which the loan was intended; or (3) has changed his or her permanent address (Title 34, Code of Federal Regulations (CFR), Sections 685.309(b) and 682.610(c)). Effective June 2012, enrollment reporting roster files must also include Pell Grant-only and Federal Perkins Loans recipients (Title 34, CFR, Section 690.83(b)(2), and *Dear Colleague Letter*, March 30, 2012 (GEN-12-06)).

Initial Year Written: 2013
 Status: Partially Implemented

 U.S. Department of Education

Texas State University (University) uses the services of the National Student Clearinghouse (NSC) to report status changes to the National Student Loan Data System (NSLDS). Under this arrangement, the University reports all students enrolled and their status to NSC. NSC then identifies any changes in status and reports those changes when required to the respective lenders and guarantors. Additionally, NSC completes the roster file on the University’s behalf and communicates status changes to NSLDS as applicable. Although the University uses the services of NSC, it is still ultimately the University’s responsibility to submit timely, accurate, and complete responses to roster files and to maintain proper documentation (*NSLDS Enrollment Reporting Guide*, Chapter 1).

The effective date for a student with a “graduated” status is the date the student completed the course requirements and not the presentation date of the diploma or certificate (*NSLDS Enrollment Reporting Guide*, Appendix B).

For 2 (3 percent) of 60 student status changes tested, the University did not report the change to the NSLDS accurately. Specifically:

- For one student, the University did not properly update the student's status and corresponding effective date. The student completed coursework for a degree in the Fall 2013 semester but did not apply for graduation until the Spring 2014 semester. The student was reported as “withdrawn” following the Fall 2013 semester, and the University did not update that status in the Spring 2014 semester to reflect the student’s “graduated” status. The University reported the graduated status to the NSC in May 2014; however, that status was not reported to the NSLDS. The University did not manually adjust the student's record to reflect the "graduated" status and was not aware of the correct effective date to be used for that student.
- For one student, the University reported an incorrect withdrawal date to the NSLDS. That occurred because of a manual error. After the initial withdrawal date was reported to the NSLDS, the University’s Office of the Registrar approved the student’s appeal to be considered as “never attended” for the Spring 2014 semester. The student had withdrawn on the first day of classes for the semester and had not attended any classes during that term. The University updated the student's effective withdrawal date in its financial aid system, but not in the NSLDS.

Not reporting student status changes accurately and completely could affect determinations that guarantors, lenders, and servicers of student loans make related to in-school status, deferments, grace periods, repayment schedules, and the federal government’s payment of interest subsidies.

Corrective Action:

This finding was reissued as current year reference number 2015-115.

Texas Tech University

Reference No. 2014-126

Cash Management

Student Financial Assistance Cluster

Award year – July 1, 2012 to June 30, 2013

Award number – CFDA 84.033, Federal Work-Study Program, P033A124151

Type of finding – Non-Compliance

If an institution submits a request for the advance payment of funds, the request for funds may not exceed the amount of funds the institution needs immediately for disbursements it has made or will make. The institution must disburse the requested funds as soon as administratively feasible, but no later than three business days following the date the institution received those funds (Title 34, Code of Federal Regulations (CFR), Section 668.162(b)). An institution may maintain, for up to seven days, an amount of excess cash that was not disbursed by the end of the third business day and that does not exceed one percent of the total amount of funds the institution drew down in the prior award year. The institution must immediately return any amount of excess cash over the one percent and any amount remaining in the institution’s account after the seven-day tolerance period (Title 34, CFR, Section 668.166(b)). Institutions may retain interest earned on federal funds drawn up to \$250 per award year (Title 34, CFR, 668.163(c)(4)).

Initial Year Written:	2014
Status:	Implemented
U.S. Department of Education	

Texas Tech University (University) did not always minimize the time between its drawdowns of federal funds and its disbursement of those funds. The University drew down funds for the Federal Work-Study Program from a prior award year and did not disburse those funds within three business days of receipt. The University drew down \$34,850 from award year 2012-2013 on September 30, 2013, but it did not fully expend those funds for another 15 days. In addition, those drawdowns exceeded one percent of the total amount from the prior year and the seven-day tolerance period. The interest earned on those funds would not have exceeded the \$250 allowance and, therefore, would not have been required to be remitted.

That issue occurred because the University was not aware of the amount of 2012-2013 Federal Work-Study Program funds that would be available to carry forward until calculations for the Fiscal Operations Report and Application to Participate (FISAP) were completed in late September 2013.

Not minimizing the time between drawdowns of federal funds and the disbursement of those funds increases the risk that the University could draw down funds in excess of its needs.

Corrective Action:

Corrective action was taken.

Reference No. 2014-127

Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014.

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grant, P007A134151; CFDA 84.033, Federal Work-Study Program, P033A134151; CFDA 84.063, Federal Pell Grant Program, P063P132328; CFDA 84.268, Federal Direct Student Loans, P268K142328; CFDA 84.379, Teacher Education Assistance for College of Higher Education Grants, P379T142328; and CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

Satisfactory Academic Progress

A student is eligible to receive Title IV, Higher Education Act (HEA) program assistance if the student maintains satisfactory academic progress in his or her course of study according to the institution’s published standards of satisfactory progress that meet the provisions of Title 34, Code of Federal Regulations (CFR), Section 668.34 (Title 34, CFR, Section 668.32(f)). Institutions must establish a reasonable satisfactory academic progress (SAP) policy for determining whether an otherwise eligible student is making satisfactory academic progress in his or her educational program and may receive Title IV assistance (Title 34, CFR, Section 668.34(a)). A student is making satisfactory progress when the student is enrolled in a program of study of more than two academic years and, therefore, is eligible to receive Title IV, HEA program assistance after the second year; the student has a grade point average of at least a “C” or its equivalent; or the student has academic standing consistent with the institution’s requirements for graduation (Title 34, CFR, Section 668.34(a)).

Initial Year Written:	2014
Status:	Implemented
U.S. Department of Education	

Texas Tech University’s (University) SAP policy allows students who do not meet SAP requirements to file an appeal in order to receive financial aid. Students with successful appeals are placed on probation with an approved academic plan and allowed to receive financial aid for one or more periods of enrollment if they are determined to be following their academic plans. Beginning October 15, 2013, the University’s policy was to evaluate SAP for all students on an annual basis. However, for students on probation, it evaluated SAP at the end of each term.

The University did not update the SAP status in the financial aid system for 36 (3 percent) of 1,101 students who were identified as not meeting SAP requirements and were on probation. Those students did not meet SAP requirements before the Fall 2013 semester and were placed on probation with an academic plan for the Fall semester. At the end of the Fall semester, those students still did not meet SAP requirements, but the University did not update its financial aid system. That occurred because of a manual error in the process for updating students’ SAP statuses in the financial aid system. The University was unaware that those students still had not met SAP requirements and did not review those students or their academic plans. As a result, the University did not determine whether those students were following the approved academic plans prior to disbursing a total of \$195,799 in Title IV assistance to those students for the Spring 2014 term.

When auditors brought that issue to the University’s attention, it performed a review to determine whether those 36 students were following approved academic plans. For 29 of those students, the University determined that the students were following approved academic plans. For seven of those students, the University had to request additional documentation from the students, including SAP appeals. Those seven students filed the required documentation and their appeals were approved. Therefore, all 36 students were determined to be eligible for federal financial assistance.

Not updating SAP statuses increases the risk that the University could award Title IV assistance to students who are not eligible for that assistance.

Teacher Education Assistance for College and Higher Education

During federal fiscal year 2014, there was a change in the sequester-required percentage reduction that applied to Teacher Education Assistance for College and Higher Education (TEACH) grants first disbursed during fiscal year 2014. The U.S. Office of Management and Budget (OMB) recalculated the sequester-required reduction percentage for the TEACH grant program to 0.89 percent, which was a decrease from the 7.2 percent reduction previously announced in the October 17, 2013, *Dear Colleague Letter*. If an institution had already disbursed TEACH grant

awards with a first disbursement date on or after October 1, 2013, and before October 1, 2014, it should have adjusted the award amounts to reflect the reduction percentage of 0.89 percent and disbursed the additional funds to the affected students (*Dear Colleague Letter*, GEN-13-27).

Based on a review of the entire population of federal student financial assistance recipients, the University awarded incorrect amounts for TEACH grant awards to three students. For two of those students, the University underawarded TEACH grants by \$252 and \$470. For one of those students, it overawarded the TEACH grant by \$153. The University entered the incorrect award amounts manually into its financial aid system based on enrollment at the time the award amount determinations were made. Because those award amounts were manually entered, the financial aid system did not automatically adjust the award amounts when sequestration percentage reduction changed. When auditors brought those issues to the University’s attention, it adjusted and corrected the TEACH grant awards to those students; therefore, there were no questioned costs.

Corrective Action:

Corrective action was taken.

Reference No. 2014-128

Special Tests and Provisions – Verification

(Prior Audit Issues 2013-150, 13-129, 12-136, 11-136, and 09-72)

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A134151; CFDA 84.033, Federal Work-Study Program, P033A134151; CFDA 84.063, Federal Pell Grant Program, P063P132328; CFDA 84.268, Federal Direct Student Loans, P268K142328; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T142328; and CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

For each applicant whose Free Application for Federal Student Aid (FAFSA) is selected for verification by the Secretary of the U.S. Department of Education, an institution must verify all of the applicable items, which include household size, number of household members who are in college, adjusted gross income (AGI), U.S. income taxes paid, child support paid, food stamps, education credits, individual retirement account deductions, other untaxed income, high school completion, and identity and statement of educational purpose (Title 34, Code of Federal Regulations (CFR), Sections 668.54 and 668.56, and *Federal Register*, Volume 77, Number 134). When the verification of a student’s eligibility results in any change to a non-dollar item or a change to a single dollar item of \$25 or more from the student’s original FAFSA, the institution must submit a correction to the U.S. Department of Education and adjust the student’s financial aid package on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR). For the Federal Pell Grant Program, if a student’s FAFSA information changes as a result of verification, an institution must recalculate the student’s Pell Grant on the basis of the EFC on the corrected ISIR and disburse any additional funds under that award (Title 34, CFR, Section 668.59).

Initial Year Written:	2008
Status:	Implemented
U.S. Department of Education	

For 3 (5 percent) of 60 students tested, Texas Tech University (University) did not accurately verify all required items on the FAFSA; therefore, it did not subsequently update its records and request updated ISIRs as required. For those three students, the University did not accurately verify one or more of the following items: the number of household members, the number of household members who are in college, income earned from work for non-tax filers, and education credits.

When auditors brought those errors to the University’s attention, it corrected those errors and requested updated ISIRs for those students. For one student, the EFC was overstated and the student should have received an additional \$400 in Pell Grant assistance. The University corrected the Pell Grant assistance and disbursed the additional amount to that student. For one student, the EFC was understated and the student was overawarded \$1,795 in Pell Grant assistance. The University corrected that Pell Grant award amount; therefore, there were no questioned costs. For the

remaining student, the errors did not result in changes to the student’s EFC and there was no overaward or underaward of financial assistance.

Those errors occurred because of manual errors the University made during its verification process and that it did not identify in its monitoring of the verification process. Not properly verifying FAFSA information can result in the University overawarding or underawarding student federal financial assistance.

Corrective Action:

Corrective action was taken.

Reference No. 2014-129

Special Tests and Provisions – Enrollment Reporting

(Prior Audit Issues 2013-152, 13-132, 12-138, 11-139 and 09-75)

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A134151; CFDA 84.063, Federal Pell Grant Program, P063P132328; CFDA 84.268, Federal Direct Student Loans, P268K142328; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T142328; and CFDA 84.038, Federal Perkins Loan Program - Federal Capital Contributions, Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

Unless an institution expects to submit its next enrollment reporting roster file to the Secretary of the U.S. Department of Education or the guaranty agency within the next 60 days, it must notify the guaranty agency or lender within 30 days if it discovers that a Federal Family Education Loan (FFEL), Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan has been made to or on behalf of a student who (1) enrolled at that institution but has ceased to be enrolled on at least a half-time basis, (2) has been accepted for enrollment at that institution but failed to enroll on at least a half-time basis for the period for which the loan was intended, or (3) has changed his or her permanent address (Title 34, Code of Federal Regulations (CFR), Section 685.309(b) and 682.610(c)). Effective June 2012, enrollment reporting roster files must also include Pell Grant-only and Federal Perkins Loans recipients (Title 34, CFR, Section 690.83(b)(2), and *Dear Colleague Letter*, March 30, 2012 (GEN-12-06)).

Initial Year Written: 2008
 Status: Partially Implemented
 U.S. Department of Education

Institutions are required to use the date of a student’s withdrawal for the purposes of reporting enrollment status changes to the Secretary of the U.S. Department of Education and determining when a refund or return of Title IV funds must be paid (Title 34, CFR, Section 685.305(c)). In addition, the *Federal Student Aid Handbook* states that, if a student officially withdraws while on a scheduled break of five consecutive days or more, the withdrawal date is the last date of scheduled class attendance prior to the start of the scheduled break (U.S. Department of Education *2013-2014 Federal Student Aid Handbook*). The *NSLDS Enrollment Reporting Guide* defines the effective date of a status change as the date when the most recently reported status took effect. It also states that, in the absence of a student’s formal withdrawal, the student’s last recorded date of attendance should be reported as the status change date. The effective date to be reported for graduated students is the date the students completed the course requirements (*NSLDS Enrollment Reporting Guide*, Appendix B).

The *NSLDS Enrollment Reporting Process* attachment to the *Dear Colleague Letter* GEN-12-06 states that, in instances for which a student completes one academic program and then enrolls in another academic program at the same institution, the institution must report two separate enrollment transactions: one showing the completion of the first program and its effective date and credential level, and the other showing the enrollment in the second program and its effective date (GEN-12-06).

Texas Tech University (University) uses the services of the National Student Clearinghouse (NSC) to report status changes to the National Student Loan Data System (NSLDS). Under this arrangement, the University reports all students enrolled and their status to NSC. NSC then identifies any changes in status and reports those changes, when

required, to the respective lenders and guarantors. Additionally, NSC completes the roster file on the University's behalf and communicates status changes to NSLDS as applicable. Although the University uses the services of NSC, it is still ultimately the University's responsibility to submit timely, accurate, and complete responses to roster files and to maintain proper documentation (*NSLDS Enrollment Reporting Guide*, Chapter 1).

For 9 (15 percent) of 61 student enrollment changes tested, the University did not report enrollment changes to NSLDS accurately. Specifically:

- For two students who unofficially withdrew during the Fall 2013 term and did not return for the Spring 2014 term, the University did not report the correct withdrawal dates to NSLDS. The University initially reported both students' last date of attendance in an academically related activity to NSLDS. However, when the registrar's office recertified those students' statuses, the University incorrectly reported the final day of the Fall 2013 term as the effective date of the withdrawals.
- For two students who officially withdrew during the Thanksgiving break of the Fall 2013 term, the University did not report the correct withdrawal date to NSLDS. The University reported the date of the students' withdrawal notification, rather than the last date of scheduled class attendance prior to the start of the Thanksgiving break.
- For three students who completed the term, the University subsequently placed the students on academic suspension and canceled their enrollment, but it did not report the correct withdrawal dates to NSLDS. The University incorrectly reported those students as withdrawn as of the date their classes for the following term were canceled, rather than the last class day of the term they had completed.
- For one student who graduated after the Spring 2014 term and began half-time attendance for the first session of the Summer term, the University reported the student's graduation to NSC; however, NSC did not report the student's graduation to NSLDS.
- For one student who graduated after the Fall 2013 term, the University incorrectly reported the student's commencement date, rather than the last class day of the Fall 2013 term.

Not reporting student status changes and effective dates accurately to NSLDS could affect determinations that guarantors, lenders, and servicers of student loans make related to in-school status, deferments, grace periods, repayment schedules, and the federal government's payment of interest subsidies.

Corrective Action:

This finding was reissued as current year reference number 2015-119.

Reference No. 2014-130

Reporting

Research and Development Cluster

Award years – April 15, 2011 to April 14, 2014; August 15, 2006 to September 30, 2013; September 14, 2010 to September 15, 2013; June 1, 2012 to May 31, 2017; July 1, 2012 to June 30, 2015; and July 1, 2012 to June 30, 2015

Award numbers – CFDA 12.800, Air Force Defense Research Sciences Program, FA9550 11 1 0027; CFDA 81.087, Renewable Energy Research and Development, DE FG36 06G086092; CFDA 12.910, Research and Technology Development, FA2386 10 1 4165; CFDA 12.300, Basic and Applied Scientific Research, N00014-12-1-0525; CFDA 47.041, Engineering Grants, ECCS - 1200168; and CFDA 93.865, Child Health and Human Development Extramural Research, 1R15HD071514-01A1

Type of finding – Significant Deficiency and Non-Compliance

Financial Reporting

Institutions shall maintain internal controls over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133 Subchapter C, Section 300(b)).

Texas Tech University (University) does not have sufficient controls in place to ensure that it submits complete and accurate final financial reports. For 3 (75 percent) of 4 final financial reports tested, the University did not review the reports or obtain approval of the reports from an individual other than the preparer.

Initial Year Written:	2014
Status:	Partially Implemented
National Science Foundation	
U.S. Department of Defense	
U.S. Department of Energy	
U.S. Department of Health and Human Services	

Auditors did not identify significant non-compliance in a sample of financial reports tested; however, the absence of reviews increases the risk that information intended for the federal government and the public could be incomplete or inaccurate.

Corrective Action:

Corrective action was taken.

Federal Funding Accountability and Transparency Act Reporting

The Federal Funding Accountability and Transparency Act (Transparency Act) requires prime recipients of federal awards made on or after October 1, 2010, to capture and report subaward and executive compensation data regarding first-tier subawards that exceed \$25,000. Prime recipients are to report subaward information no later than the end of the month following the month in which the obligation was made (Title 2, Code of Federal Regulations, Chapter 170).

The University did not ensure that it consistently submitted Transparency Act reports within the required time frames and for the correct amounts. Specifically, for 1 (20 percent) of 5 reports tested, the University incorrectly reported the amount of the subaward by \$25,000. In addition, the University did not submit 3 (60 percent) of 5 reports tested by the last day of the month following the month in which the subaward obligations were made. It submitted those 3 reports between 43 and 219 days late. Those errors occurred because the University did not have policies and procedures for Transparency Act reporting prior to June 2014.

Not reporting subawards within the required time frames or reporting incorrect amounts decreases the reliability and availability of information to the awarding agency and other users of that information.

Recommendation:

The University should develop and implement a process to ensure that it reports subawards that are subject to Transparency Act requirements in a timely and accurate manner.

Views of Responsible Officials and Corrective Action Plan 2014:

Finding: Federal Funding Accountability and Transparency Act Reporting

Response: ORA implemented policies and procedures in June 2014. ORA management will continue to monitor the process to ensure the accurate and complete reporting of subawards in accordance with the Transparency Act.

Views of Responsible Officials and Corrective Action Plan 2015:

In June 2014 (just prior to the original audit), Accounting Services implemented written policies and procedures to ensure compliance with the Federal Funding Accountability and Transparency Act (FFATA). In June 2015, additional monitoring controls were implemented to further reduce the risk of noncompliance. Specifically, a supervisor samples covered awards on a quarterly basis to check for timeliness and accuracy. However, two late reports were identified in the follow-up procedures. One report preceded the review procedures implemented in June 2015, and one was not included in the supervisor's sampling review. Going forward, Accounting Services will monitor monthly so that missed reports are detected in a timely manner. Additionally, Accounting Services is developing a report to automate the identification of covered awards to achieve a greater compliance rate.

Implementation Date: February 2016

Responsible Person: Simone Barnhill

University of Houston

Reference No. 2014-139

Special Tests and Provisions – Verification

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A134166; CFDA 84.033, Federal Work-Study Program, P033A134166; CFDA 84.063, Federal Pell Grant Program, P063P132333; CFDA 84.268, Federal Direct Student Loans, P268K142333; CFDA 84.038, Federal Perkins Loans – Federal Capital Contributions, Award Number Not Applicable; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T142333

Type of finding – Non-Compliance

For each applicant whose Free Application for Federal Student Aid (FAFSA) is selected for verification by the Secretary of the U.S. Department of Education, an institution must verify all of the applicable items, which include household size, number of household members who are in college, adjusted gross income (AGI), U.S. income taxes paid, child support paid, food stamps, education credits, individual retirement account deductions, other untaxed income, high school completion, and identity and statement of educational purpose (Title 34, Code of Federal Regulations (CFR), Section 668.54 and 668.56; and *Federal Register* Volume 77, Number 134). When the verification of a student’s eligibility results in any change to a non-dollar item or a change to a single dollar item of \$25 from the student’s original FAFSA, the institution must submit a correction to the U.S. Department of Education and adjust the applicant’s financial aid package on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR). For the Federal Pell Grant Program, if an applicant’s FAFSA information changes as a result of verification, an institution must recalculate the applicant’s Federal Pell Grant on the basis of the EFC on the corrected ISIR and disburse any additional funds under that award. (Title 34, CFR, Section 668.59).

Initial Year Written: 2014
Status: Partially Implemented

U.S. Department of Education

For 2 (5 percent) of 40 students tested, the University of Houston (University) did not accurately verify all required items on the FAFSA; therefore, it did not subsequently update its records and request updated ISIRs as required. For those students, the University did not accurately verify one or more of the following verification items: the number of household members in college, education credits, and untaxed pension amounts. As a result of those errors, the University understated the EFC for one student by \$5,049 and overstated the EFC for one student by \$25. Those errors occurred because of manual errors the University made in verification.

When auditors brought those errors to the University’s attention, it corrected the errors and requested updated ISIRs for those students. Although there was a change in the students’ EFC, that did not affect the students’ aid amounts. Therefore, there were no questioned costs.

Not properly verifying FAFSA information could result in the University overawarding or underawarding student financial assistance.

Corrective Action:

This finding was reissued as current year reference number 2015-121.

Reference No. 2014-140

Special Tests and Provisions – Enrollment Reporting

(Prior Audit Issues 2013-165, 13-147, 12-153, 11-154, 10-98, 09-87, 08-74, and 07-58)

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A134166; CFDA 84.033, Federal Work-Study Program, P033A134166; CFDA 84.038, Federal Perkins Loan Program – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P132333; CFDA 84.268, Federal Direct Student Loans, P268K142333; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T142333

Type of finding – Significant Deficiency and Non-Compliance

Unless an institution expects to submit its next enrollment reporting roster file to the Secretary of the U.S. Department of Education or the guaranty agency within the next 60 days, it must notify the guaranty agency or lender within 30 days if it discovers that a Federal Family Education Loan (FFEL), Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan has been made to or on behalf of a student who (1) enrolled at that institution but has ceased to be enrolled on at least a half-time basis; (2) has been accepted for enrollment at that institution but failed to enroll on at least a half-time basis for the period for which the loan was intended; or (3) has changed his or her permanent address (Title 34, Code of Federal Regulations (CFR), Sections 685.309(b) and 682.610(c)). Effective June 2012, enrollment reporting roster files must also include Pell Grant-only and Federal Perkins Loans recipients (Title 34, CFR, Section 690.83(b)(2), and *Dear Colleague Letter*, March 30, 2012 (GEN-12-06)).

Initial Year Written:	2006
Status:	Partially Implemented
U.S. Department of Education	

When a student completes one academic program and then enrolls in another academic program at the same school, the school must report two separate enrollment transactions: one showing the completion of the first program and its effective date and credential level, and the other showing the enrollment in the second program and its effective date (*Dear Colleague Letter*, March 20, 2012, GEN-12-06).

The University of Houston (University) runs a query to identify students who have graduated during a specified term. Degree verification transmissions are scheduled weekly until the colleges have made all degree decisions for the relevant term and the Office of Registration and Academic Records has processed those decisions. The colleges have up to 40 calendar days from the close of the relevant term to submit their graduation decisions for processing. Degree decisions not completed by that due date are reported manually (not by batch) directly to the National Student Clearinghouse (NSC), which reports student status changes to the National Student Loan Data System (NSLDS) on behalf of the University. Although the University uses the services of NSC, it is still ultimately the University’s responsibility to submit timely, accurate, and complete responses to enrollment reporting roster files and to maintain proper documentation (*NSLDS Enrollment Reporting Guide*, Chapter 1).

