



**State of Texas
Federal Portion of the
Statewide Single Audit Report
For the Fiscal Year Ended
August 31, 2016**

Report No. 17-314

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Independent Auditors' Reports
Federal Portion of
Statewide Single Audit Report
For the Year Ended August 31, 2016



**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, 2016, and have issued our report thereon dated February 21, 2017, 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 Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 five component units of the State of Texas. Each of those component units has its own independent audit in compliance with the Uniform Guidance.

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February 21, 2017

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**Independent Auditors' Report on Compliance for Each Major Program
and Report on Internal Control Over Compliance
Required by the Uniform Guidance**

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 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, 2016. The State's major federal programs are identified in the summary of auditors' 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 \$73.8 million in federal awards which are not included in the schedule of expenditures of federal awards for the year ended August 31, 2016. 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 the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Management's Responsibility

Management of the State Agencies and Universities is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards 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 Compliance Supplement* that could have a direct and material effect on the Student Financial Assistance Cluster major federal program (the other auditor major federal program) which represents approximately 8% of total federal assistance received by the State for the year ended August 31, 2016. The other auditor's major federal program is identified in the accompanying schedule of findings and questioned costs as a major federal program and was audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the other auditor's major federal program is based solely on the report 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 the audit requirements of Uniform Guidance. Those standards and the Uniform Guidance 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>
Department of Agriculture	CFDA 10.560 – State Administrative Expenses for Child Nutrition	Allowable Costs/Cost Principles	2016-002
Department of Family and Protective Services	CFDA 93.556 – Promoting Safe and Stable Families	Allowable Costs/Cost Principles	2016-007
General Land Office	CFDA 14.228 – Community Development Block Grant/State’s Program and Non-Entitlement Grants in Hawaii	Subrecipient Monitoring Special Tests and Provisions – Wage Requirements	2016-011
Health and Human Services Commission	Medicaid Cluster	Special Tests and Provisions – Provider Eligibility	2016-015
Health and Human Services Commission Department of State Health Services	CFDA 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children CFDA 93.959 – Block Grants for Prevention and Treatment of Substance Abuse TANF Cluster	Procurement and Suspension and Debarment	2016-026
Department of State Health Services	CFDA 93.917 – HIV Care Formula Grants	Eligibility	2016-030

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

Qualified Opinions

In our opinion, based on our audit, 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, 2016.

Unmodified Opinions on Each of the Other Major Federal Programs

In our opinion, based on our audit and the report 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, 2016.



Other Matters

The results of our auditing procedures and the report of the other auditor disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance 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 Assistive and Rehabilitative Services	CFDA 84.126 – Rehabilitation Services-Vocational Rehabilitation Grants to States	Allowable Costs/Cost Principles	2016-004
		Eligibility Special Tests and Provisions – Completion of IPEs	2016-005
Comptroller of Public Accounts	CFDA 93.767 – Children’s Health Insurance Program Medicaid Cluster	Cash Management	2016-006
Department of Family and Protective Services	CFDA 93.556 – Promoting Safe and Stable Families	Allowable Costs/Cost Principles	2016-008
	CFDA 93.658 – Foster Care-Title IV-E CFDA 93.667 – Social Services Block Grant TANF Cluster	Eligibility	2016-009
Office of the Governor	CFDA 16.575 – Crime Victim Assistance	Reporting	2016-013
Health and Human Services Commission	Medicaid Cluster	Program Income	2016-017
		Special Tests and Provisions – Utilization Control and Program Integrity	2016-019
		Special Tests and Provisions – ADP Risk Analysis and System Security Review	2016-020
		Special Tests and Provisions – Provider Health and Safety Standards	2016-021
	CFDA 93.667 – Social Services Block Grant	Subrecipient Monitoring	2016-023



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Health and Human Services Commission	CFDA 93.667 – Social Services Block Grant CFDA 93.767 – Children’s Health Insurance Program Medicaid Cluster TANF Cluster	Allowable Costs/Cost Principles	2016-024
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 93.268 – Immunization Cooperative Agreements CFDA 93.556 – Promoting Safe and Stable Families 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) Medicaid Cluster Special Education Cluster (IDEA) TANF Cluster	Subrecipient Monitoring	2016-025
Texas Department of Housing and Community Affairs	CFDA 93.568 – Low Income Home Energy Assistance	Reporting	2016-028
Department of Public Safety	CFDA 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Subrecipient Monitoring	2016-029
Department of State Health Services	CFDA 93.917 – HIV Care Formula Grants	Matching, Level of Effort, Earmarking	2016-033
	CFDA 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children	Special Tests and Provisions – Food Instrument and Cash-Value Voucher Disposition	2016-034
Texas Education Agency	CFDA 84.011 – Migrant Education – State Grant Program	Subrecipient Monitoring Special Tests and Provisions – Priority for Services	2016-036



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Texas Higher Education Coordinating Board	CFDA 84.032L – Federal Family Education Loans	Special Tests and Provisions – Individual Record Review	2016-037
		Special Tests and Provisions - Enrollment Reports	
Department of Transportation	CFDA 20.509 – Formula Grants for Rural Areas	Special Tests and Provisions – Due Diligence by Lenders in the Collection of Delinquent Loans	2016-038
		Matching, Level of Effort, Earmarking Reporting	2016-042
Lamar University	Student Financial Assistance Cluster	Special Tests and Provisions – Enrollment Reporting	2016-101
Sam Houston State University	Student Financial Assistance Cluster	Eligibility	2016-102
		Special Tests and Provisions – Disbursements To or On Behalf of Students	2016-103
		Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)	2016-104
Stephen F. Austin State University	Student Financial Assistance Cluster	Eligibility	2016-105
		Reporting	2016-106
		Special Tests and Provisions – Enrollment Reporting	2016-107
Texas A&M University	Student Financial Assistance Cluster	Special Tests and Provisions – Enrollment Reporting	2016-108
Texas Southern University	Student Financial Assistance Cluster	Eligibility	2016-109
		Special Tests and Provisions - Verification	2016-110
		Special Tests and Provisions – Disbursements To or On Behalf of Students	2016-111
		Special Tests and Provisions – Return of Title IV Funds	2016-112
		Special Tests and Provisions – Enrollment Reporting	2016-113



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Texas Southern University	Student Financial Assistance Cluster	Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)	2016-114
Texas State University	Student Financial Assistance Cluster	Eligibility	2016-115
		Special Tests and Provisions – Enrollment Reporting	2016-116
Texas Tech University	Student Financial Assistance Cluster	Eligibility	2016-117
		Special Tests and Provisions – Enrollment Reporting	2016-118
Texas Tech University Health Sciences Center	Student Financial Assistance Cluster	Eligibility	2016-119
		Special Tests and Provisions – Institutional Eligibility	
		Special Tests and Provisions – Disbursements To or On Behalf of Students	2016-120
		Special Tests and Provisions – Return of Title IV Funds	2016-121
		Special Tests and Provisions – Enrollment Reporting	2016-122
Texas Woman’s University	Student Financial Assistance Cluster	Eligibility	2016-123
		Special Tests and Provisions – Institutional Eligibility	
		Special Tests and Provisions - Verification	2016-124
		Special Tests and Provisions – Return of Title IV Funds	2016-125
		Special Tests and Provisions – Enrollment Reporting	2016-126
University of Houston	Student Financial Assistance Cluster	Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)	2016-127
		Eligibility	2016-128
		Special Tests and Provisions – Institutional Eligibility	
		Special Tests and Provisions – Verification	2016-129
		Special Tests and Provisions – Return of Title IV Funds	2016-130



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
University of Houston	Student Financial Assistance Cluster	Special Tests and Provisions – Enrollment Reporting	2016-131
University of North Texas	Student Financial Assistance Cluster	Special Tests and Provisions – Verification	2016-132
		Special Tests and Provisions – Return of Title IV Funds	2016-133
		Special Tests and Provisions – Enrollment Reporting	2016-134
University of Texas at Arlington	Student Financial Assistance Cluster	Cash Management Reporting	2016-135
		Eligibility Special Tests and Provisions – Institutional Eligibility	2016-136
		Special Tests and Provisions – Disbursements To or On Behalf of Students	2016-137
		Special Tests and Provisions – Enrollment Reporting	2016-138
		Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)	2016-139
University of Texas at Austin	Student Financial Assistance Cluster	Cash Management	2016-140
		Eligibility	2016-141
University of Texas at Dallas	Student Financial Assistance Cluster	Special Tests and Provisions – Enrollment Reporting	2016-142
University of Texas at El Paso	Student Financial Assistance Cluster	Cash Management Reporting	2016-143
		Eligibility Special Tests and Provisions – Institutional Eligibility	2016-144
		Special Tests and Provisions – Return of Title IV Funds	2016-145
		Special Tests and Provisions – Enrollment Reporting	2016-146
University of Texas Rio Grande Valley	Student Financial Assistance Cluster	Eligibility Special Tests and Provisions – Institutional Eligibility	2016-148



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
University of Texas Rio Grande Valley	Student Financial Assistance Cluster	Special Tests and Provisions - Verification	2016-149
		Special Tests and Provisions – Return of Title IV Funds	2016-150
		Special Tests and Provisions – Enrollment Reporting	2016-151
		Special Tests and Provisions – Student Loan Repayments	2016-152
		Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)	2016-153
University of Texas at San Antonio	Student Financial Assistance Cluster	Cash Management	2016-154
		Special Tests and Provisions – Enrollment Reporting	2016-155

Our opinion on each major federal program, based on our audit and the report 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 report 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 Uniform Guidance, 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.

Agency/University	Major Program	Compliance Requirement	Finding Number
Department of Agriculture	CFDA 10.560 – State Administrative Expenses for Child Nutrition	Allowable Costs/Cost Principles	2016-002
Department of Family and Protective Services	CFDA 93.556 – Promoting Safe and Stable Families	Allowable Costs/Cost Principles	2016-007
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	2016-011
Health and Human Services Commission	Medicaid Cluster	Eligibility	2016-014
		Special Tests and Provisions – Provider Eligibility	2016-015
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 93.268 – Immunization Cooperative Agreements CFDA 93.556 – Promoting Safe and Stable Families 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) Medicaid Cluster Special Education Cluster (IDEA) TANF Cluster	Subrecipient Monitoring	2016-025



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Health and Human Services Commission Department of State Health Services	CFDA 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children TANF Cluster CFDA 93.959 – Block Grants for Prevention and Treatment of Substance Abuse TANF Cluster	Procurement and Suspension and Debarment	2016-026
Department of State Health Services	CFDA 93.917 – HIV Care Formula Grants	Eligibility	2016-030
Texas Woman’s University	Student Financial Assistance Cluster	Eligibility Activities Allowed or Unallowed Cash Management Reporting Special Tests and Provisions – Disbursements To or On Behalf of Students Special Tests and Provisions – Institutional Eligibility	2016-123
		Special Tests and Provisions – Verification	2016-124
		Special Tests and Provisions – Return of Title IV Funds	2016-125
		Special Tests and Provisions – Enrollment Reporting	2016-126
		Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)	2016-127
University of Texas at Arlington	Student Financial Assistance Cluster	Special Tests and Provisions – Enrollment Reporting	2016-138
University of Texas at El Paso	Student Financial Assistance Cluster	Special Tests and Provisions – Return of Title IV Funds	2016-145
University of Texas Rio Grande Valley	Student Financial Assistance Cluster	Special Tests and Provisions – Verification	2016-149

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 as 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	Medicaid Cluster	Special Tests and Provisions – Provider Eligibility	2016-001
Department of Agriculture	CFDA 10.560 – State Administrative Expenses for Child Nutrition	Allowable Costs/Cost Principles Cash Management Period of Performance Procurement and Suspension and Debarment Reporting Subrecipient Monitoring	2016-003
Department of Assistive and Rehabilitative Services	CFDA 84.126 – Rehabilitation Services-Vocational Rehabilitation Grants to States	Allowable Costs/Cost Principles	2016-004
		Eligibility Special Tests and Provisions – Completion of IPEs	2016-005
Department of Family and Protective Services	CFDA 93.556 – Promoting Safe and Stable Families CFDA 93.658 – Foster Care- Title IV-E CFDA 93.667 – Social Services Block Grant TANF Cluster	Allowable Costs/Cost Principles	2016-008
	CFDA 93.658 – Foster Care- Title IV-E	Eligibility	2016-009
	TANF Cluster	Eligibility	2016-010
General Land Office	CFDA 14.228 – Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii	Reporting	2016-012
	CFDA 16.575 – Crime Victim Assistance	Reporting	2016-013
Health and Human Services Commission	CFDA 93.767 – Children’s Health Insurance Program Medicaid Cluster	Allowable Costs/Cost Principles	2016-016
	Medicaid Cluster	Program Income	2016-017
		Special Tests and Provisions – Inpatient Hospital and Long-Term Care Facility Audits	2016-018



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Health and Human Services Commission	Medicaid Cluster	Special Tests and Provisions – Utilization Control and Program Integrity	2016-019
		Special Tests and Provisions – ADP Risk Analysis and System Security Review	2016-020
		Special Tests and Provisions – Provider Health and Safety Standards	2016-021
	TANF Cluster	Eligibility	2016-022
	CFDA 93.667 – Social Services Block Grant	Subrecipient Monitoring	2016-023
	CFDA 93.667 – Social Services Block Grant CFDA 93.767 – Children’s Health Insurance Program Medicaid Cluster TANF Cluster	Allowable Costs/Cost Principles	2016-024
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 of Substance Abuse Medicaid Cluster	Allowable Costs/Cost Principles	2016-027
Department of Public Safety	CFDA 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Subrecipient Monitoring	2016-029
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	2016-031
	CFDA 93.959 – Block Grants for Prevention and Treatment of Substance Abuse	Special Tests and Provisions – Independent Peer Reviews	2016-032



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Texas Education Agency	CFDA 84.011 – Migrant Education – State Grant Program CFDA 84.371 – Striving Readers Special Education Cluster (IDEA)	Cash Management Matching, Level of Effort, and Earmarking Period of Performance Reporting Subrecipient Monitoring Special Tests and Provisions – Access to Federal Funds for New or Significantly Expanded Charter Schools	2016-035
Texas Higher Education Coordinating Board	CFDA 84.032L – Federal Family Education Loans	Special Tests and Provisions – Individual Record Review Special Tests and Provisions - Enrollment Reports Special Tests and Provisions – Due Diligence by Lenders in the Collection of Delinquent Loans Special Tests and Provisions – Interest Benefits, Special Allowance Payments, and Payment Processing	2016-037 2016-038 2016-039
Texas Workforce Commission	TANF Cluster	Matching, Level of Effort, Earmarking Reporting Special Tests and Provisions – Penalty for Failure to Comply with Work Verification Plan	2016-040
Department of Transportation	CFDA 20.509 – Formula Grants for Rural Areas	Cash Management Matching, Level of Effort, and Earmarking Reporting Matching, Level of Effort, and Earmarking Reporting	2016-041 2016-042
University of Texas Medical Branch at Galveston	CFDA 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Allowable Costs/Cost Principles Cash Management Matching, Level of Effort, and Earmarking Period of Performance	2016-043
Lamar University	Student Financial Assistance Cluster	Special Tests and Provisions – Enrollment Reporting	2016-101
Sam Houston State University	Student Financial Assistance Cluster	Eligibility	2016-102



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Sam Houston State University	Student Financial Assistance Cluster	Special Tests and Provisions – Disbursements To or On Behalf of Students	2016-103
		Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)	2016-104
Stephen F. Austin State University	Student Financial Assistance Cluster	Eligibility Activities Allowed or Unallowed	2016-105
		Cash Management	
		Special Tests and Provisions – Verification	
		Special Tests and Provisions – Disbursements To or On Behalf of Students	
		Special Tests and Provisions – Return of Title IV Funds	
Texas A&M University	Student Financial Assistance Cluster	Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)	2016-106
		Reporting	2016-107
		Special Tests and Provisions – Enrollment Reporting	2016-108
Texas Southern University	Student Financial Assistance Cluster	Special Tests and Provisions – Enrollment Reporting	2016-108
		Eligibility Activities Allowed or Unallowed	2016-109
		Cash Management Reporting	
		Special Tests and Provisions – Verification	2016-110
		Special Tests and Provisions – Disbursements To or On Behalf of Students	2016-111
		Special Tests and Provisions – Return of Title IV Funds	2016-112
		Special Tests and Provisions – Enrollment Reporting	2016-113
Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)	2016-114		



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Texas State University	Student Financial Assistance Cluster	Eligibility	2016-115
		Special Tests and Provisions – Enrollment Reporting	2016-116
Texas Tech University	Student Financial Assistance Cluster	Eligibility	2016-117
Texas Tech University		Special Tests and Provisions – Enrollment Reporting	2016-118
Texas Tech University Health Sciences Center	Student Financial Assistance Cluster	Eligibility	2016-119
		Activities Allowed or Unallowed Reporting	
		Special Tests and Provisions – Verification	
		Special Tests and Provisions – Institutional Eligibility	
		Special Tests and Provisions – Disbursements To or On Behalf of Students	2016-120
		Special Tests and Provisions – Return of Title IV Funds	2016-121
		Special Tests and Provisions – Enrollment Reporting	2016-122
University of Houston	Student Financial Assistance Cluster	Eligibility	2016-128
		Activities Allowed or Unallowed	
		Cash Management Reporting	
		Special Tests and Provisions – Disbursements To or On Behalf of Students	
		Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)	
		Special Tests and Provisions – Institutional Eligibility	
		Special Tests and Provisions – Verification	2016-129
University of North Texas	Student Financial Assistance Cluster	Special Tests and Provisions – Return of Title IV Funds	2016-130
		Special Tests and Provisions – Enrollment Reporting	2016-131
		Special Tests and Provisions – Verification	2016-132



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
University of North Texas	Student Financial Assistance Cluster	Special Tests and Provisions – Return of Title IV Funds	2016-133
		Special Tests and Provisions – Enrollment Reporting	2016-134
University of Texas at Arlington	Student Financial Assistance Cluster	Cash Management Reporting	2016-135
		Eligibility Special Tests and Provisions – Institutional Eligibility	2016-136
		Special Tests and Provisions – Disbursements To or On Behalf of Students	2016-137
		Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)	2016-139
University of Texas at Austin	Student Financial Assistance Cluster	Cash Management	2016-140
	Student Financial Assistance Cluster	Eligibility	2016-141
University of Texas at Dallas	Student Financial Assistance Cluster	Special Tests and Provisions – Enrollment Reporting	2016-142
University of Texas at El Paso	Student Financial Assistance Cluster	Cash Management Reporting	2016-143
		Eligibility Activities Allowed or Unallowed	2016-144
		Special Tests and Provisions – Verification	
		Special Tests and Provisions – Disbursements To or On Behalf of Students	
		Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)	
		Special Tests and Provisions – Institutional Eligibility	
		Special Tests and Provisions – Enrollment Reporting	2016-146
University of Texas Rio Grande Valley	Student Financial Assistance Cluster	Cash Management	2016-147



<u>Agency/University</u>	<u>Major Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
University of Texas Rio Grande Valley	Student Financial Assistance Cluster	Eligibility	2016-148
		Activities Allowed or Unallowed Reporting	
		Special Tests and Provisions – Disbursements To or On Behalf of Students	
		Special Tests and Provisions – Institutional Eligibility	2016-150
		Special Tests and Provisions – Return of Title IV Funds	
		Special Tests and Provisions – Enrollment Reporting	
University of Texas at San Antonio	Student Financial Assistance Cluster	Special Tests and Provisions – Student Loan payments	2016-152
		Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)	2016-153
		Cash Management	2016-154
		Special Tests and Provisions – Enrollment Reporting	2016-155

The State's responses to the internal control over compliance findings identified in our audit, based on our audit and the report 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