For 1 (3 percent) of 40 student status changes tested, the University did not report the enrollment change to NSLDS accurately. The student graduated at the end of the Fall 2013 term, and the University reported the status change to NSC. However, NSC did not report the status change to NSLDS; instead, it reported a full-time status for that student for the Fall 2013 term. While the student enrolled in the Spring 2014 term and was reported with a half-time status, NSC should have reported the completion of the student’s program in the Fall 2013 term to NSLDS as a separate enrollment transaction.

Not reporting student status changes accurately and within the required time frame could affect determinations that guarantors, lenders, and servicers of student loans make related to in-school status, deferments, grace periods, repayment schedules, and the federal government’s payment of interest subsidies.

Corrective Action:

This finding was reissued as current year reference number 2015-124.

Reference No. 2014-141

**Activities Allowed or Unallowed
Allowable Costs/Cost Principles**

Research and Development Cluster

Research and Development Cluster – ARRA

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

Payroll Expenditures

The method of payroll distribution used by entities that receive federal awards must recognize the principle of after-the-fact confirmation or determination so that costs distributed represent actual costs, unless a mutually satisfactory alternative agreement is reached. Direct cost activities and facilities and administrative cost activities may be confirmed by responsible persons with suitable means of verification that the work was performed. Additionally, for professorial and professional staff, the reports will be prepared each academic term, but no less frequently than every six months (Title 2, Code of Federal Regulations (CFR), Section 220, Appendix A (J)(10)).

Initial Year Written: 2014
Status: Partially Implemented

National Aeronautics and Space Administration
National Endowment for the Humanities
National Science Foundation
U.S. Department of Defense
U.S. Department of Education
U.S. Department of Energy
U.S. Department of Health and Human Services

According to the University of Houston’s (University) effort reporting policy, employees must certify their time and effort reports in accordance with a quarterly schedule published in the policy. **For 29 (69 percent) of 42 payroll transactions tested, the University did not certify time and effort reports within the required time period.** Specifically:

- For 19 payroll transactions, the due date for time and effort certifications had passed and the University had not completed those certifications. All 19 of these transactions occurred within the third and fourth quarters of the certification year. According to the University, the third and fourth quarter time and effort certifications were delayed because of the implementation of a new timekeeping system.
- For 6 payroll transactions, the University completed time and effort certifications, but the principal investigator signed those certifications between 107 and 228 days after the certification due date in the University’s policy. Those transactions occurred within the first and second quarters of the certification year.
- For 3 payroll transactions that occurred in the first and second quarters of the certification year, the time and effort certification was signed but not dated; therefore, auditors could not determine whether the certifications were completed prior to the due date in the University’s policy.
- For 1 payroll transaction, the time and effort certification for the third quarter was not signed by the principal investigator.

A prolonged elapsed time between activity and certification of the activity can decrease the accuracy of reporting and increase the time between payroll distribution and any required adjustments to that distribution.

Payroll Salary Restrictions

Every year since 1990, the U.S. Congress has legislatively mandated a provision limiting the direct salary that an individual may receive under a National Institutes of Health (NIH) grant. The amount of direct salary to executive level II of the federal executive pay scale was restricted to \$179,700 from December 23, 2011, through January 11, 2014. The executive level II salary restriction increased from \$179,700 to \$181,500 effective January 12, 2014 (NIH Notice Number NOT-OD-14-052).

The University’s research effort reporting policy states that, in instances in which federal regulations do not allow for salaries in excess of statutory or regulatory salary caps, the amount of a faculty member’s salary to be charged to a grant is determined based on the percentage of effort to be devoted to the grant.

The University does not have effective controls to help ensure that it limits the salaries charged to NIH grants.

The University performs a quarterly analysis to determine whether employees on NIH grants charge less than the monthly salary cap amount to the grant. However, the University does not consider the percentage of effort that each employee spends on a grant when it performs that analysis. Auditors tested the first and second quarters of fiscal year 2014 and identified salary costs for five employees totaling \$9,875 that were overcharged to six NIH awards as a result of that error. Auditors were not able to test the third and fourth quarters of fiscal year 2014 because of the time and effort delays discussed above that resulted from the University’s implementation of a new timekeeping system.

Direct Costs (Non-payroll)

Allowable costs charged to federal programs must (1) be reasonable; (2) be allocable to sponsored agreements; (3) be given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances; and (4) conform to any limitations or exclusions set forth in cost principles or in the sponsored agreement as to types or amounts of cost items (Title 2, CFR, Section 220, Appendix A, C.2).

Four (5 percent) of 74 direct cost transactions tested at the University were unallowable. Three of those transactions were for meals and alcohol that were charged to federal awards that did not allow or specifically disallowed those types of expenditures; the fourth transaction was for an unallowable late payment fee. The University corrected all of those errors; therefore, there were no questioned costs.

The following awards were affected by the payroll expenditures issues discussed above:

CFDA No.	CFDA Title	Award Number	Award Year
12.300	Basic and Applied Scientific Research	N00014-13-1-0543	May 1, 2013 to April 30, 2016
43.001	Science	T72314	May 1, 2013 to September 30, 2014
47.041	Engineering Grants	ECCS-1102195	September 1, 2011 to August 31, 2015
47.041	Engineering Grants	ECCS-0926006	September 1, 2009 to August 31, 2014
47.049	Mathematical and Physical Sciences	CHE-0956127	October 1, 2010 to September 30, 2015
47.049	Mathematical and Physical Sciences	CHE-1213646	August 15, 2012 to July 31, 2015
47.070	Computer and Information Science and Engineering	IIS-1111507	January 1, 2014 to December 31, 2014
47.074	Biological Sciences	DEB-1253650	April 1, 2013 to March 31, 2018
47.080	Office of Cyberinfrastructure	OCI-1148052	September 1, 2013 to May 31, 2015
81.000	Department of Energy	DE-EE0005806	September 1, 2012 to February 28, 2015
81.049	Office of Science Financial Assistance Program	DE-SC0006771	September 15, 2011 to September 14, 2015
81.049	Office of Science Financial Assistance Program	DE-FG02-07ER41521	November 15, 2013 to November 14, 2014

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CFDA No.	CFDA Title	Award Number	Award Year
81.049	Office of Science Financial Assistance Program	DE-SC0008073	July 1, 2012 to June 30, 2015
81.105	National Industrial Competitiveness through Energy, Environment, and Economics	1452262	May 6, 2014 to September 1, 2014
81.122	Electricity Delivery and Energy Reliability, Research, Development and Analysis	DE-OE0000485	July 1, 2010 to December 30, 2014
81.135	Advanced Research Projects Agency - Energy	DE-AR0000196	January 1, 2012 to June 30, 2015
84.305	Education Research, Development and Dissemination	R305A090555	July 1, 2009 to June 30, 2014
84.305	Education Research, Development and Dissemination	UTA10-000725	July 1, 2010 to June 30, 2015
84.324	Research in Special Education	R324C08006	July 1, 2008 to June 30, 2014
93.121	Oral Diseases and Disorders Research	3R01DE022676-02S1	September 1, 2012 to August 31, 2014
93.173	Research Related to Deafness and Communication Disorders	1R03DC012640-02	August 1, 2013 to July 31, 2016
93.242	Mental Health Research Grants	1R01MH097726-01A1	September 13, 2013 to July 31, 2014
93.273	Alcohol Research Programs	1R21AA020572-02	September 5, 2011 to June 30, 2014
93.310	Trans-NIH Research Support	5R01CA174385-02	September 19, 2012 to June 30, 2016
93.398	Cancer Research Manpower	1K01CA151785-01	February 1, 2011 to August 31, 2015
93.535	Affordable Care Act (ACA) Childhood Obesity Research Demonstration	5U18DP003350-03	September 29, 2011 to September 29, 2014
93.865	Child Health and Human Development Extramural Research	4R00HD061689-03	September 1, 2013 to August 31, 2014
93.866	Aging Research	5R01AG039836-04	September 15, 2011 to May 31, 2015
93.867	Vision Research	5P30EY007551-27	July 1, 2014 to June 30, 2015

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The following awards were affected by the payroll salary restriction issues discussed above:

CFDA No.	CFDA Title	Award Number	Award Year	Questioned Costs
93.103	Food and Drug Administration Research	FDAHHSF2232009	August 1, 2013 to December 31, 2013	\$ 64
93.172	Human Genome Research	5U01HG006507-02	December 1, 2012 to November 30, 2013	417
93.279	Drug Abuse and Addiction Research Programs	R21DA029811	September 1, 2011 to February 28, 2014	5,890
93.867	Vision Research	5R01EY008128-24	February 1, 2010 to January 31, 2015	335
93.867	Vision Research	5R01EY001139-37	September 30, 2012 to August 31, 2017	1,893
93.867	Vision Research	1R01EY019105-04	April 1, 2009 to March 31, 2014	1,276
Total Questioned Costs				\$ 9,875

The following awards were affected by the issues discussed above in which the University charged unallowable costs:

CFDA No.	CFDA Title	Award Number	Award Year
43.000	National Aeronautics and Space Administration	NAS 9-02078	November 28, 2011 to June 30, 2014
45.129	Promotion of the Humanities - Federal/State Partnership	2014-4596	April 1, 2014 to May 31, 2014
93.310	Trans-NIH Research Support	3U54HG006348-03S1	August 31, 2013 to July 31, 2014

Recommendations:

The University should:

- Certify after-the-fact time and effort reports in a timely manner according to its policy.
- Include the percentage of effort that each employee spends on a grant when it performs its NIH salary limits analysis.
- Charge only allowable costs to federal awards.

Views of Responsible Officials and Corrective Action Plan 2014:

We are currently implementing MAXIMUS software for effort reporting, to help ensure that after-the-fact time and effort reports are completed in a timely manner. This software will also help ensure that the percentage of effort each employee spends on a sponsored project is considered when computing NIH salary limitations. We acknowledge that

the five salaries charged to the NIH grants were over the monthly cap; however, only one of the salaries was not within the allowed variance per the University policy.

To help prevent unallowable costs from posting to sponsored projects in the future, we will modify our financial system to generate a warning message when specific unallowable expenditure accounts are used on federal fund cost centers.

Views of Responsible Officials and Corrective Action Plan 2015:

Payroll Expenditures

The University is in the testing phase of the MAXIMUS software implementation. Hands-on training by the MAXIMUS team and the Office of Contracts and Grants (OCG) was completed on July 8, 2015 for both staff and faculty members that will be using the software. The roll-out date was September 1, 2015 for Quarter 3 of FY2015 reporting. To manage this effort, the University has hired a dedicated staff to coordinate the effort reporting process with regards to training and overseeing the process in general. The new electronic system tracks re-certification so that the date of the original certification is recorded to account for timing of the certification. The electronic system would also eliminate the error of the certification being signed but not dated. To address the issue of late certifications after the certification due date in the University's policy, the University has updated its policy with due dates that better align with the central university's practices and processing for payroll and payroll corrections.

Implementation Date: September 2015

Responsible Persons: Beverly Rymer and Grace Rosanes

Payroll Salary Restrictions

The calculation worksheet and method used by the University for the DHHS salary cap considers the percentage of effort that each employee spends on a grant when it performs the Salary Cap Analysis. However, the University did not revise the effort or remove the payroll amount over the cap on the DHHS award where the amount did not exceed the 5% variance as outlined in the its effort reporting policy. We now understand that for the NIH cap a variance is not allowed and have updated our practice to verify effort with the researcher and adjust payroll or effort as needed before certification. In addition, the new MAXIMUS effort reporting system flags the DHHS awards and displays the difference between committed or reported effort and actual payroll effort based on the cap for easy verification and correction.

Implementation Date: September 2015

Responsible Persons: Beverly Rymer and Grace Rosanes

Direct Costs (Non-payroll)

In order to reduce the risk that unallowed direct, non-payroll, costs will be charged to a federal fund cost center, the University modified its financial system to create a warning message when an expense account that is normally not allowed on a federal cost center is used on a voucher, requisition, purchase order, or journal, along with a federal cost center. The message tells the user that an unauthorized account is saved on a specific voucher, requisition, purchase order, or journal line and asks the user to verify the account is correct. The message also tells the user to change the account, if it is incorrect, or to route the document through the Office of Contracts and Grants for workflow approval. The warning message will appear each time the document is opened or saved by the document creator or a workflow approver (department, intermediate, and final approver). The final approver in Accounts Payable, Purchasing, or General Accounting will return the document to the user if the warning message appears and the document has not been approved by Contracts and Grants, the intermediate approver. Contracts and Grants will only approve the document if the expense is allowed on the specific federal grant in question.

Implementation Date: July 31, 2015

Responsible Person: Mike Glisson

Reference No. 2014-142

Period of Availability of Federal Funds

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

When a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period and any preaward costs authorized by the federal awarding agency (Title 2, Code of Federal Regulations (CFR), Section 215.28). Unless the federal awarding agency authorizes an extension, a recipient shall liquidate all obligations incurred under the award not later than 90 calendar days after the funding period or the date of completion as specified in the terms and conditions of the award or in agency implementing instructions (Title 2, CFR, Section 215.71).

Initial Year Written: 2014
 Status: Partially Implemented

U.S. Department of Defense
 U.S. Department of Energy
 U.S. Department of Health and Human Services
 Environmental Protection Agency
 National Aeronautics and Space Administration

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300).

The University of Houston (University) did not always incur costs within the period of availability and did not always liquidate its obligations within the required time period. Specifically:

- For 3 (5 percent) of 62 transactions and adjustments tested, the University incurred the underlying expenditures outside the period of availability of the award. The University corrected one of those transactions after auditors brought it to the University’s attention; however, it did not correct the remaining 2, resulting in total questioned costs of \$6,661 associated with award number N00014-11-1-0069. The two transactions were payroll transactions for a pay period after the grant ended; the University had not corrected those charges at the time of the audit.
- For all 9 original transactions tested, the University did not liquidate the obligation within 90 days after the end of the funding period. The University liquidated the obligations associated with those 9 transactions between 91 and 199 days after the end of the funding period. For 3 of those 9 transactions, the University also did not incur the costs within the period of availability. Two of those transactions are discussed in the errors above and are included in the questioned costs of \$6,661, and the University corrected the remaining transaction. The University incurred the other six transactions within the period of availability; therefore, there were no questioned costs related to those transactions.

The University's policy is to close out federal awards within 90 days after the expiration of the award. However, the University does not have an effective process to close grant accounts in its accounting system within the required 90-day closeout period after the end of the award funding period. In addition to the errors discussed above, auditors identified 6 additional transactions that removed project deficits more than 90 days after the grants had ended. Control weaknesses increase the risk of non-compliance with period of availability requirements in applicable laws, regulations, and the provisions of federal grant agreements.

The following awards were affected by the period of availability issues discussed above:

CFDA No.	CFDA Title	Award Number	Award Year	Questioned Costs
12.000	Department of Defense	G105536	June 1, 2012 to February 28, 2013	\$ 0

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CFDA No.	CFDA Title	Award Number	Award Year	Questioned Costs
12.300	Basic and Applied Scientific Research	N00014-11-1-0069	October 1, 2010 to August 31, 2013	6,661
12.800	Air Force Defense Research Sciences Program	FA8650-05-D-1912	November 1, 2012 to November 29, 2013	0
12.910	Research and Technology Development	N66001-11-1-4015	January 3, 2011 to March 15, 2013	0
43.007	NASA Space Operations	NNX13AH25G	November 6, 2012 to December 31, 2013	0
66.419	Water Pollution Control State and Interstate Program Support	582-10-90494-WO-22	February 19, 2013 to August 31, 2013	0
66.419	Water Pollution Control State and Interstate Program Support	582-10-90494-19	September 1, 2012 to August 31, 2013	0
81.000	Department of Energy	DE-AC02-05CH11231	December 14, 2012 to September 30, 2013	0
81.049	Office of Science Financial Assistance Program	DE-FG02-07ER41518	August 15, 2010 to March 14, 2014	0
81.135	Advanced Research and Projects Agency - Energy Financial Assistance Program	DE-AR0000141	January 1, 2012 to July 31, 2013	0
93.213	Research and Training in Complementary and Alternative Medicine	5R01AT005522-04	September 1, 2012 to August 31, 2013	0
93.239	Policy Research and Evaluation Grants	60079362-104354-F	March 1, 2012 to September 29, 2013	0
Total Questioned Costs				\$6, 661

Recommendation:

The University should develop and implement a process to help ensure that it closes grant accounts in its accounting system within the required 90-day closeout period to help ensure that it complies with all period of availability requirements for federal awards.

Views of Responsible Officials and Corrective Action Plan 2014:

We will modify our procedures to help ensure that we comply with all period of availability requirements for federal awards as specified by the new Uniform Administrative Requirements.

Views of Responsible Officials and Corrective Action Plan 2015:

The University developed close out processes in keeping with the new Uniform Guidance that recognizes a close out period and a post-close out period. The University closes grant accounts in its accounting system during the post-close out period when it determines that all applicable administrative actions and all requirements of the Federal award have been completed including final payments.

Closeout - No later than 90 calendar days after the end date of the period of performance (grant end date), the University will liquidate all of its obligation, and will submit all financial, performance, and other reports as required by the terms and conditions of the Federal award or our federal flow-through agency. Some agencies may allow more time for final reports or may give the University authorization for an extension.

Post-closeout- Flow-through agencies and federal agencies that do not use the letter of credit payment method have up to 90 days after final financial statement or invoice to pay the University. Therefore after the period of availability, the University will continue to carry out post-close out adjustments and have continuing responsibilities that may involve making upward or downward adjustment to the award budget and expenses in its accounting system in order to align them with the amounts reported to the sponsor and paid to the University. In addition, the Office of Contracts and Grants (OCG) financial office, rather than the responsible department, will remove unallowable expenses, during the close out period and during the post-close out period as well.

Payroll: In order to reduce the occurrences of payroll expenses outside of the period of performance posting to the grant account, the University has modified its financial system to validate the paycheck earning dates against the grant end date. If the earning date is after the grant end date, the payroll will post to a University suspense cost center instead of the grant account. In the past, verifying payroll outside of the period of performance was done manually. The questioned cost of \$6,661.00 in the 2014 finding was payroll outside of the period of performance not caught by the manual check. As part of the post-close out continuing responsibility, the sponsor was contacted, the final financial report was revised, the grant budget and expenses were adjusted, and a refund check was issued to the sponsor. Moving forward, the system control put in place will prevent payroll from posting to the grant account after the period of performance. The University has also implemented the online routing of payroll reallocations (eRAF). The reallocations forms will not validate or route through the financial system for approvals and post to the grant cost center if the accounting date of the award is closed. The accounting date on federal grants are set up in the financial system to close 90 days after the expiration of the award. A request must be made to the central Office of Grants and Contract office to extend this date for post close out activities.

Non-payroll: In order to reduce the instances of non-payroll expenses outside of the period of performance, the University has modified its financial system to check the invoices dates against the grant ending date. Vouchers using a federal fund now generate a warning message when an invoice date is entered that is after the grant end date. The warning message notifies the user that the invoice date is after the grant end date and instructs the user to send the voucher through the Office of Contracts and Grants for workflow approval. The warning message appears each time the voucher is saved or opened by the voucher creator or a workflow approver (department, intermediate, and final approver). Accounts Payable, the final approver, will return the voucher to the user if the warning message appears and the voucher has not been approved by Contracts and Grants, the intermediate approver. The University understands that there can be invoices with dates outside of the period of performance in which the work done by the vendor or contractor is within the period of performance. Also, under the new Uniform Guidance, expenses for

publications can be paid after the period of performance. The purpose of the internal control is to ensure that such expenses are being verified before they are charged to a federal grant. The voucher can still be processed if Contracts and Grants determines that the cost is allowable.

Implementation Date: August 31, 2015

Responsible Persons: Beverly Rymer and Mike Glisson

Reference No. 2014-143

Reporting

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

Financial Reporting

Recipients are responsible for managing, monitoring, and reporting performance for each project, program, subaward, function, or activity supported by the award (Title 2, Code of Federal Regulations (CFR), Sections 215.51 and 215.52). Recipients use the Federal Financial Report Standard Form (SF)-425 to report financial activity. The U.S. Office of Management and Budget provides specific instructions for completing the SF-425, including definitions and requirements of key reporting elements.

Initial Year Written: 2014
Status: Partially Implemented

U.S. Department of Health and Human Services
U.S. Department of Energy
National Aeronautics and Space Administration

The University of Houston (University) did not ensure that its financial reports were accurate and supported by applicable accounting records. Specifically, 4 (7 percent) of 60 financial reports tested did not accurately reflect the indirect costs, indirect cost base amounts, cash disbursement, and cash receipt amounts. The University does not have a consistent review and approval process to help ensure that financial reports are complete and accurate. Inaccurate information in financial reports increases the risk that federal agencies could rely on inaccurate information to manage and monitor awards.

Corrective Action:

Corrective action was taken.

Federal Funding Accountability and Transparency Act Reporting

The Federal Funding Accountability and Transparency Act (Transparency Act) requires prime recipients of federal awards made on or after October 1, 2010, to capture and report subaward and executive compensation data regarding first-tier subawards that exceed \$25,000. Prime recipients are to report subaward information no later than the end of the month following the month in which the obligation was made (Title 2, CFR, Chapter 170).

The University did not submit the required Transparency Act reports within required time frames for all five reports tested. It submitted one of those five reports 96 days late; the remaining four reports were subaward modifications that the University did not report. The University asserted that it did not submit the subaward modifications because it was not aware of the requirement to report subaward actions after the initial subaward. In addition, the University does not have an effective monitoring process to help ensure that it submits reports in a timely manner when required.

Not reporting Transparency Act reports in a timely manner decreases the reliability and availability of information to the awarding agency and other users of that information.

The following awards were affected by the Transparency Act reporting issues discussed above:

CFDA No.	CFDA Title	Award Number	Award Year
93.243	Substance Abuse and Mental Health Sciences-Projects of Regional and National Significance	1H79SP020184-01	September 30, 2013 to September 29, 2016
93.273	Alcohol Research Programs	5 R01 AA014576-10	September 6, 2004 to July 31, 2016
93.859	Biomedical Research and Research Training	5 R01 GM097553-03	September 30, 2011 to August 31, 2016
93.865	Child Health and Human Development Extramural Research	2P50HD052117-08	February 1, 2006 to November 30, 2016

Recommendation:

The University should strengthen controls to help ensure that it accurately reports subawards and subaward modifications that are subject to Transparency Act requirements in a timely manner.

Views of Responsible Officials and Corrective Action Plan 2014:

We have implemented procedures for the Federal Funding Accountability and Transparency Act (FFATA) reporting, which will help ensure that all required reports are prepared and submitted in a timely manner.

Views of Responsible Officials and Corrective Action Plan 2015:

During February 2016, we modified our procedures for the Federal Funding Accountability and Transparency Act (FFATA) reporting, to help ensure that all required reports are prepared and submitted in a timely manner.

Implementation Date: February 2015

Responsible Persons: Beverly Rymer and Javeria Kazi

University of Houston - Downtown

Reference No. 2014-144

Eligibility

(Prior Audit Issue 11-158)

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A134118; CFDA 84.033, Federal Work-Study Program, P033A134118; CFDA 84.063, Federal Pell Grant Program, P063P132306; and CFDA 84.268, Federal Direct Student Loans, P268K142306

Type of finding – Significant Deficiency and Non-Compliance

Cost of Attendance

The determination of the federal student financial assistance award amount is based on financial need. Financial need is defined as a student’s cost of attendance (COA) minus the expected family contribution (EFC) (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087kk). The phrase “cost of attendance” refers to the “tuition and fees normally assessed for a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study.” An institution may also include an allowance for books, supplies, transportation, miscellaneous personal expenses, and room and board (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087ll).

Initial Year Written:	2010
Status:	Implemented
U.S. Department of Education	

For Title IV programs, the EFC is the amount a student and his or her family are expected to pay for educational expenses and is computed by the federal central processor and included on the student’s Institutional Student Information Record (ISIR) provided to the institution. Awards must be coordinated among the various programs and with other federal and non-federal assistance to ensure that total assistance is not awarded in excess of the student’s financial need (Title 34, Code of Federal Regulations (CFR), Sections 668.2 and 673.5).