KPMG LLP

Austin, Texas
February 21, 2017

STATE OF TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2016

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	\$	3,999	3,999
		AG-05G2-C-12-0002		4,999	4,999
		AG-3151-P-15-0144	2,500	8,076	10,576
		Cooperative		11,528	11,528
		AgreementRBS-14-33			
		RBS-13-17		22,285	22,285
		u4129		74,121	74,121
Total - CFDA 10.XXX			2,500	125,008	127,508
Agricultural Research_Basic and Applied Research	10.001			43,156	43,156
Plant and Animal Disease, Pest Control, and Animal Care	10.025			5,114,763	5,114,763
Wildlife Services	10.028			49,841	49,841
<i>Pass-Through from Tuskegee University</i>		39-32650-071-76190		2,370	2,370
Total - CFDA 10.028			0	52,211	52,211
Voluntary Public Access and Habitat Incentive Program	10.093		363,375	156,749	520,124
Biofuel Infrastructure Partnership	10.117		577,451		577,451
Market News	10.153			21,589	21,589
Federal-State Marketing Improvement Program	10.156			(5)	(5)
Market Protection and Promotion	10.163		87,200	1,514,920	1,602,120
Transportation Services	10.167			42,126	42,126
Specialty Crop Block Grant Program - Farm Bill	10.170		993,062	464,216	1,457,278
<i>Pass-Through from Denison University</i>		SC-1415-19		1,561	1,561
<i>Pass-Through from Texas Hill Country Wineries</i>		15-TAMEXT-001		24,464	24,464
<i>Pass-Through from Texas Hill Country Wineries</i>		M1601297		58,228	58,228
<i>Pass-Through from Texas Hill Country Wineries</i>		SC-1415-03		57,190	57,190
<i>Pass-Through from Texas Olive Oil Council</i>		TOOC-2015TAMU-E		27,296	27,296
<i>Pass-Through from Texas Pecan Growers Association</i>		M1601015		4,111	4,111
<i>Pass-Through from Texas Pecan Growers Association</i>		SC-1415-07		25,600	25,600
Total - CFDA 10.170			993,062	662,666	1,655,728
Grants for Agricultural Research, Special Research Grants	10.200			13,231	13,231
<i>Pass-Through from Auburn University</i>		15-ACES-379834-	22,162	7,005	29,167
		TAMU			
<i>Pass-Through from Kansas State University</i>		S16098		5,081	5,081
<i>Pass-Through from Mississippi State University</i>		M1600043		34,003	34,003
<i>Pass-Through from Oklahoma State University</i>		2-562140.TAMUEX		15,517	15,517
<i>Pass-Through from University of Florida</i>		1500343171		65	65
<i>Pass-Through from University of Florida</i>		1600411203		2,500	2,500
<i>Pass-Through from University of Florida</i>		1600432633		5,036	5,036
<i>Pass-Through from University of Florida</i>		1600457923		11,250	11,250
<i>Pass-Through from University of Florida</i>		1600472758		204	204
<i>Pass-Through from University of Florida - Gainesville</i>		1500343409		142	142
<i>Pass-Through from University of Florida - Gainesville</i>		6015-1600431039		16,005	16,005
<i>Pass-Through from University of New Hampshire</i>		16-067		13,069	13,069
Total - CFDA 10.200			22,162	123,108	145,270
Sustainable Agriculture Research and Education	10.215				
<i>Pass-Through from University of Georgia</i>		RD309-129/5054666		5,682	5,682

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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 University of Georgia</i>		RD309129/S000670		8,049	8,049
<i>Pass-Through from University of Georgia</i>		RD309-129/S000776		22,223	22,223
<i>Pass-Through from University of Georgia</i>		RD309-129/S000837		13,019	13,019
<i>Pass-Through from University of Georgia</i>		RD309-129/S001066		1,259	1,259
<i>Pass-Through from University of Georgia</i>		RD309-134/S001077		6,679	6,679
<i>Pass-Through from University of Georgia</i>		RE675-116/4892386		(1)	(1)
Total - CFDA 10.215			0	56,910	56,910
1890 Institution Capacity Building Grants	10.216			323,444	323,444
Higher Education - Institution Challenge Grants Program	10.217			4,537	4,537
Hispanic Serving Institutions Education Grants	10.223			319,879	319,879
<i>Pass-Through from University of New Mexico</i>		2015-38422-24068		12,773	12,773
Total - CFDA 10.223			0	332,652	332,652
Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants	10.226			123,027	123,027
Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations	10.250			(2,472)	(2,472)
Agricultural Market and Economic Research	10.290			448,215	448,215
Agricultural and Food Policy Research Centers	10.291			199,964	199,964
Integrated Programs	10.303				
<i>Pass-Through from University of Florida</i>		UFDSP00010050		7,740	7,740
Homeland Security Agricultural	10.304				
<i>Pass-Through from Kansas State University</i>		S13011		23,000	23,000
<i>Pass-Through from University of Florida</i>		UFDSP00010250		25,000	25,000
Total - CFDA 10.304			0	48,000	48,000
Specialty Crop Research Initiative	10.309			183,220	183,220
<i>Pass-Through from Michigan State University</i>		RC105573TAM		33,905	33,905
<i>Pass-Through from University of California - Riverside</i>		S-000719		42,959	42,959
Total - CFDA 10.309			0	260,084	260,084
Agriculture and Food Research Initiative (AFRI)	10.310		59,583	948,805	1,008,388
<i>Pass-Through from Cornell University</i>		76482-10584		6,199	6,199
<i>Pass-Through from North Carolina State University</i>		2015-0097-03		5,278	5,278
Total - CFDA 10.310			59,583	960,282	1,019,865
Beginning Farmer and Rancher Development Program	10.311		57,004	256,361	313,365
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	10.326		67,596	143,311	210,907
<i>Pass-Through from Middle Tennessee State University</i>		270580		28,065	28,065
Total - CFDA 10.326			67,596	171,376	238,972
Crop Protection and Pest Management Competitive Grants Program	10.329		36,581	260,644	297,225
<i>Pass-Through from North Carolina State University</i>		2015-0085-03	23,375	13,530	36,905
<i>Pass-Through from North Carolina State University</i>		2015-0085-14		11,728	11,728
<i>Pass-Through from North Carolina State University</i>		2015-0085-17		8,995	8,995
<i>Pass-Through from Oklahoma State University</i>		2-562180-TAMUS		1,663	1,663
Total - CFDA 10.329			59,956	296,560	356,516

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For the Year Ended August 31, 2016

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)					
Food Insecurity Nutrition Incentive Grants Program <i>Pass-Through from University of Kansas Medical Center</i>	10.331	USDA FINI		8,167	8,167
Farm Operating Loans	10.406			481	481
Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers	10.443		64,706	483,638	548,344
Risk Management Education Partnerships	10.460			80,177	80,177
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475			4,804,520	4,804,520
Cooperative Extension Service	10.500		22,566	25,410,824	25,433,390
<i>Pass-Through from Kansas State University</i>		S14020		128,882	128,882
<i>Pass-Through from Kansas State University</i>		S15056		4,441	4,441
<i>Pass-Through from Kansas State University</i>		S15153		247	247
<i>Pass-Through from Kansas State University</i>		S16052		44,656	44,656
<i>Pass-Through from Kansas State University</i>		S16095		20,663	20,663
<i>Pass-Through from Kansas State University</i>		S16132		17,464	17,464
<i>Pass-Through from Michigan State University</i>		RC103176BE		12,090	12,090
<i>Pass-Through from University of Arkansas</i>		21665-05	10,233	16,955	27,188
<i>Pass-Through from University of Arkansas</i>		21666-11		1,794	1,794
<i>Pass-Through from University of Arkansas Cooperative Extension</i>		21664-03		513	513
<i>Pass-Through from University of Arkansas Cooperative Extension</i>		21664-19		30,915	30,915
<i>Pass-Through from University of Arkansas Cooperative Extension</i>		21665-13		37,634	37,634
<i>Pass-Through from University of Georgia</i>		RE675/171-4944726		1,376	1,376
<i>Pass-Through from University of Georgia</i>		RE675-171/4942786		16,233	16,233
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		2015-00768-05	33,847	170,972	204,819
<i>Pass-Through from University of Kentucky</i>		3046887200-10-440		6,017	6,017
<i>Pass-Through from University of Nebraska</i>		25-6365-0040-801		41,647	41,647
<i>Pass-Through from University of Nebraska - Lincoln</i>		26-6365-0001-379		28,636	28,636
<i>Pass-Through from University of New Hampshire</i>		15-059		18,596	18,596
Total - CFDA 10.500			66,646	26,010,555	26,077,201
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		139,855,441	364,789,407	504,644,848
Child and Adult Care Food Program	10.558		373,329,428	4,501,780	377,831,208
State Administrative Expenses for Child Nutrition	10.560		12,298,298	23,793,523	36,091,821
WIC Farmers' Market Nutrition Program (FMNP)	10.572		861,284	54,031	915,315
Senior Farmers Market Nutrition Program	10.576		92,574	3,888	96,462
Child Nutrition Discretionary Grants Limited Availability	10.579		3,522,279		3,522,279
Fresh Fruit and Vegetable Program	10.582		7,753,820		7,753,820
Market Access Program	10.601			3,343	3,343
Forestry Research	10.652			49,187	49,187
Cooperative Forestry Assistance	10.664			3,805,001	3,805,001
Forest Legacy Program	10.676			22,525	22,525
Forest Health Protection	10.680			484,232	484,232
National Fish and Wildlife Foundation	10.683			5,099	5,099
Rural Cooperative Development Grants	10.771			206,756	206,756

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For the Year Ended August 31, 2016

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)					
Socially-Disadvantaged Groups Grant	10.871			177,504	177,504
Soil and Water Conservation	10.902			39,336	39,336
Environmental Quality Incentives Program	10.912			7,747	7,747
<i>Pass-Through from North Carolina Foundation for Soil and Water</i>		69-3A75-13-229		44,510	44,510
<i>Pass-Through from North Carolina State University</i>		2012-1632-01		2,190	2,190
<i>Pass-Through from Oklahoma State University</i>		AC-5-82240.TAMU		39,336	39,336
Total - CFDA 10.912			0	93,783	93,783
Total - U.S. Department of Agriculture			540,134,365	440,759,904	980,894,269
U.S. Department of Commerce					
U.S. Department of Commerce	11.XXX				
<i>Pass-Through from Aurora Flight Sciences</i>		AFS15-0386		13,171	13,171
<i>Pass-Through from Earth Networks, Inc.</i>		SA12-ENI02		266,658	266,658
Total - CFDA 11.XXX			0	279,829	279,829
Economic Development_Support for Planning Organizations	11.302			38,833	38,833
Economic Development_Technical Assistance	11.303			401,011	401,011
Trade Adjustment Assistance for Firms	11.313		251,664	464,460	716,124
Interjurisdictional Fisheries Act of 1986	11.407			133,644	133,644
Coastal Zone Management Administration Awards	11.419		697,325	667,857	1,365,182
<i>Pass-Through from Gulf of Mexico Alliance</i>		121412-00		2,895	2,895
Total - CFDA 11.419			697,325	670,752	1,368,077
Coastal Zone Management Estuarine Research Reserves	11.420			36,523	36,523
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432			8,310	8,310
Cooperative Fishery Statistics	11.434			89,972	89,972
<i>Pass-Through from Gulf States Marine Fisheries Commission</i>		BSP-749-017-2015-01		15,455	15,455
<i>Pass-Through from Gulf States Marine Fisheries Commission</i>		iSN-749-2015-01		33,895	33,895
<i>Pass-Through from Gulf States Marine Fisheries Commission</i>		TT2-749-005-2015-01		135,350	135,350
<i>Pass-Through from Gulf States Marine Fisheries Commission</i>		TT-749-005-2016-01		64,205	64,205
Total - CFDA 11.434			0	338,877	338,877
Southeast Area Monitoring and Assessment Program	11.435			178,940	178,940
Regional Fishery Management Councils	11.441				
<i>Pass-Through from Gulf of Mexico Fishery Management</i>		15-7050		18,598	18,598
<i>Pass-Through from Gulf of Mexico Fishery Management</i>		16-7050		35,317	35,317
Total - CFDA 11.441			0	53,915	53,915
Habitat Conservation	11.463			35,475	35,475
<i>Pass-Through from Rookery Bay National Estuarine Research Reserve</i>		2014 B-WET -- MANERR		3,834	3,834
Total - CFDA 11.463			0	39,309	39,309