A full-time student is defined as an enrolled student who is carrying a full-time academic workload, as determined by the institution, under a standard applicable to all students enrolled in a particular educational program. For an undergraduate student, an institution’s minimum standard must equal or exceed 12 semester hours. A half-time student is defined as an enrolled student who is carrying a half-time workload, as determined by the institution, which amounts to at least half of the workload of the applicable minimum requirement outlined in the definition of a full-time student (Title 34, CFR, Section 668.2).

The University of Houston - Downtown (University) established different COA budgets for students based on living status (off-campus, with parents, and with parents with dependent) and term enrollment (full-time, three-quarter-time, half-time, and less-than-half-time). For Summer semesters, the University budgets students using a Summer budget if the students request financial assistance for the Summer. The University budgets students at full-time anticipated enrollment for the Fall, Spring, and Summer semesters. At the census date of each semester, the University manually adjusts students’ COA budgets based on actual enrollment from system generated reports.

For 5 (8 percent) of 60 students tested, the University incorrectly or inconsistently calculated COA. Specifically:

- For three students, the University incorrectly performed a manual adjustment to the students’ COA budgets. As a result, the students’ COA budgets were each overstated by \$2,093.
- For two students, the University assigned the incorrect living status budget component. That occurred because of an error in the automated financial assistance budgeting processes. The budgeting processes accepted the “with parents” living status prior to checking whether the students satisfied the criteria for “with parents with dependent” living status. As a result, the students’ COA budgets were understated by \$370 and \$185.

The errors did not result in overawards for these five students; however, by incorrectly calculating COA, the University increases the risk of overawarding or underawarding financial assistance to students.

Satisfactory Academic Progress

A student is eligible to receive Title IV, Higher Education Act (HEA) Program assistance if the student maintains satisfactory progress in his or her course of study according to the institution's published standards of satisfactory progress that satisfy the provisions of Title 34, CFR, Section 668.16(e), and the provisions of Title 34, CFR, Section 668.34 (Title 34, CFR, Section 668.32(f)). An institution's satisfactory academic progress (SAP) policy should include a qualitative component that consists of grades or comparable factors that are measurable against a norm, and a quantitative component that consists of the pace at which students must progress through their program to ensure that they will graduate within the maximum time frame required to complete their education (U.S. Department of Education 2013-2014 *Federal Student Aid Handbook*).

An institution's policy must describe how a student's grade point average (GPA) and pace of completion are affected by course incompletes, withdrawals, or repetitions, or transfers of credit from other institutions. Credit hours from another institution that are accepted toward the student's educational program must count as both attempted and completed hours (Title 34, CFR, Section 668.34(a)(6)). The University's completion rate policy requires students to complete 73 percent of all hours attempted, including transfer hours.

The University did not always apply its SAP policy consistently. For 1 (2 percent) of 60 students tested, the University disbursed aid to a student who did not meet the University's pace of completion requirement. That occurred because the student's transfer credits were not included in the automated SAP calculation; as a result, the student was not flagged as not meeting SAP requirements. The student had received \$7,424 in Federal Direct Loans associated with award number P268K142306 for which the student was not eligible. After auditors brought this matter to its attention, the University returned all federal aid; therefore, there were no questioned costs.

Not evaluating and documenting the review of students' satisfactory academic progress increases the risk of awarding financial assistance to ineligible students.

Corrective Action:

Corrective action was taken.

Reference No. 2014-145

Special Tests and Provisions – Verification

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P132306; CFDA 84.033, Federal Work-Study Program, P033A134118; CFDA 84.268, Federal Direct Student Loans, P268K142306; and CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A134118

Type of finding – Significant Deficiency and Non-Compliance

For each applicant whose Free Application for Federal Student Aid (FAFSA) is selected for verification by the Secretary of the U.S. Department of Education, an institution must verify all of the applicable items, which include household size, number of household members who are in college, adjusted gross income (AGI), U.S. income taxes paid, child support paid, food stamps, education credits, individual retirement account deductions, other untaxed income, high school completion, and identity and statement of educational purpose (Title 34, Code of Federal Regulations (CFR), Sections 668.54 and 668.56, and *Federal Register* Volume 77, Number 134). When the verification of a student's eligibility results in any change to a non-dollar item or a change to a single dollar item of \$25 from the student's original FAFSA, the institution must submit a correction to the U.S. Department of Education and adjust the student's financial aid package on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR). For the Federal Pell Grant Program, if a student's FAFSA information changes as a result of verification, an institution must recalculate the student's Federal Pell Grant on the

Initial Year Written:	2014
Status:	Implemented
U.S. Department of Education	

basis of the EFC on the corrected ISIR and disburse any additional funds under that award (Title 34, CFR, Section 668.59).

For 5 (8 percent) of 60 students tested, the University of Houston – Downtown (University) did not accurately verify all required items on the FAFSA. Therefore, it did not subsequently update its records and request updated ISIRs as required. For those five students, the University did not accurately verify one or more of the following items: the number of household members, the number of household members who are in college, income earned from work for non-tax filers, education credits, and the amount of U.S. income taxes the student paid.

When auditors brought the errors to the University's attention, the University made corrections to the students' ISIRs. For one student, the EFC was overstated and the student should have received an additional \$400 in Pell Grant assistance associated with award P063P132306. The University subsequently awarded the additional \$400 in Pell Grant assistance. For the remaining four students, the errors did not result in changes to the students' EFC and there was no overaward or underaward of financial assistance.

Those errors occurred because of manual errors the University made during the verification process, and because the University does not have an adequate process to monitor verification. Not properly verifying FAFSA information could result in the University overawarding or underawarding student financial assistance.

Corrective Action:

Corrective action was taken.

University of Houston - Victoria

Reference No. 2013-167

Special Tests and Provisions – Verification

Student Financial Assistance Cluster

Award year – July 1, 2012 to June 30, 2013

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P123632; CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A124901; and CFDA 84.268, Federal Direct Student Loans, P268K133632

Type of finding – Significant Deficiency and Non-Compliance

For each applicant whose Free Application for Federal Student Aid (FAFSA) is selected for verification by the Secretary of the U.S. Department of Education, an institution must verify all of the applicable items, which include household size, number of household members who are in college, adjusted gross income (AGI), U.S. income taxes paid, child support paid, food stamps, education credits, IRA deductions, and other untaxed income (Title 34, Code of Federal Regulations (CFR), Sections 668.54 and 668.56 and *Federal Register*, Volume 76, Number 134). When the verification of an applicant’s eligibility results in any change to a non-dollar item or a change to a single dollar item of \$25 or more from the student’s FAFSA, the institution must submit a correction to the U.S. Department of Education and adjust the applicant’s financial aid package on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR). For the Federal Pell Grant Program, if an applicant’s FAFSA information changes as a result of verification, an institution must recalculate the applicant’s Federal Pell Grant on the basis of the EFC on the corrected ISIR and disburse any additional funds under that award (Title 34, CFR, Section 668.59).

Initial Year Written:	2013
Status:	Implemented
U.S. Department of Education	

For 10 (17 percent) of 60 applicants tested, the University of Houston - Victoria (University) did not retain supporting documentation for some of the information required to be verified or did not accurately verify certain required items on the FAFSA. Specifically:

- For three applicants, the University did not accurately verify the applicants’ AGI or education credit; therefore, it did not subsequently update its records and request updated ISIRs as required. Based on the information the University provided, that resulted in a \$125 overaward of a Federal Pell Grant for one applicant and a \$900 Federal Pell Grant overaward for another applicant (both overawards were associated with award number P063P123632). After auditors brought those issues to the University’s attention, the University provided evidence that it corrected the overawards; therefore, there are no questioned costs associated with those errors.
- For seven applicants, the University could not provide supporting documentation for some of the information it was required to verify; therefore, auditors could not determine whether the FAFSA amounts the applicants reported were correct. For those applicants, the University did not retain support for one or more of the following amounts: AGI, Supplemental Nutrition Assistance Program benefits, child support paid, IRA deductions, and education credits.

The above errors occurred because of manual errors the University made in verification. Not properly verifying FAFSA information could result in the University overawarding or underawarding student federal financial assistance.

Corrective Action:

Corrective action was taken.

University of North Texas

Reference No. 2014-146

Eligibility

Special Tests and Provisions – Institutional Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A134085; CFDA 84.033, Federal Work-Study Program, P033A134085; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P132293; CFDA 84.268, Federal Direct Student Loans, P268K142293; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T142293

Type of finding – Material Weakness and Material Non-Compliance

Cost of Attendance

The determination of the federal student financial assistance award amount is based on financial need. Financial need is defined as a student’s cost of attendance (COA) minus the expected family contribution (EFC) (Title 20, United States Code (USC), Chapter 28, Subchapter IV, Section 1087kk). The phrase “cost of attendance” refers to the “tuition and fees normally assessed for a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study.” An institution may also include an allowance for books, supplies, transportation, miscellaneous personal expenses, and room and board (Title 20, USC, Chapter 28, Subchapter IV, Section 1087ll).

Initial Year Written:	2014
Status:	Partially Implemented
U.S. Department of Education	

For Title IV programs, the EFC is the amount a student and his or her family are expected to pay for educational expenses and is computed by the federal central processor and included on the student’s Institutional Student Information Record (ISIR) provided to the institution. Awards must be coordinated among the various programs and with other federal and non-federal assistance to ensure that total assistance is not awarded in excess of the student’s financial need (Title 34, Code of Federal Regulations (CFR), Sections 668.2 and 673.5).

For students who receive loans, COA includes the fees required to receive those loans. The COA may also include the fees required for non-federal student loans (that is, non-federal loans that must be considered Estimated Financial Assistance for the student when packaging aid). An institution can either use the exact loan fees charged to the student or an average of fees charged to borrowers of the same type of loan at the institution. To be included in the COA, any loan fees for private loans must be charged to the borrower during the period of enrollment for which the loan is intended (U.S. Department of Education *2013-2014 Federal Student Aid Handbook*).

For 28 (47 percent) of 60 students tested, the University of North Texas (University) incorrectly or inconsistently calculated COA. Specifically, the University included loan fees for Direct PLUS Loans in the COA budget for all dependent students, regardless of whether those students received that type of loan. The University does not have a process to remove the loan fees from the COA budget if a student does not accept a Direct PLUS loan.

Because the University included loan fees for those students, it overawarded financial assistance to 3 of those 28 students. Specifically, the University incorrectly awarded one student need-based aid in excess of financial need, which resulted in an overaward of \$350. For two students, the University incorrectly awarded financial aid in excess of each student’s COA, which resulted in overawards of \$310 and \$85. After auditors brought those errors to its attention, the University corrected those overawards and returned the funds; therefore, there were no questioned costs.

Not removing Direct PLUS loan fees from COA when necessary could result in higher COA budgets and increases the risk of overawarding financial assistance.

Satisfactory Academic Progress

A student is eligible to receive Title IV, Higher Education Act (HEA) Program assistance if the student maintains satisfactory progress in his or her course of study according to the institution's published standards of satisfactory progress that satisfy the provisions of Title 34, CFR, Section 668.16(e), and the provisions of Title 34, CFR, Section 668.34 (Title 34, CFR, Section 668.32(f)). An institution's satisfactory academic progress (SAP) policy should include a qualitative component that consists of grades or comparable factors that are measureable against a norm, and a quantitative component that consists of the pace at which students must progress through their program to ensure that they graduate within the maximum time frame required to complete their education. The pace at which a student is progressing is calculated by dividing the total number of hours the student has successfully completed by the total number attempted (U.S. Department of Education *2013-2014 Federal Student Aid Handbook*).

An institution must establish a reasonable SAP policy for determining whether an otherwise eligible student is making satisfactory academic progress in his or her educational program and may receive assistance under the Title IV, HEA Program. The Secretary of the U.S. Department of Education considers an institution's policy to be reasonable if the policy is at least as strict as the policy the institution applies to a student who is not receiving assistance under the Title IV, HEA Program (Title 34, CFR, Section 668.34(a)).

The policy should specify the pace at which a student must progress through his or her educational program to ensure that the student will complete the program within the maximum time frame, as defined in Title 34, CFR, Section 668.34(b), and provides for measurement of the student's progress at each evaluation. An institution calculates the pace at which the student is progressing by dividing the cumulative number of hours the student has successfully completed by the cumulative number of hours the student has attempted. In making this calculation, the institution is not required to include remedial courses (Title 34, CFR, Section 668.34(5)(i) and (ii)).

For an undergraduate program measured in credit hours, a period no longer than 150 percent of the published length of the program as measured in credit hours should be used to determine the maximum time frame for the quantitative component of SAP. For a graduate program, institutions define that period based on the length of the educational program (Title 34, CFR, Section 668.34(b)(1) and (3)).

The University's SAP policy does not meet all federal requirements. As a result, for 6 (11 percent) of 54 students tested, the University did not correctly determine their SAP status. The policy allows for students to progress through an academic program at a pace that does not ensure that they will graduate within the maximum time frame. The policy specifies a minimum number of hours that must be completed based on the number of hours enrolled within each semester of a financial assistance year. However, the policy does not consider cumulative hours, which could result in a pace that would not ensure a student graduated within the maximum time frame.

The University incorrectly disbursed financial assistance to five of the six students tested who did not meet SAP requirements. Specifically, the University disbursed \$51,302 in federal Direct Student Loans and \$16,229 in federal Pell Grants to those ineligible students. After auditors brought those errors to the University's attention, it requested SAP appeals for two of those five students, and those two students were placed on an academic plan. For three of those five students, the University corrected their awards and returned funds to the U.S. Department of Education. The remaining student would have entered a probation period and was still eligible for the financial assistance that student received. Therefore, there were no questioned costs.

Having a policy that allows students to progress through their program at a pace that does not ensure that they will graduate within the maximum time frame increases the risk of federal assistance being disbursed to ineligible students.

In addition, the University's SAP policy is less strict than its academic policy for graduate students. The University's Institutional Academic Policy in its graduate catalog specifies that master's degree students have five to seven years to complete their degree, and doctoral students have eight years to complete their degree. However, the SAP policy allows graduate students to complete their degree within 150 percent of the published length of the program measured by the number of terms. In addition, the University asserted that, for SAP evaluation, the maximum length was 27 terms (9 years) for master's degree students and 45 terms (15 years) for doctoral students. Although auditors did not identify students who exceeded those time frames during testing, having a SAP policy that is less strict than the academic policy increases the risk of federal assistance being disbursed to ineligible students.

Corrective Action:

This finding was reissued as current year reference number 2015-125.

Reference No. 2014-147

Special Tests and Provisions - Verification

(Prior Audit Issue 2013-168)

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A134085; CFDA 84.033, Federal Work-Study Program, P033A134085; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P132293; CFDA 84.268, Federal Direct Student Loans, P268K142293; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T142293

Type of finding – Non-Compliance

For each applicant whose Free Application for Federal Student Aid (FAFSA) is selected for verification by the Secretary of the U.S. Department of Education, an institution must verify all of the applicable items, which include household size, number of household members who are in college, adjusted gross income (AGI), U.S. income taxes paid, child support paid, food stamps, education credits, individual retirement account deductions, other untaxed income, high school completion, and identity and statement of educational purpose (Title 34, Code of Federal Regulations (CFR), Sections 668.54 and 668.56, and *Federal Register* Volume 77, Number 134). The U.S. Department of Education has outlined items that are to be included in other taxable income and items that are not to be included. In addition to other types of income, untaxed Social Security benefits are not to be included in other taxable income (U.S. Department of Education *2013-2014 Application and Verification Guide*).

Initial Year Written:	2013
Status:	Implemented
U.S. Department of Education	

When the verification of a student’s eligibility results in any change to a non-dollar item or a change to a single dollar item of \$25 or more from the student’s FAFSA, the institution must submit a correction to the U.S. Department of Education and adjust the student’s financial aid package on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR). For the Federal Pell Grant Program, if a student’s FAFSA information changes as a result of verification, an institution must recalculate the student’s Federal Pell Grant on the basis of the EFC on the corrected ISIR and disburse any additional funds under that award (Title 34, CFR, Section 668.59).

For 1 (3 percent) of 40 students tested, the University of North Texas (University) did not correctly verify all required information on the student’s FAFSA and did not correct student ISIR information when required. The University incorrectly categorized Social Security benefits as untaxed income for that student, which resulted in an overstatement of the student’s EFC. That error occurred as a result of a manual error in the University’s verification process. When auditors brought that issue to the University’s attention, it removed the Social Security benefits as untaxed income and submitted corrections to the student’s ISIR. The corrected information changed the student’s EFC and resulted in the student being eligible for \$5,645 in Pell Grant assistance. The University awarded the student the additional Pell Grant assistance.

Not properly verifying FAFSA information can result in the University overawarding or underawarding student financial assistance.

Corrective Action:

Corrective action was taken.

University of Texas at Arlington

Reference No. 2014-148

Eligibility

Activities Allowed or Unallowed

Cash Management

Period of Availability of Federal Funds

Reporting

Special Tests and Provisions – Separate Funds

Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)

Special Tests and Provisions – Institutional Eligibility

(Prior Audit Issues 2013-170, 13-154, and 12-156)

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.268, Federal Direct Student Loans, P268K142335; CDFA 93.264, Nurse Faculty Loan Program, E01HP25899-01-00; CFDA 84.063, Federal Pell Grant Program, P063P132335; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T142335; CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A134172; CFDA 84.033, Federal Work-Study Program, P033A134172; and CFDA 84.038, Federal Perkins Loan – Federal Capital Contribution, Award Number Not Applicable

Type of finding – Material Weakness and Material Non-Compliance

Eligibility and Certification Approval Report

Each institution’s most recent *Eligibility and Certification Approval Report* (ECAR) lists the institution’s main campus and any additional approved locations. For any other locations at which an institution offers 50 percent or more of an eligible program during the audit period, the institution must either submit an application for approval of that location or notify the U.S. Department of Education of that location (Title 34, CFR, Sections 600.20(c) and 600.21(a)(3)). An institution may not disburse Title IV, HEA Program assistance to students at that location before it reports to the U.S. Department of Education about that location (Title 34, CFR, Section 600.21(d)).

Initial Year Written:	2011
Status:	Partially Implemented
U.S. Department of Education	

The University’s most recent ECAR did not include all additional locations. The University has additional locations in Fort Worth and Dallas that offer more than 50 percent of an eligible program. Those additional locations should have been included on the University’s most recent ECAR. In addition, the University had not notified the U.S. Department of Education about those additional locations. The University disbursed a total of \$4,459,375 in federal student financial assistance to 308 students enrolled in those locations during the award year. Of those disbursements, \$4,436,625 was associated with CFDA 84.268, Federal Direct Student Loans, award number P268K142335; \$22,000 was associated with CFDA 84.038, Federal Perkins Loans, award number not applicable; and \$750 was associated with CFDA 84.033, Federal Work-Study Program, award number P033A134172, all of which are considered questioned costs.

Failure to update the ECAR and notify the U.S. Department of Education of additional locations could result in students receiving financial assistance for ineligible programs.

Cost of Attendance

The determination of the federal student financial assistance award amount is based on financial need. Financial need is defined as a student’s cost of attendance (COA) minus the expected family contribution (EFC) (Title 20, United States Code (USC), Chapter 28, Subchapter IV, Section 1087kk). The phrase “cost of attendance” refers to the “tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study.” An institution may also include an allowance for books, supplies, transportation, miscellaneous personal expenses, and room and board (Title 20, USC, Chapter 28, Subchapter IV, Section 1087II).

For Title IV programs, the EFC is the amount a student and his or her family are expected to pay for educational expenses and is computed by the federal central processor and included on the student's Institutional Student Information Record (ISIR) provided to the institution. Awards must be coordinated among the various programs and with other federal and non-federal assistance to ensure that total assistance is not awarded in excess of the student's financial need (Title 34, Code of Federal Regulations (CFR), Sections 668.2, 673.5, and 685.301).

A full-time student is defined as an enrolled student who is carrying a full-time academic workload, as determined by the institution, under a standard applicable to all students enrolled in a particular educational program. For an undergraduate student, an institution's minimum standard must equal or exceed 12 semester hours. A half-time student is defined as an enrolled student who is carrying a half-time academic workload, as determined by the institution, which amounts to at least half of the workload of the applicable minimum requirement outlined in the definition of a full-time student (Title 34, CFR, Section 668.2).

The University of Texas at Arlington (University) establishes different COA budgets for students based on class level (undergraduate or graduate); degree program; in-state or out-of-state residency; living status (on campus, off campus, or at home); and term enrollment (full-time, half-time, or three-quarter-time). Prior to an award year, the University requests that students submit their anticipated enrollment to the financial aid office if they plan to enroll less than full-time. The University's student budgets default to full-time enrollment if students do not respond to a request for anticipated enrollment. However, the University does not adjust the budget for actual enrollment; therefore, that increases the risk of awarding assistance in excess of a student's financial need or COA budget and awarding Pell assistance incorrectly.

For 16 (27 percent) of 60 students tested, the University incorrectly calculated the COA. Specifically:

- For nine students, the University did not update the COA based on actual enrollment. The University either assigned those students a full-time COA or calculated COA based on the students' anticipated enrollment, which was less than their actual enrollment. The incorrect calculation of COA caused one student to receive a Direct Subsidized Loan that exceeded that student's calculated need by \$909. The University budgeted that student with a full-time COA; however, that student was enrolled half-time for both terms during the award year. The incorrect calculation caused another student to be underawarded Pell assistance by \$706. The University budgeted that student's COA as half-time for one term in which the student was actually enrolled three-quarter-time. While the remaining seven students had incorrect COAs, those students were not overawarded or underawarded financial assistance.
- For three students, the University manually selected an incorrect budget when determining COA. That resulted in understatement of COA for two of those students in the amounts of \$165 and \$250, and an overstatement of COA for one of those students in the amount of \$616.
- For two students, the major in which those students were enrolled was not included in the financial assistance application system; therefore, the COA was based on the wrong budget. Auditors identified an additional 138 students with incorrect COAs due to that error.
- For three students enrolled less than half-time, auditors were unable to calculate a COA for those students. That occurred because the University did not have a documented budget or procedures for calculating COA for less-than-half-time enrollment. The lack of a documented budget or procedure to adjust COA for enrollment levels at less than half-time increases the risk that students could be overawarded or underawarded financial assistance. (One of those students was also discussed above in the issue regarding COA not being updated based on actual enrollment).

After auditors brought the errors to the University's attention, it adjusted the students' awards by returning overawards to the U.S. Department of Education and disbursing additional funds to students to whom it underawarded assistance. Therefore, there were no questioned costs. Incorrect COA calculations could result in underawards or overawards of financial assistance.

Nurse Faculty Loan Program

Students who receive a Nurse Faculty Loan Program (NFLP) loan must be enrolled full-time or part-time in an eligible advanced education nursing degree program (master's or doctoral) that offers an education component to prepare qualified nurse faculty. The total amount of NFLP loans made to a student should cover the full or partial tuition and fees for the academic year, not to exceed \$35,500 during fiscal year 2014. Full support includes the cost of tuition,

fees, books, laboratory expenses, and other reasonable education expenses. NFLP loans do not include stipend support (for example, living expenses, student transportation cost, room/board, and personal expenses) (Title 42, USC, Section 297n-1(b)(4) and 297n-1(c)(4) and Health Resources and Services Administration (HRSA), Announcement HRSA-14-072).

For 1 (2 percent) of 60 students tested, the University disbursed an NFLP loan to that student in an amount that exceeded that student's qualified educational expenses. The student was initially awarded assistance based on that student attending half-time in both the Spring term and the Fall term. However, the student attended the Fall term half-time and attended the Spring term less than half-time; that resulted in an overaward of \$1,883. After auditors brought that error to the University's attention, it reduced the student's NFLP award to actual education expenses; therefore, there were no questioned costs.