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Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2016

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)					
State and Local Implementation Grant Program	11.549			721,869	721,869
Manufacturing Extension Partnership	11.611			623,557	623,557
Science, Technology, Business and/or Education Outreach	11.620			21,087	21,087
MBDA Business Center	11.805			334,631	334,631
Total - U.S. Department of Commerce			948,989	4,345,547	5,294,536
U.S. Department of Defense					
U.S. Department of Defense	12.XXX	HE1254-15-C-0002		3,309,629	3,309,629
		UTA14-000911 LTR		19,066	19,066
		DTD 07/21/2014			
		UTA15-000821 LTD		59,682	59,682
		DTD 05/21/2015			
		W81K04-13-D-0008		2,007,569	2,007,569
		W81XWH-11-P-0131		15,476	15,476
<i>Pass-Through from Battelle</i>		US001-0000488328 1st Increment		41,131	41,131
<i>Pass-Through from Carpenter Technology Corporation</i>		5S54655		3,269	3,269
<i>Pass-Through from Cole Engineering Services, Inc.</i>		1178-11-C-0003-009		75,645	75,645
<i>Pass-Through from Institute of International Education</i>		NSEP-U631063-UT- ARA		(298)	(298)
<i>Pass-Through from Jacobs Engineering Group</i>		35-DK40-01-P13-0002		13,294	13,294
<i>Pass-Through from Jacobs Engineering Group</i>		35DK5901-P14-0003		(12,539)	(12,539)
<i>Pass-Through from Lockheed Martin Corporation</i>		N00189-14-D-Z017		7,330	7,330
<i>Pass-Through from Lockheed Martin Corporation</i>		N00189-14-D- Z0174101589781		24,985	24,985
		AMD5			
<i>Pass-Through from Lockheed Martin Corporation</i>		N00189-14-D- Z0174101589781AMD		9,276	9,276
		4CRDT			
<i>Pass-Through from Northrop Grumman Corporation</i>		JFDMAC-UTA- 2016TO1011PO75001		193,275	193,275
		39724			
<i>Pass-Through from Virginia Tech University</i>		UNITE 2016		24,961	24,961
Total - CFDA 12.XXX			0	5,791,751	5,791,751
Procurement Technical Assistance For Business Firms	12.002			1,444,644	1,444,644
Flood Control Projects	12.106			329,027	329,027
Payments to States in Lieu of Real Estate Taxes	12.112			4,085,854	4,085,854
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113			401,602	401,602
Basic and Applied Scientific Research	12.300		367,371	1,999,842	2,367,213
<i>Pass-Through from North Carolina State University</i>		2013-0592-01		21,410	21,410
Total - CFDA 12.300			367,371	2,021,252	2,388,623
ROTC Language and Culture Training Grants					
<i>Pass-Through from Institute of International Education</i>	12.357	2603-TAMU-18-017- P02		330,058	330,058
<i>Pass-Through from Institute of International Education</i>		2603-TAMU-18-GO- 015-PO1		18,085	18,085
<i>Pass-Through from Institute of International Education</i>		2603-UTA-22-GO- 017-PO2		282,769	282,769
Total - CFDA 12.357			0	630,912	630,912

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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 Defense (continued)					
Military Construction, National Guard	12.400			216,326	216,326
National Guard Military Operations and Maintenance (O&M) Projects	12.401			44,525,512	44,525,512
National Guard ChalleNGe Program	12.404			5,403,821	5,403,821
Military Medical Research and Development <i>Pass-Through from Methodist Hospital Research Institute</i>	12.420	W81XWH-09-1-0212 03		158,327 (1,729)	158,327 (1,729)
Total - CFDA 12.420			0	156,598	156,598
Basic Scientific Research	12.431			16,072	16,072
The Language Flagship Grants to Institutions of Higher Education <i>Pass-Through from Institute of International Education</i>	12.550	0054-UTA-19-ARA- 280-PO1		5,845	5,845
<i>Pass-Through from Institute of International Education</i>		0054-UTA-19-SSA- 280-PO3		128,635	128,635
<i>Pass-Through from Institute of International Education</i>		NSEP-U631073-UT- ARA 3		378,442	378,442
Total - CFDA 12.550			0	512,922	512,922
National Security Education Program David L. Boren Scholarships	12.551			35,959	35,959
Community Investment	12.600			7,644,863	7,644,863
Basic, Applied, and Advanced Research in Science and Engineering	12.630			380,796	380,796
Language Grant Program	12.900			63,256	63,256
Mathematical Sciences Grants Program	12.901			29,267	29,267
Information Security Grants	12.902			48,244	48,244
GenCyber Grants Program	12.903			229,560	229,560
Research and Technology Development	12.910			55,396	55,396
Total - U.S. Department of Defense			367,371	74,023,634	74,391,005
U.S. Department of Housing and Urban Development					
U.S. Department of Housing and Urban Development	14.XXX	14.000.002		97,235	97,235
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228		353,417,144	72,165,998	425,583,142
Emergency Solutions Grant Program	14.231		8,398,021	322,694	8,720,715
Home Investment Partnerships Program	14.239		22,395,159	2,650,489	25,045,648
Housing Opportunities for Persons with AIDS	14.241		2,553,588	46,945	2,600,533
ARRA - Tax Credit Assistance Program (Recovery Act)	14.258		2,242,951		2,242,951
Community Compass Technical Assistance and Capacity Building <i>Pass-Through from National Association for Latino Comm Asset Builders</i>	14.259	NAL-O-11-034-04		14,948	14,948
Project Rental Assistance Demonstration (PRA Demo)	14.326			9,030	9,030

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U.S. Department of Housing and Urban Development (continued)					
Program of Section 811 Supportive Housing for Persons with Fair Housing Assistance Program State and Local	14.401		5,000	1,275,762	1,280,762
Lead Technical Studies Grants	14.902			(27)	(27)
Total - U.S. Department of Housing and Urban Development			389,011,863	76,583,074	465,594,937
U.S. Department of the Interior					
U.S. Department of the Interior	15.XXX	G13PX01349		16,800	16,800
		G15PX01218		10,110	10,110
<i>Pass-Through from Olgoonik</i>		001		38,191	38,191
<i>Pass-Through from Olgoonik</i>		UTA14-000696 LOA Whiteaker		6,243	6,243
Total - CFDA 15.XXX			0	71,344	71,344
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	15.250			2,406,763	2,406,763
Abandoned Mine Land Reclamation (AMLR)	15.252			1,741,927	1,741,927
Federal Oil and Gas Royalty Management State and Tribal Coordination	15.427			299,959	299,959
GoMESA	15.435			29,410	29,410
Cultural Resources Management	15.511			9,997	9,997
Reclamation States Emergency Drought Relief	15.514			42,619	42,619
Fish and Wildlife Management Assistance	15.608			1,230	1,230
<i>Pass-Through from National Fish and Wildlife Foundation</i>		2011-0014-000	77,945	82,203	160,148
Total - CFDA 15.608			77,945	83,433	161,378
Cooperative Endangered Species Conservation Fund	15.615		2,172,813	54,222	2,227,035
Clean Vessel Act	15.616		130,605		130,605
Sportfishing and Boating Safety Act	15.622		1,036,972		1,036,972
North American Wetlands Conservation Fund	15.623			52,975	52,975
Enhanced Hunter Education and Safety	15.626			232,378	232,378
Multistate Conservation Grant	15.628			126,384	126,384
Coastal	15.630			21,032	21,032
Partners for Fish and Wildlife	15.631		198,892	26,960	225,852
State Wildlife Grants	15.634		259,009	401,847	660,856
<i>Pass-Through from Coastal Bend Bays and Estuaries Program</i>		1632		7,314	7,314
Total - CFDA 15.634			259,009	409,161	668,170
Endangered Species Conservation - Recovery Implementation Funds	15.657		34,889		34,889
National Wildlife Refuge Fund	15.659			465,585	465,585
National Fish and Wildlife Foundation	15.663			29,949	29,949
Coastal Impact Assistance	15.668		4,101,793	6,221,525	10,323,318
<i>Pass-Through from Brazoria County</i>		14-279-000-8447		125,000	125,000
<i>Pass-Through from Jefferson County</i>		13-242-000-7440		131,046	131,046
Total - CFDA 15.668			4,101,793	6,477,571	10,579,364

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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)					
Cooperative Landscape Conservation <i>Pass-Through from Wildlife Management Institute, Inc.</i>	15.669	2015-01		26,498	26,498
U.S. Geological Survey_ Research and Data Collection	15.808			24,995	24,995
National Climate Change and Wildlife Science Center <i>Pass-Through from University of Oklahoma</i>	15.820	2016-39		12,460	12,460
Historic Preservation Fund Grants-In-Aid	15.904		202,661	1,288,938	1,491,599
Outdoor Recreation_Acquisition, Development and Planning	15.916		289,071	987,107	1,276,178
Native American Graves Protection and Repatriation Act	15.922			86,775	86,775
National Maritime Heritage Grants	15.925			2,473	2,473
Cooperative Research and Training Programs - Resources of the National Park System	15.945			90,251	90,251
National Ground-Water Monitoring Network	15.980			44,492	44,492
Total - U.S. Department of the Interior			8,504,650	15,145,658	23,650,308
U.S. Department of Justice					
U.S. Department of Justice <i>Pass-Through from City of Austin</i>	16.XXX	425432-M1403201 UTA13-000887		673	673
Total - CFDA 16.XXX			0	25,233	25,233
Sexual Assault Services Formula Program	16.017		616,806		616,806
Law Enforcement Assistance_FBI Advanced Police Training	16.300			372,950	372,950
Services for Trafficking Victims <i>Pass-Through from Refugee Services of Texas</i>	16.320	UTA14-001372		20,008	20,008
Juvenile Accountability Block Grants	16.523		187,322	155,630	342,952
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525			51,487	51,487
OVW Technical Assistance Initiative	16.526			146,408	146,408
Juvenile Justice and Delinquency Prevention_Allocation to States	16.540		1,892,947	571,093	2,464,040
Missing Children's Assistance	16.543		63,356	413,803	477,159
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560			87,226	87,226
Crime Victim Assistance	16.575		61,129,327	2,839,871	63,969,198
Crime Victim Compensation	16.576			3,870,798	3,870,798
Edward Byrne Memorial Formula Grant Program	16.579			246,259	246,259
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580			65	65
Crime Victim Assistance/Discretionary Grants	16.582		93,988	42,457	136,445
Violence Against Women Formula Grants	16.588		6,568,357	666,246	7,234,603
Residential Substance Abuse Treatment for State Prisoners	16.593		847,111		847,111
Corrections_Training and Staff Development	16.601			63,467	63,467
Corrections_Technical Assistance/Clearinghouse	16.603			67,548	67,548

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U.S. Department of Justice (continued)					
State Criminal Alien Assistance Program	16.606			8,209,717	8,209,717
Public Safety Partnership and Community Policing Grants	16.710			55,068	55,068
Juvenile Mentoring Program	16.726				
<i>Pass-Through from National 4-H Council</i>		M1501462		165,782	165,782
<i>Pass-Through from National 4-H Council</i>		M1600936		149,876	149,876
Total - CFDA 16.726			0	315,658	315,658
PREA Program: Demonstration Projects to Establish "Zero Tolerance" Cultures for Sexual Assault in Correctional Facilities	16.735			56,385	56,385
Edward Byrne Memorial Justice Assistance Grant Program	16.738				
<i>Pass-Through from Institute for Intergovernmental Research</i>		8000002073	9,823,282	2,452,863	12,276,145
Total - CFDA 16.738			9,823,282	100,133	100,133
			9,823,282	2,552,996	12,376,278
DNA Backlog Reduction Program	16.741			1,530,627	1,530,627
Paul Coverdell Forensic Sciences Improvement Grant	16.742		296,772	343,837	640,609
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745			14,368	14,368
Capital Case Litigation Initiative	16.746			9,657	9,657
Support for Adam Walsh Act Implementation Grant Program	16.750			49,883	49,883
Edward Byrne Memorial Competitive Grant Program	16.751			269,084	269,084
Harold Rogers Prescription Drug Monitoring Program	16.754			250,000	250,000
Second Chance Act Reentry Initiative	16.812			49,361	49,361
NICS Act Record Improvement Program	16.813			33,487	33,487
John R. Justice Prosecutors and Defenders Incentive Act	16.816		53,093		53,093
Smart Prosecution Initiative	16.825				
<i>Pass-Through from Harris County - Texas</i>		270460		29,545	29,545
Vision 21	16.826			119,289	119,289
Equitable Sharing Program	16.922			429,428	429,428
Total - U.S. Department of Justice			81,572,361	23,958,939	105,531,300
U.S. Department of Labor					
Labor Force Statistics	17.002			3,429,052	3,429,052
Compensation and Working Conditions	17.005			273,490	273,490
Unemployment Insurance	17.225		13,697	3,283,921,631	3,283,935,328
Senior Community Service Employment Program	17.235		4,953,026	30,366	4,983,392
Trade Adjustment Assistance	17.245		11,977,168	3,132,606	15,109,774
WIA/WIOA Pilots, Demonstrations, and Research Projects	17.261			443	443
Incentive Grants - WIA Section 503	17.267		878,700	1,064,717	1,943,417
H-1B Job Training Grants	17.268		509,896	822,714	1,332,610
Reentry Employment Opportunities	17.270				
<i>Pass-Through from Change Happens</i>		109868		31,957	31,957

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U.S. Department of Labor (continued)					
Work Opportunity Tax Credit Program (WOTC)	17.271			987,909	987,909
Temporary Labor Certification for Foreign Workers	17.273		6,432	749,819	756,251
YOUTHBUILD	17.274				
<i>Pass-Through from SER - Jobs for Progress of the Texas Gulf Coast</i>		111061		11,452	11,452
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277		6,944,041	57,332	7,001,373
WIA/WIOA Dislocated Worker National Reserve Demonstration Grants	17.280		509,902	19,131	529,033
WIA/WIOA Dislocated Worker National Reserve Technical Assistance and Training	17.281			167,989	167,989
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282			643,686	643,686
<i>Pass-Through from Corporation for A Skilled Workforce</i>		2015-21		41,942	41,942
Total - CFDA 17.282			0	685,628	685,628
Apprenticeship USA Grants	17.285			18,987	18,987
Occupational Safety and Health_Susan Harwood Training	17.502		24,781	229,116	253,897
Consultation Agreements	17.504			2,734,081	2,734,081
Mine Health and Safety Grants	17.600			359,018	359,018
Total - U.S. Department of Labor			25,817,643	3,298,727,438	3,324,545,081
U.S. Department of State					
U.S. Department of State	19.XXX				
<i>Pass-Through from Meridian International Center</i>		021-0012-0345		57,771	57,771
<i>Pass-Through from Organization of American States</i>		231716		(13,430)	(13,430)
<i>Pass-Through from Organization of American States</i>		286695/PO390096		36,444	36,444
Total - CFDA 19.XXX			0	80,785	80,785
Academic Exchange Programs - Undergraduate Programs	19.009				
<i>Pass-Through from International Resources Group, Ltd</i>		FY15-YALI-UTA-02		47,111	47,111
<i>Pass-Through from International Resources Group, Ltd</i>		FY16-YALI-BE-UTA-03		98,104	98,104
Total - CFDA 19.009			0	145,215	145,215
One-Time International Exchange Grant Program	19.014			8,065	8,065
Environmental and Scientific Partnerships and Programs	19.017			358,793	358,793
Investing in People in The Middle East and North Africa	19.021				
<i>Pass-Through from Institute of International Education</i>		3157-UT-4-1-16		17,962	17,962
<i>Pass-Through from Meridian International Center</i>		SIZ-100-15-CA023		101,960	101,960
Total - CFDA 19.021			0	119,922	119,922
Public Diplomacy Programs	19.040			76,900	76,900
Professional and Cultural Exchange Programs - Citizen Exchanges	19.415				
<i>Pass-Through from Meridian International Center</i>		UTA16-000720		150	150
Public Diplomacy Programs for Afghanistan and Pakistan	19.501		59,523	719,375	778,898

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U.S. Department of State (continued)					
AEECA/ESF PD Programs	19.900				
<i>Pass-Through from Eurasia Foundation</i>		280660		10,279	10,279
<i>Pass-Through from Free University of Tbilisi</i>		GN0007365		24,329	24,329
Total - CFDA 19.900			0	34,608	34,608
Total - U.S. Department of State			59,523	1,543,813	1,603,336
U.S. Department of Transportation					
U.S. Department of Transportation	20.XXX	HSTS0213HSLR256		632,221	632,221
<i>Pass-Through from Center for Transportation and the Environment</i>		UTA02052016		30,008	30,008
<i>Pass-Through from Center for Transportation and the Environment</i>		UTA13-001001		25,767	25,767
<i>Pass-Through from Center for Transportation and the Environment</i>		UTA15-001174		87,388	87,388
Total - CFDA 20.XXX			0	775,384	775,384
Airport Improvement Program	20.106			55,531,578	55,531,578
Air Transportation Centers of Excellence	20.109		1,633	11,885	13,518
Highway Research and Development Program	20.200			59,763	59,763
Highway Training and Education	20.215			99,958	99,958
Motor Carrier Safety Assistance	20.218			8,393,256	8,393,256
Performance and Registration Information Systems	20.231			386,857	386,857
Border Enforcement Grants	20.233			16,023,732	16,023,732
Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	20.237			348,671	348,671
High-Speed Rail Corridors and Intercity Passenger Rail Service - Capital Assistance Grants	20.319			2,425,493	2,425,493
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505		368,732	602,255	970,987
Formula Grants for Rural Areas	20.509		37,092,015	1,618,682	38,710,697
Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant Program	20.528			132,915	132,915
National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants	20.614			390,310	390,310
Pipeline Safety Program State Base Grant	20.700			6,879,323	6,879,323
University Transportation Centers Program	20.701			6,839	6,839
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703			1,443,361	1,443,361
U.S. Merchant Marine Academy	20.807			762,671	762,671
Total - U.S. Department of Transportation			37,462,380	95,892,933	133,355,313
U.S. Department of the Treasury					
U.S. Department of the Treasury	21.XXX	15-5042-0-2-752		14,622	14,622
		9101036151		103,483	103,483
		TX2273200		50,161	50,161
Total - CFDA 21.XXX			0	168,266	168,266

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U.S. Department of the Treasury (continued)					
Low Income Taxpayer Clinics	21.008			82,940	82,940
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015			207,795	207,795
Bank Enterprise Award Program	21.021			915,362	915,362
Total - U.S. Department of the Treasury			<u>0</u>	<u>1,374,363</u>	<u>1,374,363</u>
Office of Personnel Management					
Intergovernmental Personnel Act (IPA) Mobility Program	27.011			280,030	280,030
Total - Office of Personnel Management			<u>0</u>	<u>280,030</u>	<u>280,030</u>
General Services Administration					
General Services Administration <i>Pass-Through from Surveying and Mapping, LLC</i>	39.XXX	UTA15-001236		106,582	106,582
Donation of Federal Surplus Personal Property	39.003		10,341,121	504,563	10,845,684
Election Reform Payments	39.011			2,122,601	2,122,601
Total - General Services Administration			<u>10,341,121</u>	<u>2,733,746</u>	<u>13,074,867</u>
National Aeronautics and Space Administration					
National Aeronautics and Space Administration	43.XXX	NNX12AO09H		(401)	(401)
		NNX16AC91A		202,628	202,628
<i>Pass-Through from CACI National Security Solutions, Inc.</i>		2008-SC-4-0136		220,443	220,443
<i>Pass-Through from CACI National Security Solutions, Inc.</i>		2015-SC-4-0075		7,535	7,535
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1516184		35,410	35,410
<i>Pass-Through from Space Telescope Science Institute</i>		HST-EO-13819001-A		15,568	15,568
<i>Pass-Through from Space Telescope Science Institute</i>		HST-HF-51364001-A		91,645	91,645
		YR 1 INCR			
<i>Pass-Through from Wyle Laboratories</i>		NNJ15HK11B		(7,277)	(7,277)
Total - CFDA 43.XXX			<u>0</u>	<u>565,551</u>	<u>565,551</u>
Science	43.001			247,399	247,399
<i>Pass-Through from Southern Illinois University - Edwardsville</i>		761582-006 PO #121657		4,810	4,810
Total - CFDA 43.001			<u>0</u>	<u>252,209</u>	<u>252,209</u>
Exploration	43.003			34,641	34,641
Education	43.008		198,682	825,607	1,024,289
Cross Agency Support	43.009			111,012	111,012
<i>Pass-Through from Tietronix Software, Inc.</i>		NNX15CP68P		25,264	25,264
Total - CFDA 43.009			<u>0</u>	<u>136,276</u>	<u>136,276</u>
Space Technology	43.012			292,572	292,572
Total - National Aeronautics and Space Administration			<u>198,682</u>	<u>2,106,856</u>	<u>2,305,538</u>