Federal Pell Grant

When awarding Pell Grant assistance to students, for each payment period, an institution may award a federal Pell Grant to an eligible student only after it determines that the student is enrolled in an eligible program as an undergraduate student (Title 34, CFR, Section 690.75(a)). Institutions use the payment and disbursement schedules provided each year by the U.S. Department of Education for determining award amounts (Title 34, CFR, Section 690.62). Those schedules provide the maximum annual amount a student would receive for a full academic year for a given enrollment status, EFC, and COA. There are separate schedules for three-quarter-time, half-time, and less-than-half-time students (U.S. Department of Education *2013-2014 Federal Student Aid Handbook*, and Title 34, CFR, Section 690.63 (b)).

For 8 (28 percent) of 29 students tested who received Pell Grants, the University did not award the correct amount of Pell Grant assistance. Specifically:

- For five students, the University did not award those students Pell Grant assistance in the Summer term in which those students were eligible to receive that assistance. That occurred because of the University's process to award Pell Grant assistance in the Summer term only if a student requests assistance and meets eligibility requirements. Those five students were eligible to receive Pell Grant assistance in the amounts of \$398, \$673, \$706, \$1,873, and \$2,117.
- For one student, the University awarded Pell Grant assistance in the Summer term for half-time enrollment; however, that student was enrolled three-quarter-time. That occurred because the University automatically disburses Summer Pell Grant assistance as if a student's enrollment is half-time, and it does not adjust award amounts based on actual enrollment. That student was eligible to receive additional Pell Grant assistance in the amount of \$349.
- For one student, the University did not disburse Pell Grant assistance for which the student was eligible because the student was approaching the maximum lifetime limit. Rather than awarding the student the remaining Pell Grant assistance for which the student was eligible, the University did not award the student any Pell Grant assistance. As a result, that student was underawarded Pell Grant assistance by \$1,271.
- For one student, the University calculated COA incorrectly, which resulted in the student being underawarded Pell Grant assistance by \$706. (That student was among the 16 students discussed above for whom the University incorrectly calculated COA.)

The University asserted that the financial aid department monitors an add/drop list until the census date to determine Pell Grant awards; however, the financial aid system does not automatically identify students whose enrollment status changed during the award year. After auditors brought the errors to the University's attention, it adjusted those students' Pell Grant assistance and disbursed additional assistance.

Teacher Education Assistance for College and Higher Education

Under the Budget Control Act of 2011, additional sequester funding reductions took effect with the start of the 2014 federal fiscal year. For grants for which the first disbursement is made on or after October 1, 2013, Teacher Education Assistance for College and Higher Education (TEACH) grant awards must be reduced by 7.2 percent from the original statutory amounts. For grants first disbursed after March 1, 2013, and before October 1, 2013, the award amount must be reduced by 6 percent from the award amount for which a recipient would otherwise have been eligible (*Dear Colleague Letter*, GEN-13-22).

During federal fiscal year 2014, there was a change in the sequester-required percentage reduction that applied to TEACH grants first disbursed during fiscal year 2014. The U.S. Office of Management and Budget (OMB) recalculated the sequester-required reduction percentage for the TEACH grant program to 0.89 percent, which was a decrease from the 7.2 percent reduction previously announced in the October 17, 2013 *Dear Colleague Letter*. If an institution had already disbursed TEACH grant awards with a first disbursement date on or after October 1, 2013, and before October 1, 2014, it should have adjusted the award amounts to reflect the reduction percentage of 0.89 percent and disbursed the additional funds to the affected students (*Dear Colleague Letter*, GEN-13-27).

For 93 (32 percent) of 292 TEACH grant recipients, the University did not award the correct amount of TEACH grant assistance. That occurred because the University misinterpreted the sequester requirements to mean that if a student had received a TEACH grant before March 1, 2013, the student was entitled to the full amount for subsequent awards disbursed during the sequester period. However, the sequester requirements applied to any student receiving a TEACH grant, even if the student had previously received assistance. For 92 of those 93 students, the University overawarded TEACH grant assistance totaling \$14,664, and for one student, the University underawarded \$178 in assistance. After auditors brought the error to the University's attention, it adjusted all 93 students' TEACH awards to reflect the correct amount required by the sequester; therefore, there were no questioned costs.

Satisfactory Academic Progress

A student is eligible to receive Title IV, Higher Education Act (HEA) Program assistance if the student maintains satisfactory progress in his or her course of study according to the institution's published standards of satisfactory progress that satisfy the provisions of Title 34, CFR, Section 668.16(e), and the provisions of Title 34, CFR, Section 668.34 (Title 34, CFR, Section 668.32(f)). An institution's satisfactory academic progress (SAP) policy should include a qualitative component that consists of grades or comparable factors that are measureable against a norm, and a quantitative component that consists of the pace at which students must progress through their program to ensure that they will graduate within the maximum time frame required to complete their education. The pace at which a student is progressing is calculated by dividing the total number of hours the student has successfully completed by the total number attempted (U.S. Department of Education *2013-2014 Federal Student Aid Handbook*).

For an undergraduate program measured in credit hours, a period no longer than 150 percent of the published length of the program as measured in credit hours should be used to determine the maximum timeframe quantitative component of SAP (Title 34, CFR, Section 668.34(b)(1)).

The University's SAP policy does not meet all federal requirements. The policy allows for students to progress through an academic program at a pace that does not ensure that they will graduate within the maximum time frame. The policy specifies a minimum number of hours that must be completed based on the number of hours enrolled within a financial assistance year. However, that policy does not consider cumulative hours, which could result in a pace that would not ensure a student graduated within the maximum time frame.

Although auditors did not identify students during testing who would be ineligible for student financial assistance as a result of this issue, calculating pace on a financial aid year basis and in a manner that does not ensure graduation within the maximum time frame increases the risk that students will not graduate within the maximum time frame required and, therefore, will be ineligible for federal financial assistance.

Corrective Action:

This finding was reissued as current year reference number 2015-128.

Other Compliance Requirements

Although the general control weaknesses described below apply to activities allowed or unallowed, cash management, period of availability of federal funds, reporting, special tests and provisions – separate funds, and special tests and provisions – borrower data transmission and reconciliation (Direct Loan), auditors identified no compliance issues regarding those compliance requirements.

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

The University did not consistently maintain appropriate access controls over user accounts to ensure proper segregation of duties. As a result, employees had inappropriate access to packaging, authorizing and disbursing student financial assistance. That increases the risk of inappropriate changes to data and does not allow for proper segregation of duties.

The University did not have policies or procedures that required periodic reviews of user access during the audit period, and it could not provide documentation demonstrating that it had performed periodic reviews of user accounts during the audit period. Not periodically reviewing user access increases the risk of inappropriate access to critical information systems going undetected.

Corrective Action:

Corrective action was taken.

Reference No. 2014-149

Special Tests and Provisions – Verification

(Prior Audit Issues 2013-171, 13-155, and 12-158)

Student Financial Assistance

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.268, Federal Direct Student Loans, P268K142335; CFDA 84.063, Federal Pell Grant Program, P063P132335; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T142335; CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A134172; CFDA 84.033, Federal Work-Study Program, P033A134172; and CFDA 84.038, Federal Perkins Loan – Federal Capital Contribution, Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

Verification of Applications

For each applicant whose Free Application for Federal Student Aid (FAFSA) is selected for verification by the Secretary of the U.S. Department of Education, an institution must verify all of the applicable items, which include household size, number of household members who are in college, adjusted gross income (AGI), U.S. income taxes paid, child support paid, food stamps, education credits, individual retirement account deductions, other untaxed income, high school completion, and identity and statement of educational purpose (Title 34, Code of Federal Regulations (CFR), Sections 668.54 and 668.56, and *Federal Register* Volume 77, Number 134). When the verification of a student’s eligibility results in any change to a non-dollar item or a change to a single dollar item of \$25 from the student’s original FAFSA, the institution must submit a correction to the U.S. Department of Education and adjust the student’s financial aid package on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR). For the Federal Pell Grant Program, if a student’s FAFSA information changes as a result of verification, the institution must recalculate the student’s federal Pell Grant on the basis of the EFC on the corrected ISIR and disburse any additional funds under that award (Title 34, CFR, Section 668.59).

Initial Year Written:	2011
Status:	Partially Implemented
U.S. Department of Education	

For 11 (18 percent) of 60 students tested, the University of Texas at Arlington (University) did not accurately verify all required items on students’ FAFSAs, and it did not always update its records and request updated ISIRs as required. The University did not accurately verify one or more of the following items for those students: the number of household members, the number of household members who are in college, income earned from work for non-tax filers, and education credits reported on income taxes.

Those errors occurred because of manual errors the University made during the verification process. In addition, the University's monitoring of completed verifications did not identify those errors. When auditors brought the errors to the University's attention, it made corrections to the students' ISIRs. Specifically:

- For six of those students, the EFC was overstated. Four of those students should have received additional Pell Grant assistance, and the University subsequently disbursed a total of \$8,028 in additional Pell Grants to those four students. One student should have received additional Subsidized Direct Loan assistance, and the University subsequently awarded an additional \$777 in Subsidized Direct Loans to that student. For one student, the overstatement did not result in additional federal financial assistance.
- For five of those students, the errors did not result in changes to the students' EFCs, and there was no overaward or underaward of financial assistance.

Not properly verifying FAFSA information could result in the University overawarding or underawarding student financial assistance.

Corrective Action:

This finding was reissued as current year reference number 2015-129.

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

The University did not consistently maintain appropriate access controls over user accounts to ensure proper segregation of duties. As a result, employees had inappropriate access to packaging, authorizing and disbursing student financial assistance. That increases the risk of inappropriate changes to data and does not allow for proper segregation of duties.

The University did not have policies or procedures that required periodic reviews of user access during the audit period, and it could not provide documentation demonstrating that it had performed periodic reviews of user accounts during the audit period. Not periodically reviewing user access increases the risk of inappropriate access to critical information systems going undetected.

Corrective Action:

Corrective action was taken.

Reference No. 2014-150

Special Tests and Provisions – Disbursements To or On Behalf of Students

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.268, Federal Direct Student Loans, P268K142335; CDFR 93.264, Nurse Faculty Loan Program, E01HP25899-01-00; CFDA 84.063, Federal Pell Grant Program, P063P132335; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T142335; CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A134172; CFDA 84.033, Federal Work-Study Program, P033A134172; and CFDA 84.038, Federal Perkins Loan – Federal Capital Contribution, Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

Transfer Monitoring

If a student transfers from one institution to another institution during the same award year, the institution to which the student transfers must request from the Secretary of the U.S. Department of Education, through the National Student Loan Data System (NSLDS), updated information about that student so that it can make certain eligibility determinations. The institution may not make a disbursement to that student for seven days following its request, unless it receives the information from NSLDS in response to its request or obtains that information directly by accessing NSLDS and the information it receives allows it to make the disbursement (Title 34, Code of Federal Regulations (CFR), Section 668.19).

Initial Year Written: 2014
Status: Partially Implemented
U.S. Department of Education U.S. Department of Health and Human Services

The University of Texas at Arlington (University) did not perform required reviews of transfer students prior to disbursing student financial assistance. For 4 (80 percent) of 5 students tested who transferred during the academic year, the University did not obtain updated loan history information from NSLDS for the current year before it disbursed funds. The University did not add those students to its transfer monitoring list because of manual errors it made in identifying transfer students. The University asserted that it performed a check of NSLDS prior to disbursing funds for all students; however, it did not have documentation of that check.

Although auditors did not identify students during testing who were overawarded as a result of this issue, not obtaining updated NSLDS information prior to disbursing funds increases the risk that the University could overaward funds to students who received funds at another institution.

Corrective Action:

This finding was reissued as current year reference number 2015-130.

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

The University did not consistently maintain appropriate access controls over user accounts to ensure proper segregation of duties. As a result, employees had inappropriate access to packaging, authorizing and disbursing student financial assistance. That increases the risk of inappropriate changes to data and does not allow for proper segregation of duties.

The University did not have policies or procedures that required periodic reviews of user access during the audit period, and it could not provide documentation demonstrating that it had performed periodic reviews of user accounts during the audit period. Not periodically reviewing user access increases the risk of inappropriate access to critical information systems going undetected.

Corrective Action:

Corrective action was taken.

Reference No. 2014-151

Special Tests and Provisions – Return of Title IV Funds

(Prior Audit Issues 2013-172, 13-156, 12-160, and 10-112)

Student Financial Assistance

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P132335; CFDA 84.007, Federal Supplement Educational Opportunity Grant, P007A134172; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379142335; and CFDA 84.268, Federal Direct Student Loans, P268K142335

Type of finding – Significant Deficiency and Non-Compliance

Return of Title IV Calculations

When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV assistance earned by the student as of the student's withdrawal date (Title 34, Code of Federal Regulations (CFR), Section 668.22(a)(1)). If the total amount of Title IV assistance earned by the student is less than the amount that was disbursed to the student or on his or her behalf as of the date of the institution's determination that the student withdrew, the difference must be returned to the Title IV programs and no additional disbursements may be made to the student for the payment period or period of enrollment (Title 34, CFR, Section 668.22(a)(4)).

Initial Year Written:	2009
Status:	Implemented
U.S. Department of Education	

The amount of earned Title IV grant or loan assistance is calculated by (1) determining the percentage of Title IV grant or loan assistance that the student has earned and (2) applying that percentage to the total amount of Title IV grant or loan assistance that was or could have been disbursed to the student for the payment period or period of enrollment as of the student's withdrawal date. A student earns 100 percent if his or her withdrawal date is after the completion of 60 percent of the payment period or period of enrollment. The unearned amount of Title IV assistance to be returned is calculated by subtracting the amount of Title IV assistance the student earned from the amount of Title IV assistance that was disbursed to the student as of the date of the institution's determination that the student withdrew (Title 34, CFR, Section 668.22(e)).

The total number of calendar days in a payment period or period of enrollment includes all days within the period that the student was scheduled to complete, except that scheduled breaks of at least five consecutive days are excluded from the total number of calendar days in a payment period or period of enrollment and the number of calendar days completed in that period (Title 34, CFR, Section 668.22(f)(2)(i)).

The University of Texas at Arlington (University) did not always use accurate term dates when calculating return amounts. For 15 (28 percent) of 54 students tested who required a return, the University did not correctly calculate the amount of funds earned. As a result, for ten of those students the University did not return the correct amount of funds (the remaining five students had earned 100 percent of their funds). The errors occurred because the University extended the academic calendar for the Fall 2013 term by two days, but it did not update the programming in its financial aid system to reflect that extension.

After auditors brought the errors to the University's attention, it performed the return calculation again and adjusted the grants and loans associated with the students based on the amount of assistance that it needed to return. As a result, there were no questioned costs.

Not updating its financial aid system to reflect the correct term end dates increases the risk that the University will not return the correct amount of Title IV assistance to the U.S. Department of Education.

Timeliness of Returns

An institution must return the amount of Title IV funds for which it is responsible to the U.S. Department of Education as soon as possible, but no later than 45 days after the date the institution determines that the student withdrew (Title 34, CFR, Section 668.22(j)).

For 4 (11 percent) of 37 students tested for whom the University was required to make returns, it did not return those funds within 45 days of determining those students' withdrawal dates. The University took between 57 and 142 days after determining the students had withdrawn to return the funds.

In addition, for 1 (2 percent) of 55 students tested who withdrew, the University documented an incorrect withdrawal date and did not perform a return calculation. After the auditors brought that error to its attention, the University performed the return calculation and determined that the student had earned all of the funds disbursed; therefore, the University was not required to return funds to the Department of Education.

Those errors occurred because of manual errors the University made during the return process. Late identification of withdrawals increases the risk that the University will not return unearned funds to the U.S. Department of Education in a timely manner.

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

The University did not consistently maintain appropriate access controls over user accounts to ensure proper segregation of duties. As a result, employees had inappropriate access to packaging, authorizing and disbursing student financial assistance. That increases the risk of inappropriate changes to data and does not allow for proper segregation of duties.

The University did not have policies or procedures that required periodic reviews of user access during the audit period, and it could not provide documentation demonstrating that it had performed periodic reviews of user accounts during the audit period. Not periodically reviewing user access increases the risk of inappropriate access to critical information systems going undetected.

Corrective Action:

Corrective action was taken.

Reference No. 2014-152

Special Tests and Provisions – Enrollment Reporting

(Prior Audit Issue 2013-173)

Student Financial Assistance

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P132335; CFDA 84.268, Federal Direct Student Loans, P268K142335; and CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

Enrollment Reporting

Unless an institution expects to submit its next enrollment reporting roster file to the Secretary of the U.S. Department of Education or the guaranty agency within the next 60 days, it must notify the guaranty agency or lender within 30 days if it discovers that a Federal Family Education Loan (FFEL), Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan has been made to or on behalf of a student who (1) enrolled at that institution but has ceased to be enrolled on at least a half-time basis; (2) has been accepted for enrollment at that institution but failed to enroll on at least a half-time basis for the period for which the loan was intended; or (3) has changed his or her permanent address (Title 34, Code of Federal Regulations, Sections 685.309(b) and 682.610(c)). Effective June 2012, enrollment reporting roster files must also include Pell Grant-only and Federal Perkins Loans recipients (Title 34, CFR, Section 690.83(b)(2), and *Dear Colleague Letter*, March 30, 2012 (GEN-12-06)).

Initial Year Written:	2013
Status:	Partially Implemented
U.S. Department of Education	

The *National Student Loan Data System (NSLDS) Enrollment Reporting Guide* states that, in the absence of a formal withdrawal, the last recorded date of attendance should be reported as the status change date. In addition, the effective date for a student who has never attended should be the date that the institution certifies the student’s “never attended” status, as reported to NSLDS (*NSLDS Enrollment Reporting Guide*, Appendix B).

An institution must either confirm that the current enrollment provided by NSLDS in the enrollment roster file is still valid, or update the enrollment status to the correct value. When updating the enrollment status, the enrollment status effective date (ESED) must also be updated to correspond to any change. If the status is correct but the ESED is not correct, institutions may correct the ESED without a change of status. The ESED is critical to maintaining student loan records and repayment schedules properly; therefore, it must be reported accurately (*NSLDS Enrollment Reporting Guide*, Chapter 2).

The University of Texas at Arlington (University) uses the services of the National Student Clearinghouse (NSC) to report status changes to NSLDS. Under this arrangement, the University reports all students enrolled and their status to NSC. NSC then identifies any changes in status and reports those changes when required to the respective lenders and guarantors. Additionally, NSC completes the roster file on the University’s behalf and communicates status changes to NSLDS, as applicable. Although the University uses the services of NSC, it is still ultimately the University’s responsibility to submit timely, accurate, and complete responses to roster files and to maintain proper documentation (*NSLDS Enrollment Reporting Guide*, Chapter 1).

For 11 (18 percent) of 60 student enrollment changes tested, the University did not report the correct status and correct effective date. Specifically:

- For 10 of those students, who were unofficially withdrawn, the University did not update the status to withdrawn; therefore, the effective date for their status was incorrect. The University made the withdrawal determination after its final official reporting submission for the Spring semester, and it asserts that NSC does not report changes to NSLDS in the summer months. The *NSLDS Enrollment Reporting Guide* states that “students are considered to be in-school and continuously enrolled during academic year holiday and vacation periods, as well as during the summer between academic years (even if not enrolled in a summer session), as long as there is reason to believe that they intend to enroll for the next regularly scheduled term.” The University had determined a withdrawal date; therefore, the student was not considered to be continuously enrolled and should have been reported to NSLDS within the required time frame.

- For one of those students, the University reported the student as withdrawn at the end of the Fall term; however, the University did not have evidence showing that the student attended that term. Therefore, the University should have determined the last date of attendance for reporting purposes.

For 15 (25 percent) of 60 student enrollment changes tested, the University did not report the correct effective date. Specifically:

- For 8 of those students, the University reported an incorrect effective date for graduation. That occurred because the University extended its academic calendar by two days but did not make that same change in NSLDS. That error affected all students with a fall graduation date.
- For 7 of those students, the University reported an incorrect effective date to NSLDS for those students' withdrawal status. For 4 of those students, the University had already reported the students as withdrawn prior to the correct withdrawal date being determined, and it did not subsequently correct that date. For 2 of those students, the University reported the last date of the term for the effective date, instead of the last date of attendance. For one of those students, the University reported the beginning of the term for the effective date because the student had withdrawn prior to the census date.

Not reporting student status changes accurately and completely could affect determinations that guarantors, lenders, and servicers of student loans make related to in-school status, deferments, grace periods, repayment schedules, and the federal government's payment of interest subsidies.

Corrective Action:

This finding was reissued as current year reference number 2015-131.

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

The University did not consistently maintain appropriate access controls over user accounts to ensure proper segregation of duties. As a result, employees had inappropriate access to packaging, authorizing and disbursing student financial assistance. That increases the risk of inappropriate changes to data and does not allow for proper segregation of duties.

The University did not have policies or procedures that required periodic reviews of user access during the audit period, and it could not provide documentation demonstrating that it had performed periodic reviews of user accounts during the audit period. Not periodically reviewing user access increases the risk of inappropriate access to critical information systems going undetected.

Corrective Action:

Corrective action was taken.

University of Texas at Austin

Reference No. 2014-153

Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 93.264, Federal Nurse Faculty Loan Program, E01HP24620 and CFDA 84.038, Federal Perkins Loan Program, Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

Nurse Faculty Loan Program

Students who receive a Nurse Faculty Loan Program (NFLP) loan must be enrolled full-time or part-time in an eligible advanced education nursing degree program (master’s or doctoral) that offers an education component to prepare qualified nurse faculty. The total amount of NFLP loans made to a student should cover the full or partial tuition and fees for the academic year, not to exceed \$35,500 during fiscal year 2014. Full support includes the cost of tuition, fees, books, laboratory expenses and other reasonable education expenses. NFLP loans do not include stipend support (for example, living expenses, student transportation cost, room/board, and personal expenses) (Title 42, United States Code (USC), Section 297n-1(b)(4) and 297n-1(c)(4) and Health Resources and Services Administration (HRSA), Announcement HRSA-14-072). A student is ineligible to receive a NFLP loan if a judgment lien has been entered against the student based on the default on a federal debt (Title 28, USC, Section 3201(e)). An eligible student must be a citizen of the United States, a non-citizen national, or a foreign national having in his or her possession a visa permitting permanent residence in the United States (HRSA Announcement HRSA-14-072).

Initial Year Written:	2014
Status:	Implemented
U.S. Department of Education U.S. Department of Health and Human Services	

For 2 (67 percent) of 3 students who received NFLP loans tested, the University of Texas at Austin (University) awarded loans to students who were not eligible. Specifically:

- For one student, the University did not obtain documentation that the student was a U.S. citizen or eligible non-citizen prior to disbursing the NFLP loan. That error resulted in the student receiving assistance for which the student was not eligible in the amount of \$8,000 in Federal Nurse Faculty Loan Program loans. After auditors brought that error to the University’s attention, it canceled the loans for that student; therefore, there were no questioned costs.
- For one student, the University did not obtain documentation that the student was not in default on federal loans prior to disbursing the NFLP loan. After auditors brought that to its attention, the University provided documentation from the National Student Loan Data System (NSLDS) showing that the student was not in default on federal loans. Therefore, there were no questioned costs.

In addition, for 2 (67 percent) of 3 students who received NFLP loans tested, the University disbursed loans to those students in amounts that exceeded their qualified educational expenses. For one student, that resulted in an overaward of \$2,297 in NFLP loans. The University canceled the loans for that student; therefore, there were no questioned costs associated with that overaward. For one student, that resulted in an overaward of \$1,673 associated with CFDA 93.264, Federal Nurse Faculty Loan Program, award number E01HP24620.

The School of Nursing at the University receives self-reported information from students to determine their eligibility. It does not verify that information. While the Office of Student Financial Services makes eligibility determinations for students applying for other types of federal aid, it is not involved in the eligibility determination for NFLP loans. The University awarded 9 NFLP loans to students for the 2013-2014 award year totaling \$82,000.

Federal Perkins Loans

Annual loan maximums for the Federal Perkins Loan program are \$5,500 for a student who has not successfully completed a program of undergraduate education and \$8,000 for a graduate or professional student (Title 34, Code of Federal Regulations (CFR), section 674.12).