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National Endowment for the Humanities					
National Endowment for the Humanities	45.XXX	PC-12-8-096 3		76	76
		PC-15-8-029		18,516	18,516
		PC-15-8-029 001		469	469
Total - CFDA 45.XXX			0	19,061	19,061
Promotion of the Arts_Grants to Organizations and Individuals	45.024			100,937	100,937
Promotion of the Arts_Partnership Agreements	45.025			921,900	921,900
Promotion of the Humanities_Federal/State Partnership	45.129			3,070	3,070
<i>Pass-Through from Humanities Texas</i>		2015-4830		925	925
<i>Pass-Through from Humanities Texas</i>		2015-4875		1,500	1,500
<i>Pass-Through from Humanities Texas</i>		2015-4923		1,389	1,389
<i>Pass-Through from Humanities Texas</i>		2016-5004		1,500	1,500
<i>Pass-Through from Humanities Texas</i>		2016-5016		988	988
<i>Pass-Through from Humanities Texas</i>		280580		800	800
<i>Pass-Through from Humanities Texas</i>		8000002506		500	500
Total - CFDA 45.129			0	10,672	10,672
Promotion of the Humanities_Division of Preservation and Access	45.149			121,592	121,592
<i>Pass-Through from Humanities Texas</i>		2015-4738		200	200
Total - CFDA 45.149			0	121,792	121,792
Promotion of the Humanities_Fellowships and Stipends	45.160			10,856	10,856
Promotion of the Humanities_Research	45.161				
<i>Pass-Through from Humanities Texas</i>		2015-4919		887	887
<i>Pass-Through from Humanities Texas</i>		2016-4948		2,000	2,000
<i>Pass-Through from Humanities Texas</i>		2016-4986		500	500
Total - CFDA 45.161			0	3,387	3,387
Promotion of the Humanities_Teaching and Learning Resources and Curriculum Development	45.162			14,851	14,851
Promotion of the Humanities_Professional Development	45.163				
<i>Pass-Through from Humanities Texas</i>		2016-5014		500	500
Promotion of the Humanities_Public Programs	45.164			9,709	9,709
<i>Pass-Through from American Library Association</i>		LA105406		2,969	2,969
Total - CFDA 45.164			0	12,678	12,678
Promotion of the Humanities_Office of Digital Humanities	45.169			176,775	176,775
Museums for America	45.301			24,601	24,601
21st Century Museum Professionals	45.307			23,562	23,562
Grants to States	45.310		(14,702)	10,311,587	10,296,885
Laura Bush 21st Century Librarian Program	45.313			315,340	315,340
Peace Corps' Global Health and PEPFAR Initiative Program	45.400			1,914	1,914
Total - National Endowment for the Humanities			(14,702)	12,070,413	12,055,711

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National Science Foundation					
National Science Foundation	47.XXX	1558256		302,120	302,120
		CMMI-1443515		180,649	180,649
		EAR-1450354 IPA		(923)	(923)
		ECCS-1530530 IPA		223,703	223,703
		LPA-1357583 IPA		86,619	86,619
		NSF IPA 1321365		98,492	98,492
<i>Pass-Through from Georgia Institute of Technology</i>		UTA15-000862		7,000	7,000
<i>Pass-Through from Lockheed Martin Corporation</i>		NSFDACS1219442		3,536,430	3,536,430
Total - CFDA 47.XXX			0	4,434,090	4,434,090
Engineering Grants	47.041		252,082	791,665	1,043,747
<i>Pass-Through from Tietronix Software, Inc.</i>		W911NF-14-C-0055		39,371	39,371
Total - CFDA 47.041			252,082	831,036	1,083,118
Mathematical and Physical Sciences	47.049			937,063	937,063
<i>Pass-Through from American Psychological Association</i>		8000002414		65,335	65,335
<i>Pass-Through from California Institute of Technology</i>		68D-1094595		31,850	31,850
<i>Pass-Through from Michigan State University</i>		RC100197UTA		59,926	59,926
		PRIME: P			
<i>Pass-Through from University of Notre Dame</i>		PHY-1219444		948	948
Total - CFDA 47.049			0	1,095,122	1,095,122
Geosciences	47.050			157,468	157,468
Computer and Information Science and Engineering	47.070		6,440	1,090,254	1,096,694
<i>Pass-Through from Harvard University</i>		BL-4812517-UTA		24,979	24,979
<i>Pass-Through from University of Illinois - Champaign</i>		2015-05845-05		12,513	12,513
Total - CFDA 47.070			6,440	1,127,746	1,134,186
Biological Sciences	47.074			393,254	393,254
<i>Pass-Through from J. Craig Venter Institute</i>		JCVI-13-006 001		309,465	309,465
Total - CFDA 47.074			0	702,719	702,719
Social, Behavioral, and Economic Sciences	47.075			581,064	581,064
<i>Pass-Through from Arizona State University</i>		270520		15,443	15,443
Total - CFDA 47.075			0	596,507	596,507
Education and Human Resources	47.076		36,809	13,396,588	13,433,397
<i>Pass-Through from Harrisburg University of Science and Technology</i>		1224488		14,500	14,500
<i>Pass-Through from Howard University</i>		0007964-		64,749	64,749
		1000046721/47257			
<i>Pass-Through from National Girls Collaborative</i>		CC2015-16 1		1,500	1,500
<i>Pass-Through from Tennessee Technological University</i>		DUE-1303441		272,808	272,808
<i>Pass-Through from Virginia Tech University</i>		479449-19433		190,591	190,591
Total - CFDA 47.076			36,809	13,940,736	13,977,545
Office of International Science and Engineering	47.079			121,294	121,294
Total - National Science Foundation			295,331	23,006,718	23,302,049
Small Business Administration					
Small Business Administration	59.XXX	SBAHQ-15-Q-0033		157,086	157,086

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Small Business Administration (continued)					
Small Business Development Centers	59.037		1,302,741	5,988,688	7,291,429
Veterans Outreach Program	59.044			274,839	274,839
State Trade Expansion	59.061			1,310	1,310
Total - Small Business Administration			1,302,741	6,421,923	7,724,664
U.S. Department of Veterans Affairs					
U.S. Department of Veterans Affairs	64.XXX	DTC4850		974	974
		M1601139		22,645	22,645
		VA000006961		66,139	66,139
<i>Pass-Through from Michael E. DeBakey Veterans Affairs Medical Center</i>		DVA-AFF-AGRMNT		739,949	739,949
Total - CFDA 64.XXX			0	829,707	829,707
Grants to States for Construction of State Home Facilities	64.005			1,984,570	1,984,570
Veterans State Nursing Home Care	64.015			57,764,378	57,764,378
VA Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces	64.034			81,755	81,755
Veterans Transportation Program	64.035			315,016	315,016
Burial Expenses Allowance for Veterans	64.101			1,040,096	1,040,096
Veterans Information and Assistance	64.115			9,365	9,365
All-Volunteer Force Educational Assistance	64.124			1,165,583	1,165,583
Veterans Cemetery Grants Program	64.203			296,570	296,570
Total - U.S. Department of Veterans Affairs			0	63,487,040	63,487,040
Environmental Protection Agency					
Air Pollution Control Program Support	66.001			278,008	278,008
State Indoor Radon Grants	66.032			38,702	38,702
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034		13,386	2,003,127	2,016,513
Internships, Training and Workshops for the Office of Air and Radiation	66.037			197,101	197,101
State Clean Diesel Grant Program	66.040			360,292	360,292
Congressionally Mandated Projects	66.202			116,408	116,408
Water Pollution Control State, Interstate, and Tribal Program Support	66.419		597,864	1,514,303	2,112,167
State Underground Water Source Protection	66.433			654,472	654,472
Water Quality Management Planning	66.454		409,018	206,291	615,309
<i>Pass-Through from Coastal Bend Bays and Estuaries Program</i>		1627		32,274	32,274
Total - CFDA 66.454			409,018	238,565	647,583
National Estuary Program	66.456		173,104	241,853	414,957
Nonpoint Source Implementation Grants	66.460		663,039	1,402,300	2,065,339

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Environmental Protection Agency (continued)					
Beach Monitoring and Notification Program Implementation Grants	66.472		221,638	181,927	403,565
Science To Achieve Results (STAR) Fellowship Program	66.514			12,388	12,388
P3 Award: National Student Design Competition for Sustainability	66.516			7,585	7,585
Performance Partnership Grants	66.605		970,004	29,774,871	30,744,875
Environmental Information Exchange Network Grant Program and Related Assistance	66.608		192,122	76,679	268,801
Consolidated Pesticide Enforcement Cooperative Agreements	66.700			846,729	846,729
Toxic Substances Compliance Monitoring Cooperative Agreements	66.701			101,562	101,562
TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	66.707			284,867	284,867
Pollution Prevention Grants Program	66.708			289,963	289,963
Multi-Media Capacity Building Grants for States and Tribes	66.709			148,607	148,607
Research, Development, Monitoring, Public Education, Outreach, Training, Demonstrations, and Studies	66.716		51,888	43,306	95,194
Source Reduction Assistance	66.717			7,604	7,604
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	66.802			597,390	597,390
Underground Storage Tank Prevention, Detection and Compliance Program	66.804			1,320,006	1,320,006
Leaking Underground Storage Tank Trust Fund Corrective Action Program	66.805			2,638,541	2,638,541
Superfund State and Indian Tribe Core Program Cooperative Agreements	66.809			268,100	268,100
State and Tribal Response Program Grants	66.817			597,267	597,267
Total - Environmental Protection Agency			3,292,063	44,242,523	47,534,586
Nuclear Regulatory Commission					
U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	77.008			117,225	117,225
Total - CFDA 77.008			0	117,225	117,225
Total - Nuclear Regulatory Commission			0	117,225	117,225
U.S. Department of Energy					
U.S. Department of Energy	81.XXX	DE-EE0006648 0001		4,124	4,124
<i>Pass-Through from Akermin, Inc.</i>		PO 1509-5786		34,443	34,443
<i>Pass-Through from Fugro Consultants, Inc.</i>		UTA15-001117		146,165	146,165
<i>Pass-Through from Oak Ridge National Laboratory</i>		DC-AC05-000R22725		2,909	2,909
<i>Pass-Through from Sandia National Laboratories</i>		1165344		3,427	3,427
<i>Pass-Through from Sandia National Laboratories</i>		1536119		3,037	3,037
Total - CFDA 81.XXX			0	194,105	194,105