Based on a review of all federal student financial assistance recipients, the University awarded four undergraduate students Perkins loans in excess of the annual limit. The amounts by which those awards exceeded the annual limit ranged from \$300 to \$2,319, and those four students were overawarded a total of \$4,369 in Perkins loans. Those errors occurred because of manual input errors the University made. After auditors brought those errors to the University's attention, it corrected the overawards; therefore, there were no questioned costs.

Corrective Action:

Corrective action was taken.

Reference No. 2014-154

Special Tests and Provisions – Student Loan Repayments

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award number – CFDA 84.038, Federal Perkins Loan Program - Federal Capital Contributions, Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

Under the Federal Perkins Loan Program, institutions are required to make contact with the borrower during the initial and post-deferment grace periods. For loans with a nine-month initial grace period, the institution is required to contact the borrower three times within the initial grace period. The institution is required to contact the borrower for the first time 90 days after the beginning of the grace period; the second contact should be 150 days after the beginning of the grace period; and the third contact should be 240 days after the beginning of the grace period (Title 34, Code of Federal Regulations (CFR), Section 674.42(c)).

Initial Year Written:	2014
Status:	Implemented
U.S. Department of Education	

The institution is required to send a first overdue notice to a borrower within 15 days after the payment due date if the institution has not received payment or a request for deferment, postponement, or cancellation. The institution must send a second overdue notice within 30 days after the first overdue notice is sent, and it must send a final demand letter within 15 days after the second overdue notice is sent (Title 34, CFR, Section 674.43(b) and (c)). If the borrower does not respond to the final demand letter within 30 days, the institution shall attempt to contact the borrower by telephone before beginning collection procedures (Title 34, CFR, Section 674.43(f)).

If the borrower does not satisfactorily respond to the final demand letter or following telephone contact, the institution is required to report the account as being in default to a national credit bureau and either use its own personnel to collect the amount due or engage a collection firm to collect the account (Title 34, CFR, Section 674.45(a)).

The University of Texas at Austin (University) did not perform all required contact and collection procedures for defaulted loans in a timely manner. Specifically, for 13 (36 percent) of 36 students with defaulted loans tested to whom the University sent third overdue billing notices, the University did not make contact within 240 days from the beginning of the grace period. The University made the third contact for each of those students 241 days after the beginning of the grace period. That occurred because the University's loan management system is programmed to send notices out on the fourth Tuesday of every month. For those 13 students, that resulted in the notices being sent more than 240 days after the beginning of the grace period.

Not sending the required communications within the required time frames increases the risk that students will be unaware that their defaulted Perkins Loans will be referred for collection and students may not have appropriate time to resolve balance deficiencies and prevent their loans from being transferred to a collection agency.

Corrective Action:

Corrective action was taken.

Reference No. 2014-155

Equipment and Real Property Management

(Prior Audit Issues 2013-176, 13-161, and 12-170)

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

A recipient’s equipment records for equipment acquired with federal funds and federally-owned equipment shall be maintained accurately and include all of the following: a description of the equipment; manufacturer’s serial number, model number, federal stock number, national stock number, or other identification number; the source of the equipment, including the award number; whether title vests in the recipient or the federal government; acquisition date and cost; the percentage of federal participation in the cost of the equipment; location and condition of the equipment; unit acquisition cost; and ultimate disposition data for the equipment.

Initial Year Written:	2011
Status:	Partially Implemented
U.S. Department of Defense	
U.S. Department of Energy	
U.S. Department of Health and Human Services	

A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The recipient shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment (Title 2, Code of Federal Regulations, Section 215.34 (f)).

The University of Texas at Austin’s (University) *Handbook of Business Procedures* requires that an inventory tag with a bar code be affixed to new equipment items that are capitalized (items with a unit cost of \$5,000 or more) or controlled (certain items with a unit cost of \$500 to \$4,999.99).

The University did not always maintain adequate property records for its equipment items. For 3 (5 percent) of 64 equipment items tested, the University’s property records were inaccurate. For each of those three items, the information for one or more of the following was inaccurate: the item location, information on the transfer of an item to another institution, inventory tag numbers, serial numbers, or a condition code.

Those errors occurred as a result of weaknesses in the University’s record keeping process. Not properly maintaining property records increases the risk that assets may be lost or stolen.

The issues above affected the following awards:

CFDA No.	CFDA Title	Award Number	Award Year
12.000	Department of Defense	DAAA21-86-C-0215	July 21, 1986 to March 30, 1995
81.000	Department of Energy	111610917	October 1, 2006 to September 30, 2010
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	5 R01 EB008821-01,02,03,04	June 1, 2008 to March 31, 2013

Corrective Action:

This finding was reissued as current year reference number 2015-134.

University of Texas at El Paso

Reference No. 13-164

Eligibility

Special Tests and Provisions - Disbursements To or On Behalf of Students

(Prior Audit Issues 11-171 and 11-170)

Student Financial Assistance Cluster

Award year – July 1, 2011 to June 30, 2012

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P112338; CFDA 84.268, Federal Direct Student Loans, P268K122338; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T122338; CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A114176; CFDA 84.033, Federal Work-Study Program, P033A114176; CFDA 93.925, Scholarships for Health Professions Students from Disadvantaged Backgrounds, T08HP22396-01-00; CFDA 93.264, Nurse Faculty Loan Program, E01HP112947-02-00; and CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

Initial Year Written: 2010
Status: Partially Implemented

U.S. Department of Education
U.S. Department of Health and
Human Services

The University has not implemented adequate logical access controls to its Banner student financial assistance application and associated database, its operating system, and its network. This increases the risk of unauthorized system access and could result in compromise or loss of data.

Additionally, **the University did not have sufficient segregation of duties in its change management processes.** Specifically, one programmer had access to change application code and migrate it to the production environment. This increases the risk of unintended programming changes being made to critical information systems that the University uses to administer student financial assistance.

Corrective Action:

This finding was reissued as current year reference number 2015-141.

Reference No. 2013-178

**Activities Allowed or Unallowed
Allowable Costs/Cost Principles**

Research and Development Cluster

Research and Development Cluster - ARRA

Award years – Multiple

Award numbers – Multiple

Type of finding – Material Weakness and Material Non-Compliance

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

The University did not maintain adequate user access controls over its Effort Certification & Reporting Technology (ECRT) application. Specifically, the University had a generic ECRT user account with high-level system administrator access that was no longer necessary. The University removed access for that account during the audit. The existence of unnecessary generic accounts with high-level system administrator access increases the risk of inappropriate and unauthorized changes to applications.

In addition, the University did not maintain evidence that it conducted formal, periodic reviews of access to ECRT to determine the appropriateness of users' access based on their job responsibilities. That increases the risk of inappropriate access.

Initial Year Written:	2013
Status:	Implemented
Environmental Protection Agency	
National Aeronautics and Space Administration	
National Science Foundation	
U.S. Department of Commerce	
U.S. Department of Defense	
U.S. Department of Education	
U.S. Department of Health and Human Services	
U.S. Agency for International Development	

Corrective Action:

Corrective action was taken.

Reference No. 2013-179

Cash Management

Research and Development Cluster

Award years – August 23, 2010 to November 22, 2012 and December 5, 2011 to October 31, 2013

Award numbers – CFDA 12.351, Basic Scientific Research – Combating Weapons of Mass Destruction, HDTRA1-10-1-0096 and CFDA 43.001, Science, NNX09AV17A pass-through from United Negro College Fund Special Programs Corporation

Type of finding – Significant Deficiency and Non-Compliance

Recipients shall maintain advances of federal funds in interest-bearing accounts unless: (1) The recipient receives less than \$120,000 in federal awards per year, (2) the best reasonably available interest-bearing account would not be expected to earn interest in excess of \$250 per year on federal cash balances, or (3) the depository would require an average or minimum balance so high that it would not be feasible within the expected federal and non-federal cash resources (Title 2, Code of Federal Regulations (CFR), Section 215.22 (k)). For those entities for which the Cash Management Improvement Act (CMIA) and its implementing regulations do not apply, interest earned on federal advances deposited in interest-bearing accounts shall be remitted annually to the U.S. Department of Health and Human Services. Interest amounts up to \$250 per year may be retained by the recipient for administrative expense. State universities and

Initial Year Written:	2013
Status:	Partially Implemented
U.S. Department of Defense	
National Aeronautics and Space Administration	

hospitals shall comply with CMIA, as it pertains to interest (Title 2, CFR, Section 215.22(l)). In addition, Title 31, CFR, Section 205, which implements the CMIA, requires state interest liability to accrue if federal funds are received by a state prior to the day the state pays out the funds for federal assistance program purposes. State interest liability accrues from the day federal funds are credited to a state account to the day the state pays out the federal funds for federal assistance program purposes (Title 31, CFR, Section 205.15).

The University of Texas at El Paso (University) did not maintain advances of federal funds in interest-bearing accounts. The University has not established a process to maintain advances of federal funds in interest-bearing accounts. The University identified 41 awards that potentially received advances of federal funds according to its records. Auditors reviewed 11 of those awards and determined that 2 of them required advances of funds to be maintained in interest-bearing accounts. The University received federal funds in advance of expenditures for both of those awards, but it did not maintain the funds in interest-bearing accounts. If the University does not maintain advances in interest-bearing accounts, it cannot earn or remit to the federal government interest exceeding \$250 per year on funds it received in advance of expenditures. Other federal awards also were potentially affected by this issue.

Recommendations:

The University should:

- Maintain advances of federal funds in interest-bearing accounts.
- Develop and implement procedures to calculate and remit interest payments to the federal government when federal funds are credited to its accounts before it uses those funds.

Views of Responsible Officials and Corrective Action Plan 2013:

- UTEP will ensure that all federal advance funds are maintained in an interest bearing account unless in accordance with 2 CFR, Section 215.22 (k.2) “the best reasonable available interest bearing account would not be expected to earn interest in excess of \$250 per year on federal cash balance.”
- UTEP will develop and implement procedures to comply with CMIA 31 CFR 205.15 and 2 CFR Section 215.22, where the process will be applied for the next required reimbursement date of 09/30/2014.

Views of Responsible Officials and Corrective Action Plan 2014:

The University’s General Accounting Office will create a separate account to manage the interest generated from all federal fund advances subject to interest bearing terms and will develop processes to be compliant. Process was developed and is currently being followed. Process – Research administrators and C&G Accountants identify and communicate interest bearing federal prepaid awards to General Accounting. Such identified projects/accounts will be tracked and log for special handling. Accrued interest is kept in the separate account and then disbursed to the principle account. Account owners are advised on a quarterly basis how much interest income is available to be spent toward objectives of the principle account. On an annual basis, earned interest income is reviewed and balances in excess of \$250 will be sent to DHHS.

Views of Responsible Officials and Corrective Action Plan 2015:

A separate account to manage the interest generated from all federal fund advances has been created. The process as detailed in the action plan of 2014 has been implemented and is being followed. The only revision in the process requires that all federal advances, regardless if the advance is subject to interest bearing terms, be maintained in this account.

Implementation Date: December 2015

Responsible Person: Manuela Dokie

Reference No. 2013-181

Reporting

Research and Development Cluster

Award years – April 2, 2012 to April 1, 2016; March 1, 2013 to February 29, 2016; August 15, 2012 to July 31, 2017; June 1, 2012 to May 31, 2017; and March 18, 2012 to March 31, 2015

Award numbers – CFDA 17.268, H-1B Job Training Grant, HG-22730-12-60-A-4; CFDA 12.800, Air Force Defense Research Sciences Program, FA9550-13-1-00081; CFDA 47.076, Education and Human Resources, HRD-1202008; CFDA 47.076, Education and Human Resources, DMR-1205302; and CFDA 98.001, USAID Foreign Assistance for Programs Overseas, AID-497-A-12-00008

Type of finding – Significant Deficiency and Non-Compliance

Federal Funding Accountability and Transparency Act Reporting

The Federal Funding Accountability and Transparency Act (Transparency Act) requires prime recipients of federal awards made on or after October 1, 2010, to capture and report subaward and executive compensation data regarding their first-tier subawards that exceed \$25,000. The prime recipient is required to report subaward information through the Federal Funding Accountability and Transparency Subaward Reporting System by the end of the month following the month in which the subaward was signed (Title 2, CFR, Chapter 170).

Initial Year Written: 2013
Status: Partially Implemented

U.S. Department of Labor
U.S. Department of Defense
National Science Foundation
Agency for International
Development

The University did not always ensure that Transparency Act reports were supported by applicable accounting or performance records, or that they were submitted in a timely manner. Specifically:

- For 6 (67 percent) of 9 reports tested, the University did not report some of the data elements included in the reports accurately. For five of those reports, the University did not report the obligation date accurately. For two of those five reports, the errors occurred because the University reported the dates that the University signed the subawards, rather than the dates on which the University and the subrecipient both signed the subawards. For three of those five reports, those errors occurred because the University reported the beginning date of the subawards, rather than the dates the subaward agreements were signed. As a result, the University reported obligation dates for those five subawards ranging from 14 to 81 days before both parties signed the subawards. For one of those reports, the University overstated the subaward amount by \$440,730. The amount of the subaward was \$48,968; however, the University reported \$489,698 due to a manual error.
- For 7 (78 percent) of 9 reports tested, the University submitted the reports between 1 and 10 months late because it fell behind in submitting subaward information for Transparency Act reporting.

Not reporting subawards within the required time frames decreases the reliability and availability of information to the awarding agency and other users of that information.

Recommendation:

The University should submit Transparency Act reports that are accurate and supported by applicable accounting or performance records, and submit those reports in a timely manner.

Views of Responsible Officials and Corrective Action Plan 2013:

UTEP developed processes and dedicated support staff to sustain FFATA reporting as of June 2013. Effort is continuing to improve on the timeliness of FFATA reporting and elimination of manual input to mitigate risks of error.

Views of Responsible Officials and Corrective Action Plan 2014:

The office of Sponsored Projects went into the FSRS.gov, identified and fixed the typos in the FFATA section of FSRS.gov. ORSP AVP held training session on how to review agency award notifications for FFATA reporting.

Further, we added specifically trained support staff for the subcontracting enterprise (pre-award and post-award) to manage subcontracts regarding tracking of subcontracts, post award monitoring, and compliance with FFATA reporting in a timely manner.

Views of Responsible Officials and Corrective Action Plan 2015:

As defined in the corrective action plan 2014, efforts have been implemented since original findings in 2013. Between ORSP and C&G Staff, there are sufficient human and technology resources to pre and post award manage the subcontract enterprise.

Implementation Date: December 2014

Responsible Person: Manuela Dokie

University of Texas Health Science Center at Houston

Reference No. 2014-156

**Activities Allowed or Unallowed
Allowable Costs/Cost Principles**

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

Direct Costs (Non-payroll)

Allowable costs charged to federal programs must (1) be reasonable; (2) be allocable to sponsored agreements; (3) be given consistent treatment through the application of generally accepted accounting principles appropriate to the circumstances; and (4) conform to any limitations or exclusions set forth in cost principles or in sponsored agreements as to types or amounts of cost items (Title 2, Code of Federal Regulations, Section 220, Appendix A, (C)(2)).

Initial Year Written: 2014
 Status: Implemented

 U.S. Department of Health and
 Human Services

Three (4 percent) of 73 direct cost transactions tested at the University of Texas Health Science Center at Houston (Health Science Center) were unallowable. The Health Science Center charged unallowable meals and alcohol to federal awards. Specifically:

- A project-related travel reimbursement included a \$12 charge for alcohol. That error occurred because the Health Science Center’s reviews of expenses prior to payment did not identify the alcohol item on the receipt.
- A project-related meal reimbursement included a \$60 expense for the principal investigator’s spouse to attend a dinner. That error occurred because the Health Science Center overrode its policy of rejecting reimbursement requests for expenses related to the attendance of spouses at official functions.
- An invoice for consumable office supplies included \$12 in food items. That error occurred because the purchaser overlooked the fact that that the purchase was made with project funds.

The Health Science Center corrected those errors after auditors brought them to its attention; therefore, there were no questioned costs.

In addition, 1 (1 percent) of the 73 direct cost transactions tested at the Health Science Center was for a cost that was not allocated in accordance with the Health Science Center’s practices. Specifically, the Health Science Center allocated federal funds to pay a monthly fee of \$31 (for a total of \$284) for a phone line that was unrelated to project objectives. That phone line was billed in error on the same project account as an allowable, project-related phone line. The Health Science Center corrected that error after auditors brought it to the Health Science Center’s attention; therefore, there were no questioned costs.

The following awards were affected by the issues discussed above.

<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>
93.135	Centers for Research and Demonstration for Health Promotion and Disease Prevention	3U48DP001949-05S1	September 30, 2009 to March 29, 2015
93.350	National Center for Advancing Translational Sciences	5KL2TR000370-08	June 27, 2012 to May 31, 2017

CFDA No.	CFDA Title	Award Number	Award Year
93.838	Lung Diseases Research	5P01HL114457-02	June 1, 2013 to May 31, 2018
93.994	Maternal and Child Health Services Block Grant to the States	2014-044533-001	September 1, 2013 to August 31, 2014

Corrective Action:

Corrective action was taken.

Reference No. 2014-157

Period of Availability of Federal Funds

Research and Development Cluster

Research and Development Cluster - ARRA

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

When a funding period is specified, a recipient may charge to a grant only allowable costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the federal awarding agency (Title 2, Code of Federal Regulations (CFR), Section 215.28). Unless the federal awarding agency authorizes an extension, a recipient shall liquidate all obligations incurred under the award not later than 90 calendar days after the funding period or the date of completion as specified in the terms and conditions of the award or in agency implementing instructions (Title 2, CFR, Section 215.71).

Initial Year Written:	2014
Status:	Partially Implemented
U.S. Department of Agriculture	
U.S. Department of Defense	
U.S. Department of Education	
U.S. Department of Health and Human Services	
U.S. Department of Veteran Affairs	

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300).

The University of Texas Health Science Center at Houston (Health Science Center) did not always incur costs within the period of availability and did not always liquidate its obligations within the required time period. Specifically:

- For 14 (23 percent) of 60 transactions tested that were recorded after the end of the award period of availability, the Health Science Center did not incur the cost within the funding period and did not liquidate the obligation within 90 days after the end of the funding period. The 14 transactions tested were recorded between 92 and 396 days after the end date of the federal awards and resulted in a total of \$4,093 in questioned costs. Thirteen of those transactions were charges made from funds in excess of expenditures from expired federal awards.
- For 49 (96 percent) of 51 additional federal grant awards tested that expired prior to fiscal year 2014 but had expenditures recorded in fiscal year 2014, the Health Science Center did not liquidate the obligation within 90 days after the end of the funding period. The transactions associated with the awards tested were recorded between 107 and 6,593 days (18 years) after the end date of the federal awards and resulted in \$327,220 in questioned costs.
- For the two transfer transactions tested that were recorded after the end of the award period of availability, the Health Science Center incurred the original expenditures within the award period but did not process the transfers within 90 days after the end of the funding period. While the Health Science Center reviewed and approved the transfers, that was not effective to ensure that the transfers occurred within 90 days after the end of the funding period.

UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON

The Health Science Center does not have a process to close out expired federal grants that have residual funds. The Health Science Center maintains the funds under the original project and federal funding codes after the award has ended, and its subsequent expenditures are not always related to the original project objectives. The Health Science Center has controls within its automated system to prevent transactions outside of the period of availability. However, the Health Science Center bypasses the controls in its financial system to allow transactions outside of the period of availability.

Control weaknesses increase the risk of non-compliance with period of availability requirements in applicable laws, regulations, and the provisions of federal grant agreements.

The following awards were affected by the issues described above:

CFDA No.	CFDA Title	Award Number	Award Year	Questioned Cost
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	5888NE1	September 1, 1998 to September 30, 1998	\$ 77
12.420	Military Medical Research and Development	W81XWH-10-1-1060	September 27, 2010 to December 26, 2012	20
12.420	Military Medical Research and Development	W81XWH-11-1-0304	January 1, 2011 to April 30, 2012	0
64.009	Veterans Medical Care Benefits	V671P-3846	December 1, 2001 to September 30, 2003	15,762
64.018	Sharing Specialized Medical Resources	580-D-35329	January 1, 2002 to December 31, 2004	4
64.018	Sharing Specialized Medical Resources	DVA-671/151	January 12, 2000 to September 31, 2000	58
84.305	Education Research, Development and Dissemination	ED-01-CO-00390005	December 1, 2003 to November 30, 2004	1,677
84.359	Early Reading First Program	EDO1CO00550006	August 15, 2002 to April 30, 2003	2,210
93.000	Department of Health and Human Services	CRB-SSS-S-12-002254	January 20, 2012 to March 31, 2013	5,156
93.000	Department of Health and Human Services	HHSN261201200210P	June 14, 2012 to December 31, 2012	1,506

UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON

CFDA No.	CFDA Title	Award Number	Award Year	Questioned Cost
93.000	Department of Health and Human Services	MDC-03-03	December 1, 2007 to October 21, 2009	723
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	U52/CCU600497	January 1, 2005 to December 31, 2005	6,075
93.226	Research on Healthcare Costs, Quality and Outcomes	5R01HS013099-02	September 30, 2004 to September 29, 2006	1,383
93.262	Occupational Safety and Health Program	264585	September 30, 2002 to September 30, 2003	22,795
93.278	Drug Abuse National Research Service Awards for Research Training	R01DA1075	February 2, 2002 to December 2, 2003	0
93.283	Centers for Disease Control and Prevention – Investigations and Technical Assistance	2011-037904-001	March 15, 2011 to August 31, 2011	2,160
93.283	Centers for Disease Control and Prevention – Investigations and Technical Assistance	2012-039523-001	September 1, 2011 to August 31, 2012	75
93.283	Centers for Disease Control and Prevention – Investigations and Technical Assistance	H056-03/03	December 1, 1997 to September 30, 1999	146
93.283	Centers for Disease Control and Prevention – Investigations and Technical Assistance	REG 65-10	July 1, 2010 to June 30, 2011	4,099
93.283	Centers for Disease Control and Prevention – Investigations and Technical Assistance	2013-043379-002	January 14, 2013 to June 29, 2013	118

UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON

CFDA No.	CFDA Title	Award Number	Award Year	Questioned Cost
93.283	Centers for Disease Control and Prevention – Investigations and Technical Assistance	2013-043379-001	January 14, 2013 to June 29, 2013	91
93.283	Centers for Disease Control and Prevention – Investigations and Technical Assistance	2013-043379-000	January 14, 2013 to June 29, 2013	669
93.350	National Center for Advancing Translational Sciences	5UL1TR000371-07	February 1, 2012 to May 31, 2013	0
93.350	National Center for Advancing Translational Sciences	5UL1TR000371-08	January 1, 2012 to May 31, 2013	6,450
93.389	National Center for Research Resources	UL1RR024148	July 1, 2007 to June 30, 2011	24,429
93.531	PPHF - Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - financed solely by Prevention and Public Health Funds	4500160060-1	April 1, 2012 to September 30, 2012	7,892
93.837	Cardiovascular Diseases Research	5U01HL087318-04	January 1, 2009 to December 31, 2010	7,309
93.837	Cardiovascular Diseases Research	N02-HL-3-4208	September 1, 2003 to February 28, 2005	4,442
93.837	Cardiovascular Diseases Research	U01HL38844	August 15, 1997 to July 31, 2002	22,215
93.837	Cardiovascular Diseases Research	R01HL095132	June 1, 2009 to June 30, 2013	3
93.837	Cardiovascular Diseases Research	5R01HL088128-05	March 7, 2008 to February 28, 2014	46
93.838	Lung Diseases Research	R01HL089901-03	December 1, 2007 to July 31, 2013	1,821

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CFDA No.	CFDA Title	Award Number	Award Year	Questioned Cost
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	N01-AI-05419	January 1, 2008 to September 21, 2012	51
93.849	Kidney Diseases, Urology and Hematology Research	5U01DK066174-05	August 1, 2004 to July 31, 2008	8,968
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	1U01NS045719	August 1, 2004 to November 30, 2012	56,435
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	5R01NS037666-07	January 17, 2005 to March 31, 2009	29,215
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	5U01NS032228-12	January 1, 2008 to September 30, 2012	247
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	5U01NS052220-02	February 1, 2006 to November 30, 2010	8,215
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	P50NS044378-06	July 22, 2008 to April 30, 2013	0
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	R1NS39160	September 30, 2000 to March 31, 2004	9,525
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U01NS040406	June 1, 2007 to May 31, 2013	33,464
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	U01NS053998	May 1, 2009 to April 30, 2012	0

UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON

CFDA No.	CFDA Title	Award Number	Award Year	Questioned Cost
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	1U0NS062778-01	September 1, 2010 to June 30, 2013	1,235
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	5U01NS056975-02	August 1, 2007 to May 31, 2014	25
93.855	Allergy, Immunology and Transplantation Research	1U01AI067693-02	September 1, 2008 to August 31, 2011	446
93.855	Allergy, Immunology and Transplantation Research	ACTG PROTOCOL A5280/SITE 31473	June 1, 2011 to May 31, 2012	363
93.855	Allergy, Immunology and Transplantation Research	PROTOCOL A5257	February 1, 2009 to November 30, 2011	25
93.855	Allergy, Immunology and Transplantation Research	ACTG A5260S	January 1, 2010 to July 31, 2013	84
93.855	Allergy, Immunology and Transplantation Research	5R21AI088329-02	January 1, 2011 to December 31, 2013	0
93.865	Child Health and Human Development Extramural Research	5R01HD043943-04	February 1, 2004 to January 31, 2008	1,364
93.865	Child Health and Human Development Extramural Research	HHSN26720060342 5C	June 1, 2007 to September 30, 2008	4,031
93.865	Child Health and Human Development Extramural Research	U01HD050078/SU BAWARD 11-035	February 1, 2009 to January 31, 2013	3,459
93.867	Vision Research	U10EY09867-05	July 1, 2001 to June 30, 2002	128

UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON

CFDA No.	CFDA Title	Award Number	Award Year	Questioned Cost
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	7447447444-2001-17	June 1, 2001 to December 31, 2001	1,863
93.924	Ryan White HIV/AIDS Dental Reimbursement and Community Based Dental Partnership Grants	RWDENTAIDS/95	August 1, 1995 to August 1, 1997	590
93.940	HIV Prevention Activities -Health Department Based	P015148	March 1, 1995 to February 28, 2001	23
93.940	HIV Prevention Activities -Health Department Based	U62/CCU606238	January 1, 2003 to December 31, 2011	32,144
Total Questioned Cost				<u><u>\$331,311</u></u>

Corrective Action:

This finding was reissued as current year reference number 2015-143.