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U.S. Department of Energy (continued)					
State Energy Program	81.041		285,195	3,488,896	3,774,091
Weatherization Assistance for Low-Income Persons	81.042		5,567,485	270,709	5,838,194
Office of Science Financial Assistance Program	81.049			177,694	177,694
Fossil Energy Research and Development	81.089			232,789	232,789
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	81.106			399,591	399,591
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117			16,798	16,798
State Energy Program Special Projects	81.119			206,903	206,903
Nuclear Energy Research, Development and Demonstration	81.121			198,448	198,448
Minority Economic Impact	81.137			40,336	40,336
Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis	81.214		356,824	763,356	1,120,180
Total - U.S. Department of Energy			6,209,504	5,989,625	12,199,129
U.S. Department of Education					
U.S. Department of Education	84.XXX	P200A150062		115,572	115,572
<i>Pass-Through from Austin Independent School District</i>		DC-AM576		(162)	(162)
<i>Pass-Through from Austin Independent School District</i>		DC-AM601		165,000	165,000
ARRA - U.S. Department of Education					
<i>Pass-Through from Rhode Island Department of Education</i>		3243764		(13,090)	(13,090)
Total - CFDA 84.XXX			0	267,320	267,320
Adult Education - Basic Grants to States	84.002		56,695,533	2,769,590	59,465,123
Title I Grants to Local Educational Agencies	84.010		1,336,249,556	15,313,574	1,351,563,130
Migrant Education_State Grant Program	84.011		53,794,801	2,247,607	56,042,408
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013		2,332	1,968,991	1,971,323
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			2,002,466	2,002,466
Overseas Programs_Special Bilateral Projects	84.018				
<i>Pass-Through from United States - India Educational Foundation</i>		UTA16-000709		8,972	8,972
Overseas Programs - Group Projects Abroad	84.021			258,210	258,210
Overseas Programs - Doctoral Dissertation Research Abroad	84.022			15,812	15,812
Higher Education_Institutional Aid	84.031		600,623	29,115,266	29,715,889
<i>Pass-Through from Alamo Community College District</i>		P031C110039		460,584	460,584
<i>Pass-Through from Austin Community College</i>		UTA15-001240		23,474	23,474
<i>Pass-Through from El Paso Community College</i>		CC004940 21129-F21129		159,496	159,496
<i>Pass-Through from Laredo Community College</i>		P031S120095		413,750	413,750
Total - CFDA 84.031			600,623	30,172,570	30,773,193

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U.S. Department of Education (continued)					
Federal Family Education Loans	84.032L			8,681,856	8,681,856
Career and Technical Education -- Basic Grants to States	84.048		83,358,645	7,787,893	91,146,538
Fund for the Improvement of Postsecondary Education <i>Pass-Through from Georgia State University</i>	84.116	SP00012139-10	25,834	15,441 36,410	41,275 36,410
Total - CFDA 84.116			25,834	51,851	77,685
Minority Science and Engineering Improvement	84.120		102,778	1,489,580	1,592,358
Rehabilitation Services_Vocational Rehabilitation Grants to States	84.126		1,572,965	269,278,199	270,851,164
Rehabilitation Long-Term Training	84.129			1,064,289	1,064,289
Centers for Independent Living <i>Pass-Through from TIRR Memorial Hermann</i>	84.132	H132B120001		5,889	5,889
National Institute on Disability and Rehabilitation Research <i>Pass-Through from TIRR Memorial Hermann</i>	84.133	H133A110027/SWAD A-UTHSCH-1579-		(2,293) 6,308	(2,293) 6,308
Total - CFDA 84.133			0	4,015	4,015
Migrant Education_High School Equivalency Program	84.141			1,513,215	1,513,215
Migrant Education_Coordination Program	84.144			60,000	60,000
Migrant Education_College Assistance Migrant Program	84.149			907,546	907,546
Douglas Teacher Scholarships	84.176			(1,236)	(1,236)
Rehabilitation Services_Independent Living Services for Older Individuals Who are Blind	84.177			2,238,591	2,238,591
Special Education-Grants for Infants and Families	84.181		32,005,551	5,570,942	37,576,493
School Safety National Activities (formerly, Safe and Drug-Free Schools and Communities-National Programs)	84.184			956,453	956,453
Safe and Drug-Free Schools and Communities_State Grants	84.186		(8,069)		(8,069)
Supported Employment Services for Individuals with the Most Significant Disabilities	84.187			2,326,026	2,326,026
Education for Homeless Children and Youth	84.196		6,736,423		6,736,423
<i>Pass-Through from Education Service Center Region 10</i>		UTA14-001112 PO# 031452		(4,781)	(4,781)
<i>Pass-Through from Education Service Center Region 10</i>		UTA15-001108		637,724	637,724
Total - CFDA 84.196			6,736,423	632,943	7,369,366
Graduate Assistance in Areas of National Need	84.200			895,969	895,969
Centers for International Business Education	84.220			270,530	270,530
Language Resource Centers	84.229			225,601	225,601
Tech-Prep Education	84.243		(10,342)		(10,342)
Rehabilitation Training_State Vocational Rehabilitation Unit In-Service Training	84.265			74,612	74,612
Eisenhower Professional Development State Grants	84.281		(154)		(154)
Charter Schools	84.282		6,954,143	140,561	7,094,704

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U.S. Department of Education (continued)					
Twenty-First Century Community Learning Centers	84.287		98,041,237	7,611,100	105,652,337
State Grants for Innovative Programs	84.298		(359)		(359)
Education Research, Development and Dissemination	84.305			5,000	5,000
<i>Pass-Through from RAND Corporation</i>		006914071	231,500	207,957	439,457
<i>Pass-Through from University of Pittsburgh</i>		0039431 070531-2		14,472	14,472
Total - CFDA 84.305			231,500	227,429	458,929
Education Technology State Grants	84.318		(2,737)		(2,737)
Research in Special Education	84.324			87,959	87,959
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325			3,513,625	3,513,625
<i>Pass-Through from Vanderbilt University</i>		3122-018447		168,838	168,838
Total - CFDA 84.325			0	3,682,463	3,682,463
Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326			627,869	627,869
<i>Pass-Through from WestEd</i>		s000274120		448,121	448,121
Total - CFDA 84.326			0	1,075,990	1,075,990
Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	84.330		426,855	5,013,888	5,440,743
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334		1,999,779	15,793,201	17,792,980
<i>Pass-Through from San Antonio Independent School District</i>		174509		161,673	161,673
<i>Pass-Through from San Antonio Independent School District</i>		RFP11-037 RC		(52)	(52)
<i>Pass-Through from San Antonio Independent School District</i>		RFP11-037(RC)		(6,607)	(6,607)
Total - CFDA 84.334			1,999,779	15,948,215	17,947,994
Child Care Access Means Parents in School	84.335			750,499	750,499
Teacher Quality Partnership Grants	84.336			197,523	197,523
Class Size Reduction	84.340		(940)		(940)
Transition to Teaching	84.350			552,620	552,620
Credit Enhancement for Charter School Facilities	84.354			11,718,525	11,718,525
Rural Education	84.358		6,174,638	308,736	6,483,374
School Leader Recruitment and Support (formerly School Leadership)	84.363			(158)	(158)
English Language Acquisition State Grants	84.365		103,334,833	6,420,002	109,754,835
Mathematics and Science Partnerships	84.366		8,810,451	3,871,029	12,681,480
<i>Pass-Through from Alice Independent School District</i>		16-0602		23,754	23,754
<i>Pass-Through from Bristol Warren Regional School District</i>		UTA14-000197 YR 3 Funds		233,157	233,157
<i>Pass-Through from El Paso Independent School District</i>		1623856		54,080	54,080
<i>Pass-Through from San Diego Independent School District</i>		16-0603		26,506	26,506
Total - CFDA 84.366			8,810,451	4,208,526	13,018,977
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367		180,058,378	8,512,193	188,570,571

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U.S. Department of Education (continued)					
<i>Pass-Through from National Institute for Excellence in Teaching</i>		PRIME: U367D130024		841,254	841,254
<i>Pass-Through from National Institute for Excellence in Teaching</i>		PRIME: U367D150013		295,628	295,628
<i>Pass-Through from National Writing Project</i>		02-TX11-SEED2012 2A		5,973	5,973
<i>Pass-Through from National Writing Project</i>		02-TX11-SEED2016- ILI		3,110	3,110
<i>Pass-Through from National Writing Project</i>		04-TX13-SEED2012		1,219	1,219
<i>Pass-Through from National Writing Project</i>		06-TX17-SEED2012		215	215
<i>Pass-Through from National Writing Project</i>		06-TX17-SEED2016		2,192	2,192
<i>Pass-Through from National Writing Project</i>		06-TX17-SEED2016- ILI		1,675	1,675
<i>Pass-Through from National Writing Project</i>		09-TX19- SEED2012/2016		15,743	15,743
<i>Pass-Through from National Writing Project</i>		280630		1,263	1,263
<i>Pass-Through from National Writing Project</i>		8000002138		4,300	4,300
<i>Pass-Through from National Writing Project</i>		8000002552		7,867	7,867
<i>Pass-Through from University of California - Berkeley</i>		06-TX15-SEED2012		9,029	9,029
<i>Pass-Through from University of California - Berkeley</i>		425337		15,000	15,000
Total - CFDA 84.367			180,058,378	9,716,661	189,775,039
Competitive Grants for State Assessments (formerly Grants for Enhanced Assessment Instruments)	84.368			1,372,361	1,372,361
Grants for State Assessments and Related Activities	84.369		3,800,000	19,143,529	22,943,529
Striving Readers	84.371		87,994,526	1,715,964	89,710,490
Statewide Longitudinal Data Systems	84.372			566,669	566,669
School Improvement Grants	84.377		18,218,255	1,245,868	19,464,123
<i>Pass-Through from Premont Independent School District</i>		16-0603		93,175	93,175
Total - CFDA 84.377			18,218,255	1,339,043	19,557,298
College Access Challenge Grant Program	84.378			(13,500)	(13,500)
Education Technology State Grants, Recovery Act	84.386		(4,260)		(4,260)
School Improvement Grants, Recovery Act	84.388		(6,737)		(6,737)
Title I Grants to Local Educational Agencies, Recovery Act	84.389		(135,888)		(135,888)
Special Education Grants to States, Recovery Act	84.391		(75,100)		(75,100)
Special Education - Preschool Grants, Recovery Act	84.392		(1,730)		(1,730)
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394		(114,825)		(114,825)
ARRA - Centers for Independent Living, Recovery Act.	84.400			4,163	4,163
<i>Pass-Through from TIRR Memorial Hermann</i>		H400B100003		4,163	4,163
Troops to Teachers	84.815		261,021		261,021
Hurricane Education Recovery	84.938			(1)	(1)
Total - U.S. Department of Education			2,087,089,516	450,848,643	2,537,938,159
Scholarship Foundations					
Fellowship Program	85.802			56,110	56,110
Total - CFDA 85.802			0	56,110	56,110
Total - Scholarship Foundations			0	56,110	56,110