Reference No. 2014-158

**Subrecipient Monitoring
Special Tests and Provisions – R3 – Subrecipient Monitoring**

**Research and Development Cluster
Research and Development Cluster – ARRA
Award years – See below
Award numbers – See below
Type of finding – Significant Deficiency and Non-Compliance**

Preaward Requirements

Beginning October 1, 2010, an agency may not make an award to an entity until it has obtained a valid Data Universal Numbering System (DUNS) number for that entity (Title 2, Code of Federal Regulations (CFR), Sections 25.105 and 25.205).

For 2 (5 percent) of 41 non-American Recovery and Reinvestment Act subawards tested that were awarded after October 1, 2010, the University of Texas Health Science Center at Houston (Health Science Center) did not obtain a DUNS number prior to making the subaward. The Health Science Center documents DUNS numbers in an attachment to the subaward. However, the Health Science Center did not consistently use that attachment.

Initial Year Written:	2014
Status:	Partially Implemented
U.S. Department of Health and Human Services	
U.S. Department of Defense	

Not obtaining a DUNS number prior to making a subaward could lead to improper reporting of federal funding on the Health Science Center’s Federal Funding Accountability and Transparency Act reports.

Award Identification Requirements

At the time of a subaward, the pass-through entity must identify to the subrecipient the federal award information, including the Catalog of Federal Domestic Assistance (CFDA) title and number, award name and number, whether the award is research and development, the name of the federal awarding agency, and applicable compliance requirements (U.S. Office of Management and Budget (OMB) Circular A-133, Subpart D, Section 400(d)).

For 3 (7 percent) of 42 subawards tested, the Health Science Center did not always include federal award identification requirements or applicable compliance requirements in subaward agreements. Specifically, the Health Science Center did not always include the CFDA number, ensure that the CFDA number was correct, include the prime award number, or include any special terms and conditions. The Health Science Center created subawards using the Federal Demonstration Partnership template. However, it did not consistently or accurately complete all fields in that template.

Inadequate identification of federal awards to subrecipients could lead to improper reporting of federal funding on a subrecipient's schedule of expenditures of federal awards. Inadequate identification of special terms and conditions increases the risk that the Health Science Center would not detect a subrecipient's noncompliance with federal requirements.

Subrecipient Audits

The Health Science Center must ensure a subrecipient that expends \$500,000 or more in federal awards during the subrecipient's fiscal year obtain an OMB Circular A-133 Single Audit and provide a copy of the audit report to the Health Science Center within nine months of the end of the subrecipient's audit period (OMB Circular A-133, Sections 320 and 400). In addition, the Health Science Center must issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and follow up to ensure that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to obtain the required audits, the Health Science Center must take appropriate action using sanctions (OMB Circular A-133, Section 400).

For 9 (21 percent) of 42 subawards tested, the Health Science Center did not obtain the required subrecipient Single Audit report. The Health Science Center's process was to send confirmation letters to its subrecipients regarding whether they had obtained the required audit and whether there were any material findings. However, the Health Science Center did not consistently send that letter to its subrecipients.

When the Health Science Center does not ensure that required audits are performed, that increases the risk that deficiencies could go unaddressed.

Special Tests and Provisions – R3 – Subrecipient Monitoring

The American Recovery and Reinvestment Act (Recovery Act) of 2009 required recipients to (1) agree to maintain records that identify adequately the source and application of Recovery Act awards; (2) separately identify to each subrecipient, and document at the time of subaward and at the disbursement of funds, the federal award number, CFDA number, and the amount of Recovery Act funds; and (3) require their subrecipients to include on their schedules of expenditures of federal awards information to specifically identify Recovery Act funding (Title 2, CFR, Section 176.210).

For 2 (50 percent) of 4 Recovery Act subawards tested, the Health Science Center did not separately identify to each subrecipient, and document at the time of the subaward, the requirement for their subrecipients to include on their schedules of expenditures of federal awards information to specifically identify Recovery Act funding. The Health Science Center included that information in the subaward agreement using a specific Recovery Act attachment with the requirements. However, it did not consistently include that attachment with its Recovery Act subaward agreements.

Not informing subrecipients of the requirement to include on their schedules of expenditures of federal awards information to specifically identify Recovery Act funding could lead to improper reporting in the schedule of expenditures of federal awards.

In addition, for 2 (50 percent) of 4 Recovery Act subawards tested, the Health Science Center did not identify Recovery Act information when it disbursed Recovery Act funds to those subrecipients. The Health Science Center’s process was to include that information in a letter that it provided to the subrecipient at the time of disbursement. However, the Health Science Center did not consistently send that letter at the time of disbursement.

Inadequate identification of Recovery Act information at the time of disbursement could result in subrecipients incorrectly reporting Recovery Act funds in their schedules of expenditures of federal awards.

The following awards were affected by the issues discussed above.

CFDA No.	CFDA Title	Award Number	Award Year
12.420	Military Medical Research and Development	W81XWH-13-1-0489	September 30, 2013 to September 29, 2016
93.279	Drug Abuse and Addiction Research Programs	1R01DA035157-02	September 1, 2012 to July 31, 2013
93.307	Minority Health and Health Disparities Research	5U24MD006941-04	September 20, 2011 to June 30, 2012
93.324	State Health Insurance Assistance Program	R324A120363	September 1, 2012 to August 31, 2013
93.701	Trans-NIH Recovery Act Research	U01NS062835	September 30, 2009 to August 31, 2010
93.728	ARRA - Strategic Health IT Advanced Research Projects	90TR0004-01	April 10, 2010 to March 31, 2014
93.837	Cardiovascular Diseases Research	5UM1HL087318-08	March 15, 2012 to February 28, 2013
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	5R01NS078745-03	June 1, 2013 to May 31, 2014
93.859	Biomedical Research and Research Training	5R01GM104411-02	April 1, 2013 to January 31, 2014
93.865	Child Health and Human Development Extramural Research	5R01HD067694-04	April 1, 2011 to March 31, 2012

Corrective Action:

This finding was reissued as current year reference number 2015-145.

University of Texas M.D. Anderson Cancer Center

Reference No. 2014-159

Activities Allowed or Unallowed

Allowable Costs/Cost Principles

Cash Management

Period of Availability of Federal Funds

Research and Development Cluster

Research and Development Cluster – ARRA

Award years – See below

Award numbers – See below

Type of finding –Significant Deficiency and Non-Compliance

Payroll Expenditures

The method of payroll distribution used by entities that receive federal awards must recognize the principle of after-the-fact confirmation or determination so that costs distributed represent actual costs, unless a mutually satisfactory alternative agreement is reached. Direct cost activities and facilities and administrative cost activities may be confirmed by responsible persons with suitable means of verification that the work was performed. Additionally, for professorial and professional staff, activity reports must be prepared each academic term, but no less frequently than every six months (Title 2, Code of Federal Regulations, Section 220, Appendix A (J)(10)).

Initial Year Written:	2014
Status:	Partially Implemented
U.S. Department of Health and Human Services	

Every year since 1990, the U.S. Congress has legislatively mandated a provision limiting the direct salary that an individual may receive under a National Institutes of Health (NIH) grant. The amount of direct salary to Executive Level II of the federal executive pay scale was restricted to \$179,700 from December 23, 2011, through January 11, 2014. The Executive Level II salary restriction increased from \$179,700 to \$181,500 effective January 12, 2014 (NIH Notice Number NOT-OD-14-052).

The University of Texas M.D. Anderson Cancer Center (Cancer Center) did not always limit the direct salary that employees received under NIH grants. The Cancer Center’s effort certification system is designed to identify employees whose salaries exceed the NIH limit. However, when the limit increased in January 2014, the Cancer Center incorrectly established the limit as \$185,800 in its effort certification system. As a result of that error, the Cancer Center overcharged NIH awards \$2,144 for salary expenses for 6 employees.

The following awards were affected by the issue discussed above:

<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>	<u>Questioned Cost</u>
93.000	Department of Health and Human Services	N01 CM-2011-00039 01	June 12, 2013 to March 31, 2014	\$ 4
93.279	Drug Abuse and Addiction Research Programs	5 R25 DA026120 05	August 1, 2010 to March 31, 2015	150
93.393	Cancer Cause and Prevention Research	1 R01 CA169122 01	September 17, 2013 to May 31, 2014	161
93.393	Cancer Cause and Prevention Research	5 R01 CA154823 03	April 1, 2011 to March 31, 2013	147

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CFDA No.	CFDA Title	Award Number	Award Year	Questioned Cost
93.395	Cancer Treatment Research	5 R21 CA153017 02	March 2, 2011 to February 28, 2013	24
93.397	Cancer Centers Support Grants	5 U54 CA153505 04	September 1, 2010 to August 31, 2015	110
93.397	Cancer Centers Support Grants	5 P30 CA016672 39	July 1 2013, to June 30, 2018	272
93.398	Cancer Research Manpower	2 R25 CA056452 21 A1	July 3, 2013 to June 30, 2018	445
93.398	Cancer Research Manpower	2 R25 CA057730 22	July 23, 2012 to July 22, 2013	441
93.398	Cancer Research Manpower	5 K08 CA151651 05	September 1, 2010 to August 31, 2015	291
93.398	Cancer Research Manpower	5 K12 CA088084 14	September 13, 2000 to August 31, 2015	99
Total Questioned Cost				\$2,144.00

The Cancer Center also did not always adjust salaries charged to federal awards as a result of after-the-fact confirmation of effort. One employee whose salary exceeded the NIH salary limit had payroll expenses that exceeded the certified effort percentage. That resulted in an overcharge of \$6,249 associated with the following award:

CFDA No.	CFDA Title	Award Number	Award Year	Questioned Cost
93.398	Cancer Research Manpower	5 K12 CA088084 14	September 13, 2010 to August 31, 2015	\$6,249

Recommendation:

The Cancer Center should adjust payroll charges to federal awards based on certified effort.

Views of Responsible Officials and Corrective Action Plan 2014:

The Cancer Center developed and implemented a process to establish the correct NIH salary limits in our effort certification system, and to adjust payroll charges to certified effort.

Views of Responsible Officials and Corrective Action Plan 2015:

The Cancer Center implemented a new process to ensure that the correct NIH salary limits is in our effort certification system. The new process includes management review and approval of the NIH salary limitation in the effort certification system. In addition, the effort certification system is designed to identify employees whose salaries exceed the NIH salary limit. Grants and Contracts reviews the personnel action forms for salary allocation to sponsored projects. The Cancer Center will continue to strengthen its controls to ensure that payroll charges are adjusted to certified effort.

Implementation Date: February 2016

Responsible Person: Claudia Delgado

Other Compliance Requirements

Although the general control weaknesses described below apply to cash management and period of availability of federal funds, auditors identified no compliance issues regarding those compliance requirements.

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300(b)).

The Cancer Center did not consistently maintain high-profile user accounts at the server level. Specifically, nine individuals had inappropriate access to the PeopleSoft Financials and Human Resources systems’ servers. After auditors brought that issue to its attention, the Cancer Center removed the inappropriate access for those nine individuals. The Cancer Center asserted that it had a periodic user access review process to identify and remove inappropriate system access and to help ensure that segregation of duties issues do not exist for users who have access to multiple system profiles or transactions. However, that process was not documented, and it was not sufficient to prevent the errors discussed above.

Allowing users inappropriate or excessive access to systems increases the risk of inappropriate changes to systems and does not allow for proper segregation of duties.

Corrective Action:

Corrective action was taken.

Reference No. 2014-160

Equipment and Real Property Management

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

A recipient’s property management standards for equipment acquired with federal funds and federally-owned equipment must include all of the following: a description of the equipment; manufacturer’s serial number or other identification number; the source of the equipment, including the award number; whether title vests in the recipient or the federal government; acquisition date and cost; the percentage of federal participation in the cost of the equipment; location and condition of the equipment, unit acquisition cost; and ultimate disposition data for the equipment. In addition, a physical inventory of equipment must be taken, and the results must be reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records must be investigated to determine the causes of the difference. The recipient must, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment. A control system also must be in effect to ensure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment must be investigated and fully documented; if the equipment was owned by the federal government, the recipient must promptly notify the federal awarding agency (Title 2, Code of Federal Regulations, Section 215.34 (f)).

Initial Year Written:	2014
Status:	Partially Implemented
U.S. Department of Health and Human Services	
U.S. Department of Defense	

The University of Texas M.D. Anderson Cancer Center’s (Cancer Center) *Asset Control Manual* requires that all capital and controlled assets be tagged upon receipt or prior to being placed in service with a standard, prenumbered Cancer Center property identification tag. Tags must be placed in a highly visible location on each asset where the tags are easily accessible during the annual inventory, and unauthorized removal of the property identification tags is strictly prohibited.

The Cancer Center did not always maintain adequate property records for its equipment or adequately safeguard its equipment. Specifically, the Cancer Center was unable to locate 1 (2 percent) of 63 equipment items tested. That item was computer software. The Cancer Center inventoried that item in fiscal year 2014 and transferred it to another department; however, it could not locate that item during audit testing. As of the date of audit testing, the Cancer Center had not completed a missing property form for that item. The federal award through which the Cancer Center purchased that item was complete, and the Cancer Center had ownership of that item; therefore, there were no questioned costs.

For 7 (78 percent) of 9 fiscal year 2014 equipment purchases tested, the Cancer Center did not update its inventory management system with each item’s information. During fiscal year 2014, the Cancer Center’s process for updating its inventory management system depended on the assignment of a property identification tag to each item. Those seven errors occurred because the Cancer Center did not assign property identification tags in a timely manner, which caused a significant delay in updating its inventory management system.

Without properly maintaining property records, the Cancer Center cannot ensure that it adequately safeguards equipment, which increases the risk that assets may be unidentified, lost, or stolen.

The following awards were affected by the issues noted above:

CFDA No.	CFDA Title	Award Number	Award Year
12.420	Military Medical Research and Development	W81XWH-04-1-0142	December 15, 2003 to July 14, 2011
93.837	Cardiovascular Diseases Research	5 R01 HL077400 10	July 1, 2004 to June 30, 2015
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	5 R01NS078152-03	August 1, 2012 to May 31, 2017
93.887	Health Care and Other Facilities	1 C76 HF015481 01	September 1, 2009 to September 30, 2014
93.394	Cancer Detection and Diagnosis Research	5 U24 CA144025 03	September 29, 2009 to July 31, 2014
93.395	Cancer Treatment Research	5 U10 CA010953 45	March 18, 2011 to December 31, 2013
93.398	Cancer Research Manpower	5 K12 CA088084 14	September 13, 2000 to August 31, 2015
93.396	Cancer Biology Research	5 R01 CA138345 05	July 1, 2009 to April 30, 2014

Recommendations:

The Cancer Center should:

- Strengthen controls to ensure that it maintains complete and accurate property records for equipment.
- Strengthen controls to ensure that it adequately safeguards its equipment to prevent loss, damage, or theft of equipment.

Views of Responsible Officials and Corrective Action Plan 2014:

We agree the seven assets selected were not in the asset registry. There were several contributing factors which will be addressed by the end of the fiscal year. The corrective action plan will include 1) re-education of buyers regarding the use of the “Do Not Receive” flag for asset purchases; 2) closer monitoring of PeopleSoft operational ticket requests to fix issues impacting the creation of assets; 3) removal of the PeopleSoft customization that requires certain data to be entered at the receipt level which if not entered, keeps receipts open not allowing the asset information to pass to the Asset Management (AM) subsystem’s interface for asset creation; 4) review all asset related open receipts and fix any issues; and 5) utilize a process made available to the AM subsystem in January 2015 to quickly and accurately load assets into the registry.

The missing equipment item was accounted for during the Cancer Center’s last annual inventory, July 2014. While the asset was not located during the audit testing, in accordance with our procedures the department, which owns the asset, has until July 2015 to complete the annual inventory and submit the appropriate documentation required to complete this process, including a missing property report for items not located during the inventory cycle.

Views of Responsible Officials and Corrective Action Plan 2015:

The implementation of the corrective actions 1) re-education of buyers regarding the use of the “Do Not Receive” flag for asset purchases; 2) closer monitoring of PeopleSoft operational ticket requests to fix issues impacting the creation of assets; 3) removal of the PeopleSoft customization that requires certain data to be entered at the receipt level which if not entered, keeps receipts open not allowing the asset information to pass to the Asset Management (AM) subsystem’s interface for asset creation; 4) review all asset related open receipts and fix any issues; and 5) utilize a process made available to the AM subsystem in January 2015 to quickly and accurately load assets into the registry is in process and expected to be completed by the end of August.

MD Anderson is following its annual inventory procedure.

Implementation Date: August 2015 and February 2015

Responsible Persons: Bob Mahaney and Rick Dillard

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300(b)).

The Cancer Center did not consistently maintain high-profile user accounts at the server level. Specifically, nine individuals had inappropriate access to the PeopleSoft Financials and Human Resources systems’ servers. After auditors brought that issue to its attention, the Cancer Center removed the inappropriate access for those nine individuals. The Cancer Center asserted that it had a periodic user access review process to identify and remove inappropriate system access and to help ensure that segregation of duties issues do not exist for users who have access to multiple system profiles or transactions. However, that process was not documented, and it was not sufficient to prevent the errors discussed above.

Allowing users inappropriate or excessive access to systems increases the risk of inappropriate changes to systems and does not allow for proper segregation of duties.

Corrective Action:

Corrective action was taken.

Reference No. 2014-161

Reporting

(Prior Audit Issues 2013-185 and 13-171)

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

Financial Reporting

Recipients are responsible for managing, monitoring, and reporting performance for each project, program, subaward, function, or activity supported by the award (Title 2, Code of Federal Regulations (CFR), Sections 215.51 and 215.52). Recipients use the Federal Financial Report Standard Form (SF) 425, the Federal Cash Transactions Report SF-272, or other reporting forms as required by the applicable Federal awarding agency to report financial activity. The U.S. Office of Management and Budget provides specific instructions for completing the SF-425 and SF-272, including definitions and requirements of key reporting elements.

Initial Year Written: 2012 Status: Partially Implemented U.S. Department of Health and Human Services
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The University of Texas M.D. Anderson Cancer Center (Cancer Center) did not ensure that its financial reports were supported by applicable accounting records and were fairly presented in accordance with program requirements. Specifically, the Cancer Center did not prepare 3 (5 percent) of 60 financial reports tested in accordance with the applicable accounting method. For all three reports, the Cancer Center indicated on the SF-425 that it used the cash accounting basis; however, the Cancer Center included unobligated balances in the “Federal share of expenditures,” which is not in accordance with the cash accounting basis as defined in the SF-425 reporting instructions. In addition, the amounts the Cancer Center included on one of those three reports were not supported by its accounting records.

While the Cancer Center reviewed those financial reports prior to submission, that review was not sufficient to ensure that the reports (1) were completed in accordance with the applicable accounting method or (2) were fully supported. Inaccurate information in financial reports increases the risk that federal agencies could rely on inaccurate information to manage and monitor their awards.

Recommendation:

The Cancer Center should strengthen controls to ensure that the federal financial reports that it submits are complete and accurate.

Views of Responsible Officials and Corrective Action Plan 2014:

The Cancer Center will continue to strengthen its controls to ensure that the federal financial reports and Transparency Act reports are complete, accurate and timely.

Views of Responsible Officials and Corrective Action Plan 2015:

The Cancer Center will continue to focus on strengthening its controls to ensure that the federal financial reports are complete and accurate.

Implementation Date: February 2016

Responsible Person: Claudia Delgado

Federal Funding and Accountability and Transparency Act

The Federal Funding Accountability and Transparency Act (Transparency Act) requires prime recipients of federal awards made on or after October 1, 2010, to capture and report subaward and executive compensation data regarding first-tier subawards that exceed \$25,000. Prime recipients are to report subaward information no later than the end of the month following the month in which the obligation was made (Title 2, CFR, Chapter 170).

The Cancer Center did not ensure that it consistently submitted Transparency Act reports within the required time frames or with the correct subaward obligation date. For 2 (40 percent) of 5 reports tested, the Cancer Center submitted the reports 28 and 234 days late. The Cancer Center implemented new Transparency Act reporting procedures during fiscal year 2014; those procedures included reporting all past awards that had not been submitted and a review and approval of submitted reports. The number of reports submitted in fiscal year 2014 and the coordination needed between multiple departments caused a delay in submitting some of the required reports.

In addition, the Cancer Center incorrectly reported the subaward obligation date for 1 (20 percent) of 5 reports tested. The Cancer Center detected that error during its review of the report; however, it did not update the information in the reporting system.

Not submitting required Transparency Act reports in a timely manner and with correct information decreases the reliability and availability of information provided to the awarding agency and other users of that information.

The following awards were affected by the financial reporting issue discussed above:

CFDA No.	CFDA Title	Award Number	Award Year
93.397	Cancer Centers Support Grants	5 P50 CA093459 09	July 27, 2012 to July 26, 2013
93.397	Cancer Centers Support Grants	5 P50 CA091846 11	September 19, 2012 to August 31, 2017
93.399	Cancer Control	5 P50 CA083639 14	September 30, 1999 to August 31, 2015

Corrective Action:

Corrective action was taken.

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300(b)).

The Cancer Center did not consistently maintain high-profile user accounts at the server level. Specifically, nine individuals had inappropriate access to the PeopleSoft Financials and Human Resources systems' servers. After auditors brought that issue to its attention, the Cancer Center removed the inappropriate access for those nine individuals. The Cancer Center asserted that it had a periodic user access review process to identify and remove inappropriate system access and to help ensure that segregation of duties issues do not exist for users who have access to multiple system profiles or transactions. However, that process was not documented, and it was not sufficient to prevent the errors discussed above.

Allowing users inappropriate or excessive access to systems increases the risk of inappropriate changes to systems and does not allow for proper segregation of duties.

Corrective Action:

Corrective action was taken.

Reference No. 2014-162

Subrecipient Monitoring

Special Tests and Provisions – R3 – Subrecipient Monitoring

(Prior Audit Issues 2013-186 and 13-172)

Research and Development Cluster

Research and Development Cluster – ARRA

Award years – May 1, 2010 to February 28, 2015; January 1, 2011 to December 31, 2012; September 1, 2011 to August 31, 2013; July 1, 2012 to June 30, 2015; September 1, 2009 to September 30, 2014; and September 1, 2010 to August 31, 2013

Award numbers – CFDA 93.393, Cancer Cause and Prevention Research, 5 R01 CA149462 04; CFDA 93.855, Allergy, Immunology and Transplantation Research, 5 R03 AI092252 02; CFDA 93.395, Cancer Treatment Research, 5 R21 CA159270 01; CFDA 12.420, Military Medical Research and Development, W81XWH-12-1-0202 02; CFDA 93.887, Health Care and Other Facilities, 1 C76 HF015481 01; and CFDA 93.715, Recovery Act – Comparative Effectiveness Research - AHRQ, 1 R18 HS019354 01 A

Type of finding – Significant Deficiency and Non-Compliance

Preaward Requirements

Beginning October 1, 2010, an agency may not make an award to an entity until it has obtained a valid Data Universal Numbering System (DUNS) number for that entity (Title 2, Code of Federal Regulations (CFR), Sections 25.105 and 25.205).

Initial Year Written:	2012
Status:	Implemented
U.S. Department of Health and Human Services	
U.S. Department of Defense	

For 4 (21 percent) of 19 non-American Recovery and Reinvestment Act subawards tested that were awarded after October 1, 2010, the University of Texas M.D. Anderson Cancer Center (Cancer Center) did not obtain a DUNS number prior to making the subaward.

The Cancer Center uses a preaward process to document subrecipient information, including a subrecipient’s DUNS number. However, the Cancer Center did not consistently apply that process. In May 2014, the Cancer Center implemented a new preaward process to ensure that it obtains DUNS numbers for subrecipients prior to executing subawards. The four subawards for which the Cancer Center did not obtain DUNS numbers were awarded prior to the implementation of that new preaward process.

Not obtaining a DUNS number prior to making a subaward could lead to improper reporting of federal funding on the Cancer Center’s Federal Funding Accountability and Transparency Act reports.

Corrective Action:

Corrective action was taken.

During-the-award Monitoring

As a pass-through entity, the Cancer Center is required by U.S. Office of Management and Budget Circular A-133, Subpart D, Section 400(d), to monitor the activities of subrecipients to ensure that federal awards are used in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

For 3 (11 percent) of 28 subawards tested, the Cancer Center did not consistently monitor subrecipient activities during the subaward periods to provide reasonable assurance that the subrecipients administered the subawards in compliance with federal requirements. Specifically, for those subawards, the Cancer Center reviewed and approved subrecipient invoices prior to payment; however, those invoices did not contain sufficient detail for the Cancer Center to determine whether the expenditures were for allowable activities and costs or whether the expenditures complied with other federal and award requirements. For example, one subrecipient invoice included an \$8,266 line item labeled “Supplies/Services”; however, the subaward budget included costs only for equipment, and there was no further information on the invoice regarding the type of expenses it covered. The Cancer Center implemented a new process in May 2014 to strengthen its review of subrecipient invoices; however, it reviewed and

approved the activities of a subrecipient associated with one of the errors discussed above in July 2014, after it had implemented that new process.

Insufficient during-the-award monitoring increases the risk that the Cancer Center would not detect subrecipients' noncompliance with federal requirements.

Corrective Action:

Corrective action was taken.

Special Tests and Provisions – R3 – Subrecipient Monitoring

The American Recovery and Reinvestment Act (Recovery Act) of 2009 required recipients to (1) agree to maintain records that identify adequately the source and application of Recovery Act awards; (2) separately identify to each subrecipient, and document at the time of subaward and at the disbursement of funds, the federal award number, Catalog of Federal Domestic Assistance (CFDA) number, and the amount of Recovery Act funds; and (3) require their subrecipients to include on their schedules of expenditures of federal awards information to specifically identify Recovery Act funding (Title 2, CFR, Section 176.210).

The Cancer Center did not send the required notifications at the time of disbursement of funds to its only subrecipient of Recovery Act funds to which it made disbursements during fiscal year 2014. The Cancer Center disbursed funds to that subrecipient in September and November 2013, but it did not send the notification for both disbursements until January 2014.

Inadequate identification of Recovery Act information at the time of disbursement could lead to improper reporting of Recovery Act funds in subrecipients' schedules of expenditures of federal awards.

Corrective Action:

This finding is no longer valid. The Cancer Center no longer has active Recovery Act subawards.

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300(b)).

The Cancer Center did not consistently maintain high-profile user accounts at the server level. Specifically, nine individuals had inappropriate access to the PeopleSoft Financials and Human Resources systems' servers. After auditors brought that issue to its attention, the Cancer Center removed the inappropriate access for those nine individuals. The Cancer Center asserted that it had a periodic user access review process to identify and remove inappropriate system access and to help ensure that segregation of duties issues do not exist for users who have access to multiple system profiles or transactions. However, that process was not documented, and it was not sufficient to prevent the errors discussed above.

Allowing users inappropriate or excessive access to systems increases the risk of inappropriate changes to systems and does not allow for proper segregation of duties.

Corrective Action:

Corrective action was taken.

University of Texas Medical Branch at Galveston

Reference No. 2014-163

Equipment and Real Property Management

(Prior Audit Issue 13-175)

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of Finding – Significant Deficiency and Non-Compliance

Equipment

A recipient’s equipment records for equipment acquired with federal funds and federally owned equipment shall be maintained accurately and include all of the following: a description of the equipment; manufacturer’s serial number, model number, federal stock number, national stock number, or other identification number; the source of the equipment, including the award number; whether title vests in the recipient or the federal government; acquisition date and cost; the percentage of federal participation in the cost of the equipment; location and condition of the equipment; unit acquisition cost; and ultimate disposition data for the equipment. In addition, a physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The recipient shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment (Title 2, Code of Federal Regulations, Section 215.34 (f)).

Initial Year Written: 2012
Status: Partially Implemented

U.S. Department of Health and Human Services

The University of Texas Medical Branch at Galveston’s (Medical Branch) *Asset Management Handbook* also requires that an inventory tag with a bar code be affixed to new equipment items that are capitalized (items with a unit cost of \$5,000 or more) or controlled (certain items with a unit cost between \$500 and \$5,000).

The Medical Branch did not always maintain adequate property records for its equipment. For 4 (6 percent) of 64 equipment items tested, the Medical Branch’s property records did not accurately reflect the serial number or asset tag number. Those errors occurred because of weaknesses in the Medical Branch’s record keeping processes and because the Medical Branch did not update asset information during the annual inventory process. Not properly maintaining property records and not tagging equipment increases the risk that assets may be lost or stolen.

Corrective Action:

Corrective action was taken.

Equipment Disposition

The Medical Branch’s *Asset Management Handbook* requires that an asset disposition form be completed when the Medical Branch disposes of an asset. The asset manager and a representative of the Office of Sponsored Programs are required to review and approve that form when an asset was acquired with federal funds.

For 4 (36 percent) of 11 equipment disposals tested, the Medical Branch did not obtain the required approvals from a representative of the Office of Sponsored Programs. The Medical Branch did not route the asset disposition forms to obtain the approval of the Office of Sponsored Programs prior to auctioning the items. Not obtaining the proper approvals increases the risk that assets acquired with federal funds could be disposed of improperly.

UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON

The following awards were affected by the issues discussed above:

CFDA No.	CFDA Title	Award Number	Award Year
93.000	Department of Health and Human Services	N01-AI-40097/HHSN266	September 30, 2004 to September 30, 2010
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	R01DK3481718	April 1, 1999 to May 31, 2004
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	5 P01 NS011255-31	August 1, 2001 to March, 31, 2008
93.855	Allergy, Immunology and Transplantation Research	5UC7AI09466004	May 31, 2011 to April 30, 2016

Recommendation:

The Medical Branch should strengthen controls to help ensure that it obtains proper approvals prior to final disposition of assets.

Views of Responsible Officials and Corrective Action Plan 2014:

Management agrees with the auditor’s recommendation and has identified the following steps as necessary to mitigate this risk and ensure proper approval of federally funded equipment occurs prior to it being sent to Surplus:

- *Asset Management will be working with logistics to ensure the data feed detailing what assets are purchased with federal funds is prepared and loaded into eSurplus in the appropriate manner to ensure asset funding source is correctly identified.*
- *Asset Management will request that Logistics add additional fields to the data export from eSurplus to ensure that OSP approval has occurred for applicable items. This will include: the fund code related to the asset, the field identifying whether the item has been marked as needing OSP approval, and the field noting that OSP has approved this item. This will allow Asset Management to identify at the beginning of the process any potential issues and ensure proper approvals occur.*
- *Asset Management will be doing a quarterly review of all disposed assets purchased with federal funds to ensure appropriate approvals have occurred.*

Views of Responsible Officials and Corrective Action Plan 2015:

Asset Management will continue to work with Logistics to correct the process breakages that allowed equipment to be disposed without prior approval. Specifically, controls will be strengthened to ensure assets are entered into eSuplus prior to auction. Logistics has added functionality to eSurplus that notifies the user that a scheduled surplus pickup contains federal or public assistance funded equipment, to provide an opportunity to confirm approval has occurred before the equipment is sent to surplus. Asset Management is also performing routine checks to ensure approvals are occurring appropriately, as well as following up with the appropriate approval group quarterly to obtain a secondary approval for all transactions relating to federal or public assistance funded equipment.

Implementation Date: February 2016

Responsible Person: Michael Linton

Reference No. 2014-164

Reporting

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of Finding – Significant Deficiency and Non-Compliance

The Federal Funding Accountability and Transparency Act (Transparency Act) requires prime recipients of federal awards made on or after October 1, 2010, to capture and report subaward and executive compensation data regarding first-tier subawards that exceed \$25,000. Prime recipients are to report subaward information no later than the end of the month following the month in which the obligation was made (Title 2, Code of Federal Regulations (CFR), Chapter 170).

Initial Year Written: 2014
 Status: Partially Implemented

U.S. Department of Health and Human Services
 U.S. Department of Defense

The University of Texas Medical Branch at Galveston (Medical Branch) did not submit reports within required time frames. Specifically, for 6 (67 percent) of 9 Transparency Act reports tested, the Medical Branch did not submit the reports for its subawards or subaward modifications within the required time frame. It submitted three of those reports between three days and four months after the required date. The remaining three reports were subaward modifications that the Medical Branch did not report. Because the Medical Branch did not report those modifications, the key data elements it previously reported for those subawards were not accurate in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

The Medical Branch has a process for Transparency Act reporting that includes identifying subawards and reviewing and approving reports prior to submission, but that process was not working effectively. In addition, the Medical Branch does not have a process for identifying when it should report subaward modifications.

Not submitting required Transparency Act reports in a timely manner and with accurate information decreases the reliability and availability of information provided to the awarding agency and other users of that information.

The following awards were affected by the Transparency Act reporting issues noted above:

CFDA No.	CFDA Title	Award Number	Award Year
12.300	Basic and Applied Scientific Research	N00014-12-C-0556	August 27, 2012 to February 27, 2015
12.351	Basic Scientific Research – Combating Weapons of Mass Destruction	HDTRA1-11-1-0032	June 15, 2013 to June 14, 2014
93.226	Research on Healthcare Costs, Quality and Outcomes	5R24HS022134-02	May 1, 2013 to April 30, 2018
93.855	Allergy, Immunology and Transplantation Research	5R01AI093445-04	April 4, 2011 to March 31, 2016
93.855	Allergy, Immunology and Transplantation Research	5R21AI102267-02	July 1, 2012 to June 30, 2014
93.866	Aging Research	5R01AG018016-08	September 30, 1999 to March 31, 2016

Recommendation:

The Medical Branch should strengthen controls to help ensure that it accurately reports subawards and subaward modifications that are subject to Transparency Act reporting requirements in a timely manner.

Views of Responsible Officials and Corrective Action Plan 2014:

Management agrees with the auditor's recommendation and has taken the necessary steps to establish and implement procedures to ensure that all required reports are filed timely.

Views of Responsible Officials and Corrective Action Plan 2015:

Monthly process has been revised to include information on any modifications to existing awards that may require Transparency Act reporting. The revised process has been in place for several months and appears to have resolved any deficiencies that may have existed.

Implementation Date: January 2015

Responsible Person: Glenita Segura

Reference No. 2014-165

Equipment and Real Property Management

(Prior Audit Issue 2013-187)

CFDA 97.036 – Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Award year – September 13, 2008

Award number – 1791DRTXP00000001

Type of Finding – Significant Deficiency

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300(b)).

The University of Texas Medical Branch at Galveston (Medical Branch) requires an asset disposition form to be completed when an asset is disposed. In addition, the asset manager and a representative of the Office of Sponsored Programs are required to review that form when an asset is acquired with federal funds.

Initial Year Written:	2013
Status:	Partially Implemented
U.S. Department of Homeland Security – Federal Emergency Management Agency	

The Medical Branch did not obtain the required approvals from a representative of the Office of Sponsored Programs for the asset disposition tested prior to the disposition of that asset.

That error occurred as a result of a weakness in the University's disposal process when auctioned assets were not routed to obtain proper approvals prior to final disposition. Not obtaining the required approvals increases the risk that assets acquired with federal funds could be disposed of improperly.

Recommendation:

The Medical Branch should strengthen controls to help ensure that it obtains required approvals prior to final disposition of assets.

Views of Responsible Officials and Corrective Action Plan 2014:

UTMB will add additional data fields in eSurplus, the web application which tracks disposals through its surplus program. UTMB will monitor those fields to ensure proper approvals occur when assets are in the process of being disposed. UTMB will also perform a quarterly review of all disposed assets purchased with federal funds to ensure appropriate approvals have occurred.

Views of Responsible Officials and Corrective Action Plan 2015:

Per Gregory Eaton, Director, Recovery Division, FEMA, Items purchased by UTMB using FEMA funding for Hurricane Ike recovery follows regulation 44CFR 206.226(H) Equipment and Furnishings. Considering replacing lost equipment items restores an eligible facility to its pre-disaster condition (permanent work), rather than equipment purchased to complete a response type project, there is no disposition requirement. Therefore, FEMA has no continued interest in replacement equipment obtained through a Public Assistance (PA) grant for permanent work. This equipment is considered replacement equipment. For equipment that is purchased to complete a response type project, we follow 44CFR 13.32 as it relates to equipment disposition.

This equipment does not qualify under a response type project.

Implementation Date: No implementation required

Responsible Person: Craig A. Elmore

University of Texas of the Permian Basin

Reference No. 2014-166

Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A1304178; CFDA 84.063, Federal Pell Grant Program, P063P133265; CFDA 84.268, Federal Direct Student Loans, P268K143265; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T143265; and CFDA 84.033, Federal Work-Study Program, P0033A134178

Type of finding – Significant Deficiency and Non-Compliance

Satisfactory Academic Progress Policy

A student is eligible to receive Title IV, Higher Education Act (HEA) Program assistance if the student maintains satisfactory progress in his or her course of study according to the institution's published standards of satisfactory progress that satisfy the provisions of Title 34, Code of Federal Regulations (CFR), Section 668.16(e), and the provisions of Title 34, CFR, Section 668.34 (Title 34, CFR, Section 668.32(f)). An institution's satisfactory academic progress (SAP) policy should include a qualitative component that consists of grades or comparable factors that are measureable against a norm, and a quantitative component that consists of the pace at which students must progress through their program to ensure that they will graduate within the maximum time frame required to complete their education (U.S. Department of Education *2013-2014 Federal Student Aid Handbook*).

Initial Year Written: 2014
Status: Partially Implemented
U.S. Department of Education

An institution's policy must describe how a student's grade point average (GPA) and pace of completion are affected by course incompletes, withdrawals, repetitions, or transfers of credit from other institutions. Credit hours from another institution that are accepted toward the student's educational program must count as both attempted and completed hours (Title 34, CFR, Section 668.34(a)(6)).

The University of Texas of the Permian Basin's (University) SAP policy does not meet all federal requirements. Its policy includes transfer credits as completed hours, but not as attempted hours; therefore, the University incorrectly calculates the completion rate for students with transfer credits. As a result, for 40 (67 percent) of 60 students tested, the University did not accurately include transfer hours in the students' SAP calculations. However, those students still met the University's SAP requirements and were eligible to receive assistance.

Because the University's policy does not meet all federal requirements, the related automated controls in its financial aid system, POISE, do not accurately identify students not meeting SAP requirements. Excluding transfer hours from attempted hours in the SAP calculation increases the risk that the University's calculation may not identify students who do not comply with the pace of completion requirement. As a result, those students could receive financial assistance for which they are ineligible or eligible students could be denied financial assistance.

Recommendation:

The University should update its SAP policy and financial aid system to include transfer hours as both attempted and completed hours in its SAP calculations.

Views of Responsible Officials and Corrective Action Plan 2014:

In response to the Satisfactory Academic Progress Policy, the University of Texas of the Permian Basin acknowledges and agrees with the finding. Automated controls in POISE do not accurately identify students not meeting SAP requirements. The University is in the process of converting to PeopleSoft, once implemented automated controls will be set to accurately determine SAP.

The Financial Aid office is working to update and revise its existing SAP policies and procedures to ensure compliance with all federal requirements. Modifications will be made to the SAP process to include transfer hours in the overall SAP calculation for hours attempted and earned, as well as in the determination of the maximum timeframe until the conversion to PeopleSoft is completed.

Views of Responsible Officials and Corrective Action Plan 2015:

The Financial Aid office has updated the official SAP policy to ensure compliance with federal requirements. Deadlines for SAP appeal submissions have been added, as well as revision of policy to include transferred hours in the overall SAP calculation and maximum timeframe calculation. In response to this finding the SAP officer now manually updates all earned hours accepted during admission evaluation of transfer work and calculates completion percentage and maximum timeframe with all reported hours on the spreadsheet produced from the POISE SAP program. Internal controls within the current operating system are not capable of accurately determining SAP. Although modifications were made to address the finding, management acknowledges that fully addressing the finding and long term corrective action will not be possible until implementation of the SAP module within in the new operating system is live. Conversion to this new system will begin in the fall of the upcoming 15-16 federal aid year.

Implementation Date: June 2015

Responsible Person: Jennifer Taveras

Pell Grants

In selecting students for federal Pell Grants, an institution must determine whether a student is eligible to receive a federal Pell Grant for the period of time required to complete his or her first undergraduate baccalaureate course of study (Title 34, CFR, Section 690.6(a)). For each payment period, an institution may award a federal Pell Grant to an eligible student only after it determines that the student is enrolled in an eligible program as an undergraduate student (Title 34, CFR, Section 690.75(a)).

Based on a review of the entire population of Title IV assistance recipients, the University disbursed Pell Grants to two students who were not eligible for that assistance. Those students were undergraduate students in the Fall semester and admitted into graduate and post-baccalaureate programs for the Spring semester. The University awarded a total of \$2,017 in Pell grant assistance to those students in the Fall semester, which was disbursed in the Spring semester, and did not adjust the assistance based on the students' admission to the new programs. When auditors brought those errors to the University's attention, the University corrected the errors, adjusted the students' awards, and returned the funds to the U.S. Department of Education; therefore, there were no questioned costs.

Recommendation:

The University should award Pell Grant assistance only to eligible students.

Views of Responsible Officials and Corrective Action Plan 2014:

In response to the awarding of Pell Grant to ineligible students, the University of Texas of the Permian Basin acknowledges and agrees with the finding. The students in question changed classification in the spring of 2014 after graduation in the Fall of 2013. The awards are made on a yearly basis, and there is no process in POISE that updates the student financial aid files when a student graduates.

Upon finding the error, the Pell Grant were cancelled and replaced with institutional funds. In order to stop this error from reoccurring we have initiated a process in which the Registrar's office will notify the Financial Aid office of students that have graduated at the end of each semester so awards can be changed prior to the beginning of the following semester, if a student re-enrolls. This will ensure that the awards, per semester, are correct.

Views of Responsible Officials and Corrective Action Plan 2015:

The Financial Aid office has revised procedures regarding determination of eligibility for undergraduate Pell Grant students who may become ineligible within a payment period. In response to this finding the Financial Aid office requests an official graduation roster from the Registrar's office at the end of each term to verify status so that awards can be changed prior to the beginning of the following payment period, if a student decides to re-enroll. Internal controls within the current operating system are not capable of accurately notifying the financial aid office of a change in status. Although modifications were made to address the finding, management acknowledges that fully addressing the finding and long term corrective action will not be possible until implementation of the new operating system. Conversion to this new system will begin in the fall of the upcoming 15-16 federal aid year.

Implementation Date: August 2015

Responsible Person: Jennifer Taveras

Federal Direct Subsidized Loan

The Budget Control Act of 2011 eliminated subsidized loan eligibility for graduate and professional students for loan periods and periods of enrollment beginning on or after July 1, 2012 (U.S. Department of Education 2013-2014 *Federal Student Aid Handbook*). Therefore, only undergraduate students are eligible to receive Subsidized Direct Loans, and graduate students are eligible only for Unsubsidized Direct Loans or Direct Parent Loan for Undergraduate Student (PLUS) Loans.

Based on a review of the entire population of Title IV assistance recipients, the University disbursed Subsidized Direct Loans to one ineligible graduate student. The student was an undergraduate student in the Fall semester and admitted into a graduate program for the Spring semester. The University awarded a total of \$2,722 in Direct Loan assistance to the student in the Spring semester and did not adjust the assistance based on the student's admission to the new program. When auditors brought the error to the University's attention, the University corrected the error, adjusted the student's award, and returned the funds to the U.S. Department of Education; therefore, there were no questioned costs.

Corrective Action:

Corrective action was taken.

Federal Award Limits

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

The Department of Education has established annual, and in some cases aggregate, limits for awarded federal aid (Title 34, CFR, 685.203; Title 34, CFR, 690.62; Title 34, CFR, 676.20; and Title 34, CFR 686.21).

An institution can reduce a borrower's determination of need for a Direct Subsidized, Unsubsidized, or PLUS loan if the reason for the action is documented and provided to the borrower in writing, and if the determination is made on a case-by-case basis; the documentation supporting the determination is retained in the student's file; and the institution does not engage in any pattern or practice that results in a denial of a borrower's access to Direct Loans because of the borrower's race, gender, color, religion, national origin, age, disability status, or income (Title 34, CFR, 685.301(a)(8)).

The University's financial aid system, POISE, does not have automated controls for aggregate assistance limits and is not adequately designed for some annual assistance limits to ensure that those limits are enforced.

Specifically, POISE does not have controls to ensure that annual award limits for Direct Loans and Teacher Education Assistance for College and Higher Education Grants (TEACH) are not exceeded. In addition, the University's automated controls over federal financial aid do not ensure that manually entered awards comply with federal assistance limits. When awards are manually entered, POISE does not apply automated packaging rules to those awards. Not having controls for aggregate and annual assistance limits increases the risk that students could be overawarded student financial assistance.

In addition, POISE restricts the amount of awarded unsubsidized loans to independent undergraduates through its automated packaging formulas, but the University does not provide notification of reductions to students in writing. Not notifying students that their unsubsidized loan amounts have been reduced increases the risk that students may not receive the full amount for which they are eligible.

Recommendations:

The University should:

- Ensure that its financial aid system enforces aggregate and annual award limits.
- Notify students when their loan limits have been reduced.

Views of Responsible Officials and Corrective Action Plan 2014:

In response to the aggregate and annual loan and TEACH limits, the University of Texas of the Permian Basin acknowledges and agrees with the findings. Poise does not possess automated controls that monitor aggregate or annual award limits. Until the implementation of the PeopleSoft system the Financial Aid office will continue to monitor annual and aggregate limits manually with the assistance of COD and NSLDS. Once implemented automated controls will be set to accurately monitor both aggregate and annual award limits based on student classification.

In response to the reduced annual limits for students, the University of Texas of the Permian Basin acknowledges and agrees with the findings. Previous limits were set to reduce the amount of unsubsidized loans offered to students in an effort to uphold the universities "Graduate Debt Free" approach. To satisfy federal requirements for annual loan limits modifications have been made in POISE to ensure that students receive the full amount of unsubsidized loans for their grade level during automated packaging. All department personnel were made aware of this specific finding, and will manually award the full amount of loan eligibility with regard to COA if packaging students by hand. Notification of reductions to students will not be necessary since changes have already been made to award students the full amount of loan eligibility.

Views of Responsible Officials and Corrective Action Plan 2015:

The financial Aid office has revised manual awarding procedures to address this finding. Officers were instructed to package new applicants in the spring and summer using full amounts of subsidized and unsubsidized loans with regard to COA. Although modifications were made to address the finding, management acknowledges that fully addressing the finding and long term corrective action will not be possible until implementation of the new operating system. Conversion to this new system will begin in the fall of the upcoming 15-16 federal aid year.

Implementation Date: September 2015

Responsible Person: Jennifer Taveras

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

The University did not have sufficient change management controls for the POISE student financial aid system. Specifically, for all five POISE changes tested, the University did not maintain adequate documentation of its testing or migration into the production by an appropriate individual. In addition, for 2 (40 percent) of those 5 changes, the University did not maintain adequate documentation showing that the change was authorized prior to migrating that change to the production environment. The University has a software change policy; however, it did not enforce that policy.

Having insufficient change management procedures increase the risk of unauthorized programming changes being made to critical information systems.

Recommendation:

The University should maintain documentation of all change requests related to critical information systems to support that changes were authorized, tested, and approved prior to migration to the production environment.

Views of Responsible Officials and Corrective Action Plan 2014:

In response to general controls the University of the Permian Basin acknowledges and agrees with the findings. The Information Resources Division (IRD) will re-implement the existing policy with documentation being maintained regarding the authorization, testing, and approval of all changes being migrated to the production environment. New staff will be trained on the procedures associated with this policy.

Views of Responsible Officials and Corrective Action Plan 2015:

The existing change control policy was re-implemented by the end of January 2015. All programming staff were trained on the policy and all elevated privileges were removed. Due to the migration effort to Peoplesoft, there have been zero requests for changes since the policy was re-implemented.

Implementation Date: February 2015

Responsible Person: Ken Bridges

Reference No. 2014-167

Special Tests and Provisions – Verification

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A1304178; CFDA 84.063, Federal Pell Grant Program, P063P133265; CFDA 84.268, Federal Direct Student Loans, P268K143265; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T143265; and CFDA 84.033, Federal Work-Study Program, P033A134178

Type of finding – Significant Deficiency and Non-Compliance

Verification of Applications

For each applicant whose Free Application for Federal Student Aid (FAFSA) is selected for verification by the Secretary of the U.S. Department of Education, an institution must verify all of the applicable items, which include household size, number of household members who are in college, adjusted gross income (AGI), U.S. income taxes paid, child support paid, food stamps, education credits, IRA deductions, other untaxed income, high school completion, and identity and statement of educational purpose (Title 34, Code of Federal Regulations (CFR), Sections 668.54 and 668.56, and *Federal Register* Volume 77, Number 134). When the verification of an applicant’s eligibility results in any change to a non-dollar item or a change to a single dollar item of \$25 or more from the student’s FAFSA, the institution must submit a correction to the U.S. Department of Education and adjust the applicant’s financial aid package on the basis of the expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR). For the federal Pell Grant Program, if an applicant’s FAFSA information changes as a result of verification, an institution must recalculate the applicant’s federal Pell Grant on the basis of the EFC on the corrected ISIR and disburse any additional funds under that award (Title 34, CFR, Section 668.59).

Initial Year Written:	2014
Status:	Partially Implemented
U.S. Department of Education	

For 3 (5 percent) of 57 students tested, the University of Texas of the Permian Basin (University) did not accurately verify all required items on the FAFSA. For one student, the number of household members was not completed on the verification form. For two students, the verification form was not signed appropriately. Those errors occurred because of manual errors the University made during the verification process. Those errors did not result in any underawards or overawards of student financial assistance; therefore, there were no questioned costs.

Not properly verifying FAFSA information can result in the University overawarding or underawarding student federal financial assistance.

Recommendation:

The University should accurately verify all required FAFSA information for the students it selects for verification and correct students’ ISIR when required.

Views of Responsible Officials and Corrective Action Plan 2014:

In response to the verification of applications the University of Texas of the Permian Basin acknowledges and agrees with the findings. The need for consistency and accuracy is important, and errors in the verification due to oversights were the result of an increase in student population with no adjustment in staff size. Efforts will be made to establish and enhance the verification protocol and process, and training schedules along with reference guides will be established to facilitate training of staff.

Views of Responsible Officials and Corrective Action Plan 2015:

The Financial Aid office has revised the verification process to address oversights caused by human error. Any incorrect paperwork submitted is marked incomplete, and the student is contacted for changes. Any changes to the verification worksheet will be marked with the officer’s initials and comments will be noted along with dates for

tracking and audit purposes. Training guides have been created to assist officers in the verification process and training has been conducted to follow up with audit findings.

Implementation Date: April 2015

Responsible Person: Jennifer Taveras

Verification Policies and Procedures

An institution must establish and use written policies and procedures for verifying an applicant's FAFSA information. Those policies must include: (1) the time period within which an applicant must provide any documentation requested by the institution in accordance with Title 34, CFR, Section 668.57; (2) the consequences of an applicant's failure to provide required documentation within the specified time period; (3) the method by which the institution notifies an applicant of the results of its verification if, as a result of verification, the applicant's EFC changes and results in a change in the applicant's assistance under Title IV, Higher Education Act (HEA) of 1965 programs; (4) the procedures the institution will follow itself or the procedures the institution will require an applicant to follow to correct FAFSA information determined to be in error; and (5) the procedures for making referrals under Title 34, CFR, Section 668.16(g).

An institution's procedures must provide that it will furnish, in a timely manner, to each applicant whose FAFSA information is selected for verification a clear explanation of (1) the documentation needed to satisfy the verification requirements and (2) the applicant's responsibilities with respect to the verification of FAFSA information, including the deadlines for completing required actions and the consequences of failing to complete any required action. Finally, an institution's procedures must also provide that an applicant whose FAFSA information is selected for verification is required to complete verification before the institution exercises any authority under Section 479A(a) of the HEA to make changes to the applicant's cost of attendance or to the values of the data items required to calculate the EFC (Title 34, CFR, Section 668.53).

The University's policies and procedures for its verification process did not include all of the required elements. Specifically, the University's verification policies and procedures do not include:

- Consequences for applicants failing to provide the appropriate documentation by the specified time period.
- The procedures for making referrals under Title 34, CFR, Section 668.16.
- Procedures for the types of information to be collected from students.

Having inadequate policies and procedures increases the risk that the University may not perform verification in accordance with federal requirements and that applicants may not understand their responsibilities when their FAFSAs are verified.

Corrective Action:

Corrective action was taken.

General Controls

Institutions shall maintain internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements (Office of Management and Budget Circular A-133, Subpart C, Section 300 (b)).

The University did not have sufficient change management controls for the POISE student financial aid system. Specifically, for all five POISE changes tested, the University did not maintain adequate documentation of its testing or migration into the production environment by an appropriate individual. In addition, for 2 (40 percent) of those 5 changes, the University did not maintain adequate documentation showing that the change was authorized prior to

migrating that change to the production environment. The University has a software change policy; however, it did not enforce that policy.

Having insufficient change management procedures increases the risk of unauthorized programming changes being made to critical information systems.

Recommendation:

The University should maintain documentation of all change requests related to critical information systems to support that changes were authorized, tested, and approved prior to migration to the production environment.

Views of Responsible Officials and Corrective Action Plan 2014:

In response to general controls the University of Texas of the Permian Basin acknowledges and agrees with the findings. The Information Resources Division (IRD) will re-implement the existing policy with documentation being maintained regarding the authorization, testing, and approval of all changed being migrated to the production environment. New staff will be trained on the procedures associated with this policy.

Views of Responsible Officials and Corrective Action Plan 2015:

The existing change control policy was re-implemented by the end of January 2015. All programming staff were trained on the policy and all elevated privileges were removed. Due to the migration effort to Peoplesoft, there have been zero requests for changes since the policy was re-implemented

Implementation Date: February 2015

Responsible Person: Ken Bridges

University of Texas at San Antonio

Reference No. 2014-168

Special Tests and Provisions – Enrollment Reporting

Prior Audit Issue 2013-191

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grant, P007A134169; CFDA 84.033, Federal Work-Study Program, P033A134169; CFDA 84.063, Federal Pell Grant Program, P063P133294; CFDA 84.268, Federal Direct Student Loans, P268K143294; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T143294; and CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable

Type of finding – Significant Deficiency and Non-Compliance

Unless an institution expects to submit its next enrollment reporting roster file to the Secretary of the U.S. Department of Education or the guaranty agency within the next 60 days, it must notify the guaranty agency or lender within 30 days if it discovers that a Federal Family Education Loan (FFEL), Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan has been made to or on behalf of a student who (1) enrolled at that institution but has ceased to be enrolled on at least a half-time basis; (2) has been accepted for enrollment at that institution but failed to enroll on at least a half-time basis for the period for which the loan was intended; or (3) has changed his or her permanent address (Title 34, Code of Federal Regulations (CFR), Sections 685.309(b) and 682.610(c)). Effective June 2012, enrollment reporting roster files must also include Pell Grant-only and Federal Perkins Loans recipients (Title 34, CFR, Section 690.83(b)(2), and *Dear Colleague Letter*, March 30, 2012 (GEN-12-06)).

Initial Year Written:	2013
Status:	Partially Implemented
U.S. Department of Education	

The University of Texas at San Antonio (University) uses the services of the National Student Clearinghouse (NSC) to report status changes to the National Student Loan Data System (NSLDS). Under this arrangement, the University reports all students enrolled and their status to NSC. NSC then identifies any changes in status and reports those changes when required to NSLDS. Additionally, NSC completes the roster file on the University’s behalf and communicates status changes to NSLDS as applicable. Although the University uses the services of NSC, it is still ultimately the University’s responsibility to submit timely, accurate, and complete responses to roster files and to maintain proper documentation (*NSLDS Enrollment Reporting Guide*, Chapter 1).

The *NSLDS Enrollment Reporting Guide* states that, in the absence of a student’s formal withdrawal, the student’s last recorded date of attendance should be reported as the status change date (*NSLDS Enrollment Reporting Guide*, Appendix B).

For 3 (5 percent) of 60 students tested, the University did not accurately report enrollment changes to NSLDS.

- For one student, the University submitted information to NSC regarding the student’s change in enrollment from less-than-half-time to withdrawn; however, NSC did not submit that change to NSLDS.
- For two students, changes were not submitted to NSC or NSLDS. For one student, the University did not submit information to NSC regarding the student’s change in enrollment from less-than-half-time to withdrawn. For the other student, the University did not submit information to NSC regarding the student’s change in enrollment from half-time to never attending. The University identified the status of those two students at the end of the semester; however, it did not submit those changes to NSC or NSLDS.

For 5 (8 percent) of 60 students tested, the University did not accurately report the effective dates of the students’ withdrawal to NSLDS. Three of those students were the students discussed above, and the errors discussed above resulted in incorrect effective dates of withdrawal being submitted to NSLDS. The University also did not accurately report the effective dates of students’ withdrawal to NSLDS for two additional students. At the end of the semester, the University identified those two students as never attending. For those two students, the University should have reported the last dates of attendance as the last effective enrollment dates. However, the dates it submitted to NSLDS were those students’ withdrawal dates during the semester.

Inaccurate or incomplete submission of information affects the determinations that lenders and servicers of student loans make related to in-school status, deferments, grace periods, and repayment schedules, as well as the federal government's payment of interest subsidies.

Corrective Action:

This finding was reissued as current year reference number 2015-150.

University of Texas Southwestern Medical Center

Reference No. 2013-193

Reporting

Research and Development Cluster

Award years – See below

Award numbers – See below

Type of finding – Significant Deficiency and Non-Compliance

Financial Reporting

Recipients are responsible for managing, monitoring, and reporting performance for each project, program, subaward, function, or activity supported by the award (Title 2, CFR, Sections 215.51 and 215.52). Recipients use the Federal Financial Report SF-425 or the Request for Advance or Reimbursement SF-270 to report financial activity. The U.S. Office of Management and Budget provides specific instructions for completing the SF-425 and SF-270, including definitions and requirements of key reporting elements. For National Institutes of Health awards, grantees must submit quarterly reports no later than 30 days after the end of each reporting period and must submit final financial status reports within 90 days of the end of the grant support.

Initial Year Written: 2013
 Status: Partially Implemented

 U.S. Department of Defense
 U.S. Department of Health and Human Services

The Medical Center did not always submit final financial reports within the required time frame. For 1 (2 percent) of 60 financial reports tested, the Medical Center did not submit a final financial status report. The Medical Center asserted that it delayed submitting that final financial status report to make adjustments to final amounts as a result of its transition to a new accounting system. Although the Medical Center has a process to identify due dates for final financial status reports, it does not have a process to ensure that it submits those reports within the required time frame. By not submitting final financial status reports in a timely manner, the Medical Center risks suspension or termination of award funding or other enforcement actions from awarding entities.

The following award was affected by the financial reporting issue noted above:

<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>
93.173	Research Related to Deafness and Communication Disorders	5R01DC00610109S1	July 1, 2008 to June 30, 2013

Corrective Action:

This finding was reissued as current year reference number 2015-155.

West Texas A&M University

Reference No. 2014-169

Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A134186; CFDA 84.033, Federal Work-Study Program, P033A134186; CFDA 84.063, Federal Pell Grant Program, P063P132342; and CFDA 84.268, Federal Direct Student Loans, P268K142342

Type of finding – Significant Deficiency and Non-Compliance

Pell Grant Awards

For the federal Pell Grant program, institutions use the payment and disbursement schedules provided each year by the U.S. Department of Education for determining award amounts (Title 34, Code of Federal Regulations (CFR), Section 690.62). Those schedules provide the maximum annual amount a student would receive for a full academic year for a given enrollment status, expected family contribution (EFC), and cost of attendance (COA). There are separate schedules for full-time, three-quarter-time, half-time, and less-than-half-time students (U.S. Department of Education *2013-2014 Federal Student Aid Handbook*). Additionally, a student's eligibility for a Pell Grant must first be determined and considered before the student is awarded other assistance such as Direct Subsidized or Direct Unsubsidized loans (Title 34, CFR, Section 685.200).

Initial Year Written:	2014
Status:	Partially Implemented
U.S. Department of Education	

West Texas A&M University (University) awarded an incorrect Pell Grant amount to 1 (3 percent) of 40 students tested. That student received \$400 less than the amount for which the student was eligible. That error occurred because the University did not increase the student's Pell award as a result of a change in the EFC after it had verified that student's information. After auditors brought that error to the University's attention, it awarded the additional \$400 to that student.

In addition to affecting Pell Grant awards, errors made in Pell Grant awards may adversely affect awards made under other federal programs, such as Direct Subsidized or Direct Unsubsidized loans.

Pell Grant and Direct Loan Limits

Direct Subsidized/Unsubsidized Loans have annual and aggregate limits that are the same for all students at a given grade level and dependency status. In general, a loan may not be more than the amount the borrower requests, the borrower's COA, the borrower's maximum borrowing limit, or the borrower's unmet financial need (U.S. Department of Education *2013-2014 Federal Student Aid Handbook*).

The University's financial aid system, Colleague, does not have sufficient controls over Direct Loans and Pell Grant awards to ensure that manually entered awards comply with federal financial assistance limits. Colleague has controls to prevent awarding more student financial assistance than a student is eligible to receive. However, if the University manually awards student financial assistance, Colleague does not prevent students from being awarded more than the annual or aggregate award limits. The automated packaging process in Colleague does not review awards that the University enters manually.

The University manually packages federal financial assistance for students who are enrolled for the Summer term and for other students on an exception basis as needed. Not having sufficient controls to prevent awarding more than the limit increases the risk that students could be overawarded financial assistance. Audit testing did not identify any students who were awarded federal financial assistance that exceeded their annual or aggregate award limits.

Comment Codes

The U.S. Department of Education's Central Processing System (CPS) adds comment codes and text to students' Institutional Student Information Record (ISIR) transactions to provide information to the students and institutions about the students' processed Free Application for Federal Student Aid (FAFSA) (U.S. Department of Education

2013-2014 *Technical Reference for Electronic Data Exchange (EDE) and Companion to the EDE Technical Reference SAR Comment Codes and Text*). For some comment codes and text, there will also be a comment (C) code, which institutions must resolve before disbursing financial assistance to students (U.S. Department of Education 2013-2014 *Federal Student Aid Handbook*).

Colleague does not have sufficient controls to prevent federal financial aid funds from being authorized and disbursed before the University resolves comment codes. Colleague is designed to prevent packaging financial assistance for students with outstanding comment codes. However, if the University manually packages financial assistance for students, Colleague does not prevent disbursement of financial assistance to those students before the University resolves comment codes. The University manually packages federal financial assistance for students who are enrolled for the Summer term and for other students on an exception basis as needed. Not having sufficient controls to prevent financial assistance from being disbursed until the resolution of comment codes could result in ineligible students receiving financial assistance.

Recommendation:

The University should:

- Award federal Pell Grant funds to eligible students based on the applicable Pell disbursement tables.
- Establish and implement a process to (1) review manually packaged financial assistance for award limits and (2) resolve comment codes prior to disbursement of financial assistance.

Views of Responsible Officials and Corrective Action Plan 2014:

The Financial Aid Office at West Texas A&M University will start implementing the Update Mode process in the automatic packaging process on every FAFSA that is imported from the Department of Education with the exception of those students who are changing from undergraduate classification to graduate classification and for summer terms which will still be a manual process. This will automatically update each student's package and therefore should eliminate any oversights in the amount of aid being awarded and disbursed.

Views of Responsible Officials and Corrective Action Plan 2015:

Pell Grant Awards

The awarding department at West Texas A&M University began implementing the Update Mode process in December 2014. The automatic packaging process is run on every ISIR imported from the Department of Education with the exception of those students who are changing from undergraduate classification to graduate classification and for summer terms which are still a manual process. This automatically updates each student's package and eliminates any manual awarding.

Implementation Date: December 2014

Responsible Person: Rebecca Rutkowski

Pell Grant and Direct Loan Limits

Packaging is manual in the summer terms and for other students on an exception basis as needed. There are four reviews that the awards are subject to before the funds are available to the students. First NSLDS is reviewed by the loan department for the balance of Pell and Direct Loans that may be available for summer awarding. Second, it goes to packaging and the amount of eligibility is awarded after being reviewed. Third, it goes to the loan department to certify the loans and to check that no one has been over-awarded. Fourth, all funds are then reviewed after being rolled onto the student's account, before the funds are released to the student.

Implementation Date: April 2015

Responsible Person: Charissa Harden

In addition, the finding that we were out of compliance regarding summer Pell awards not being awarded due to an eligible student not submitting a Financial Aid Summer Application, which was part of WTAMU's Policies and Procedures has been addressed. The Financial Aid Office will run a query of all students enrolled for summer courses and review the students to see if they have any Pell eligibility, regardless of whether a Financial Aid Summer Application is submitted. This finding was not part of the initial 2014 report and therefore was not addressed in 2014. It will be implemented beginning with the summer 2016 semesters.

Implementation Date: April 2016

Responsible Person: Charissa Harden

Comment Codes

Packaging does not occur until all the comment codes are resolved. There are rules in place to pull the comment codes from the ISIR's into our communication section as information needed and they show incomplete until the comment (C) codes are resolved and marked complete. Once all the information requested and the C codes have been resolved, the file complete flag is populated with the date that it is file complete and it is then selected to be running through the automatic packager to be awarded. If the file is not marked completed, then the file is rejected out of the automatic packaging process until it becomes complete.

Implementation Date: May 2015

Responsible Person: Rebecca Rutkowski

Reference No. 2014-170

Special Test and Provisions – Verification

Student Financial Assistance Cluster

Award year – July 1, 2013 to June 30, 2014

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A134186; CFDA 84.033, Federal Work-Study Program, P033A134186; CFDA 84.063, Federal Pell Grant Program, P063P132342; and CFDA 84.268, Federal Direct Student Loans, P268K142342

Type of finding – Significant Deficiency and Non-Compliance

For each applicant whose Free Application for Federal Student Aid (FAFSA) is selected for verification by the Secretary of the U.S. Department of Education, an institution must verify all of the applicable items, which include household size, number of household members who are in college, adjusted gross income, U.S. income taxes paid, child support paid, food stamps, education credits, IRA deductions, other untaxed income, high school completion, and identity and statement of educational purpose (Title 34, Code of Federal Regulations (CFR), Sections 668.54 and 668.56 and *Federal Register*, Volume 77, Number 134). When the verification of an applicant's eligibility results in any change to a non-dollar item or a change to a single dollar item of \$25 or more from the applicant's FAFSA, the institution must submit a correction to the U.S. Department of Education and adjust the applicant's financial aid package on the basis of the corrected expected family contribution (EFC) on the corrected Institutional Student Information Record (ISIR). For the Federal Pell Grant Program, if an applicant's FAFSA information changes as a result of verification, an institution must recalculate the applicant's federal Pell Grant on the basis of the EFC on the corrected ISIR and disburse any additional funds under the award (Title 34, CFR, Section 668.59).

Initial Year Written:	2014
Status:	Partially Implemented

U.S. Department of Education

West Texas A&M University (University) did not always accurately verify FAFSA information. For 3 (21 percent) of 14 students tested who had non-tax filer status, the University did not request sufficient documentation to verify that the students had no taxable income. That occurred because the University does not have a process to monitor its verification of students' FAFSAs. When auditors brought those errors to the University's attention, the University requested that each of the three students confirm that he or she did not work or were not required to file taxes for 2012. The three students confirmed that they were not required to file taxes for 2012. Therefore, there were no questioned costs. Not properly verifying FAFSA information could result in the University overawarding students federal financial assistance.

The University's financial aid system, Colleague, does not have sufficient controls to prevent federal financial aid funds from being authorized and disbursed before the completion of the verification process. If the University manually awards students federal financial aid, Colleague does not prevent the authorization and disbursement of that aid before the FAFSA verification process is complete. The University manually packages federal financial aid for students who are enrolled for the Summer term and for other students on an exception basis as needed. It has a process to ensure that students who are owed a credit do not receive funds until verification is complete; however, that control does not apply if a student is not owed a credit. Not having sufficient controls to prevent financial aid from being disbursed until the completion of verification could result in ineligible students receiving financial aid.

Recommendations:

The University should:

- Accurately verify all required FAFSA information for the students selected for verification, and correct students' applications as required.
- Establish and implement a process to monitor the verification of student applications for federal financial assistance.
- Establish and implement a process to prevent the authorization and disbursement of all federal financial aid before the completion of its verification process.

Views of Responsible Officials and Corrective Action Plan 2014:

The verification department will begin requesting further documentation to resolve discrepancies between the information reported on the FAFSA and the Verification Worksheet. The file will not be marked completed until all discrepancies have been resolved which will insure that the file will not be sent to the packaging process.

Additional rules are being added to the packaging rules for federal aid so that if the verification status field is not populated with a "7" or "null" code, then it will not be able to disburse funds.

Views of Responsible Officials and Corrective Action Plan 2015:

Finding 1: Verification is not completed until all discrepancies are resolved. If a dependent student answers the question on the FAFSA that they will not file but on the Verification Worksheet they answer the question another way, such as they will file or they did not answer any part of Section B, Student's Income to be Verified, then we will send it back to the student to get confirmation or ask additional questions of the student until all conflicts are resolved. This new process began August, 2014.

Finding 2: An additional rule was created by our IT department and added to each individual federal and state award to prevent the transmittal of funds if the verification status field was not a "7", which means the file has been verified or "" (null), which means the student was not chosen for verification.

Implementation Date: June 2015

Responsible Person: Rachel Williams