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National Archives and Records Administration					
National Historical Publications and Records Grants	89.003			2,204,368	2,204,368
Total - CFDA 89.003			0	2,204,368	2,204,368
Total - National Archives and Records Administration			0	2,204,368	2,204,368
U.S. Department of Health and Human Services					
U.S. Department of Health and Human Services	93.XXX	1 R01 HD072153-01A1		12,490	12,490
		1070-205(HHSN2712012107403		2,465	2,465
		15IPA1504958		15,631	15,631
		1C1CMS331037-01-00		19,281	19,281
		1R43CA193087-01/NCE		191,228	191,228
		200-2011-41271		43,740	43,740
		200-2014-M-60693		117,766	117,766
		00001		3,632	3,632
		200-2016-M-89903		137	137
		529-14-0029-00001		227,769	227,769
		5U01HL12033802		(1,404)	(1,404)
		5U01NS081041-02		6,176	6,176
		90DP0045-02-01		318	318
		CM5UTMB13		7,684	7,684
		N01DA-13-8908		439,786	439,786
		PO #0000893220		2	2
		RN7054-2014-0383		15,303	15,303
		RO1DA039789		430,231	430,231
		UL1TR001105NCE		3,985	3,985
<i>Pass-Through from 2m Research Services, LLC</i>		002-2015-62568		90,000	90,000
<i>Pass-Through from American Psychiatric Association</i>		APA/SAMHSA 2014-2015		11,956	11,956
<i>Pass-Through from Association of University Ctrs on Disabilities</i>		LTSAE		5,775	5,775
<i>Pass-Through from Houston Academy of Medicine - Texas Medical Center Library</i>		HHSN276201100007C		3,568	3,568
<i>Pass-Through from Houston Academy of Medicine - Texas Medical Center Library</i>		HHSN-276-2011-00007C		4,500	4,500
<i>Pass-Through from Houston Academy of Medicine - Texas Medical Center Library</i>		HHSN-276-2011-00007-C		4,496	4,496
<i>Pass-Through from Houston Academy of Medicine - Texas Medical Center Library</i>		NN/LM SCR/HHSN-276-2		5,446	5,446
<i>Pass-Through from Macro International, Inc.</i>		33179-7S-873		76	76
<i>Pass-Through from Memorial Hermann - Texas Medical Center</i>		CMSTGCGNE15		669,509	669,509
<i>Pass-Through from Memorial Hermann Health System</i>		CMSUTHSC13		34,982	34,982
<i>Pass-Through from Memorial Hermann Health System</i>		CMSUTHSC16		1,272,792	1,272,792
<i>Pass-Through from Mental Health Resource of Texas</i>		UTA14-001210		16,964	16,964
<i>Pass-Through from Mental Health Resource of Texas</i>		UTA15-001114		68,854	68,854
<i>Pass-Through from National Network Libraries of Medicine</i>		SG/N01-LM-6-3505		(281)	(281)
<i>Pass-Through from Resource Group</i>		14UTV00SS		(224)	(224)
<i>Pass-Through from University of Pittsburgh</i>		0033424-8/VA791-12-C		17,407	17,407
<i>Pass-Through from Wyle Laboratories</i>		NNJ15HK11B		2,698,846	2,698,846
Total - CFDA 93.XXX			0	6,440,886	6,440,886
Medical Reserve Corps Small Grant Program					
Medical Reserve Corps Small Grant Program	93.008				
<i>Pass-Through from Naccho</i>		MRC 14 -2444		2,161	2,161
<i>Pass-Through from Naccho</i>		MRC 16 - 2444		1,300	1,300
Total - CFDA 93.008			0	3,461	3,461

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U.S. Department of Health and Human Services (continued)					
Strengthening Public Health Services at the Outreach Offices of the U.S.-Mexico Border Health Commission	93.018			373,482	373,482
Special Programs for the Aging Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and	93.041		268,093		268,093
Special Programs for the Aging Title VII, Chapter 2_Long Term Care Ombudsman Services for Older Individuals <i>Pass-Through from City of Houston Health and Human Services</i>	93.042	4600009795	1,337,398	456,386	1,337,398
Total - CFDA 93.042			1,337,398	456,386	1,793,784
Special Programs for the Aging Title III, Part D_Disease Prevention and Health Promotion Services	93.043		1,037,539		1,037,539
Special Programs for the Aging Title IV_and Title II_Discretionary Projects	93.048			196,701	196,701
National Family Caregiver Support, Title III, Part E	93.052		9,022,629	1,255,940	10,278,569
Training in General, Pediatric, and Public Health Dentistry	93.059			537,127	537,127
Global AIDS <i>Pass-Through from Muhimbili University of Health and Allied Sciences</i>	93.067	5U2GGH00837-03		49,778	49,778
Public Health Emergency Preparedness	93.069		1,204,088	498,128	1,702,216
Environmental Public Health and Emergency Response	93.070			(80)	(80)
Medicare Enrollment Assistance Program	93.071		1,392,737	421,487	1,814,224
Lifespan Respite Care Program	93.072			67,991	67,991
Birth Defects and Developmental Disabilities - Prevention and Surveillance	93.073		30,293	224,465	254,758
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		34,184,842	20,442,803	54,627,645
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079			59,199	59,199
Blood Disorder Program: Prevention, Surveillance, and	93.080		138,880	108,350	247,230
Prevention of Disease, Disability, and Death by Infectious Diseases	93.084			109,047	109,047
Healthy Marriage Promotion and Responsible Fatherhood	93.086			368,841	368,841
Advancing System Improvements for Key Issues in Women's Health	93.088			7,956	7,956
Guardianship Assistance	93.090			6,262,176	6,262,176
Affordable Care Act (ACA) Personal Responsibility Education Program <i>Pass-Through from Cardea Services</i>	93.092	UTA12-001046 3		35,972	35,972
Food and Drug Administration_Research	93.103			937,740	937,740
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED) <i>Pass-Through from Central Plains Center</i>	93.104	UTA15-000948		35,621	35,621
Area Health Education Centers	93.107		1,263,538	1,083,692	2,347,230

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U.S. Department of Health and Human Services (continued)					
Health Education Assistance Loan Program (HEAL)	93.108			3,879,319	3,879,319
Maternal and Child Health Federal Consolidated Programs <i>Pass-Through from Organization of Teratology Information</i>	93.110	UG4MC27861	268,450	256,247 53,035	524,697 53,035
Total - CFDA 93.110			268,450	309,282	577,732
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		4,445,939	3,842,367	8,288,306
Oral Diseases and Disorders Research	93.121			88,340	88,340
Nurse Anesthetist Traineeship	93.124			24,990	24,990
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	93.130			244,221	244,221
Injury Prevention and Control Research and State and Community Based Programs	93.136		1,751,109	47,738	1,798,847
Community Programs to Improve Minority Health Grant Program <i>Pass-Through from BEAT AIDS Coalition Trust</i>	93.137	2014UTSA-001		34,741	34,741
NIEHS Hazardous Waste Worker Health and Safety Training <i>Pass-Through from Indiana University</i>	93.142	1UH4ES027055-01		4,117	4,117
HIV-Related Training and Technical Assistance <i>Pass-Through from Dallas County Hospital District</i> <i>Pass-Through from Parkland Health and Hospital Systems</i>	93.145	OTHER59400 OTHER90480		(413) 102,112	(413) 102,112
Total - CFDA 93.145			0	101,699	101,699
Projects for Assistance in Transition from Homelessness	93.150		4,790,468	83,466	4,873,934
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153		358,922	156,654	515,576
Geriatric Training for Physicians, Dentists and Behavioral/Mental Health Professionals	93.156			39,158	39,158
Centers of Excellence	93.157			1,282,436	1,282,436
Health Program for Toxic Substances and Disease Registry <i>Pass-Through from American College of Medical Toxicology</i>	93.161	U61TS000238		121,696	121,696
Research Related to Deafness and Communication Disorders	93.173			50,046	50,046
Nursing Workforce Diversity	93.178			661,699	661,699
Disabilities Prevention	93.184		136,394	35,141	171,535
Graduate Psychology Education	93.191			124,966	124,966
Telehealth Programs	93.211		68,137	252,085	320,222
Traumatic Brain Injury State Demonstration Grant Program	93.234			34,667	34,667
Affordable Care Act (ACA) Abstinence Education Program	93.235		3,332,065	1,730,553	5,062,618
Grants to States to Support Oral Health Workforce Activities	93.236			500,492	500,492
State Capacity Building	93.240			324,071	324,071
State Rural Hospital Flexibility Program	93.241			674,335	674,335
Mental Health Research Grants	93.242			211,750	211,750

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U.S. Department of Health and Human Services (continued)					
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243		1,849,609	4,584,291	6,433,900
<i>Pass-Through from Bexar County Juvenile Probation Department</i>		UTHSC234/H79TI022 883		158	158
<i>Pass-Through from Bexar County Juvenile Probation Department</i>		UTHSC297		9,981	9,981
<i>Pass-Through from Center for Health Care Services</i>		1/1H79TI025631-01		6,098	6,098
<i>Pass-Through from Communities for Recovery</i>		UTA14-000972 1		27,381	27,381
<i>Pass-Through from Our Lady of the Lake University</i>		15-02/1H79SP020647		10,078	10,078
<i>Pass-Through from Our Lady of the Lake University</i>		16-03/H79TI026024-		18,385	18,385
<i>Pass-Through from San Antonio Council on Alcohol and Drug Abuse</i>		1 / 1H79TI023996-02		3,964	3,964
<i>Pass-Through from San Antonio Council on Alcohol and Drug Abuse</i>		1H79T1024770-01		3,718	3,718
Total - CFDA 93.243			1,849,609	4,664,054	6,513,663
Advanced Nursing Education Grant Program	93.247		29,591	447,258	476,849
Geriatric Academic Career Awards	93.250			(1,061)	(1,061)
Universal Newborn Hearing Screening	93.251		24,833	143,164	167,997
Poison Center Support and Enhancement Grant Program	93.253			572,831	572,831
Infant Adoption Awareness Training	93.254				
<i>Pass-Through from Adoption Exchange Association</i>		UTA14-001306		54,929	54,929
<i>Pass-Through from Adoption Exchange Association</i>		UTA15-001131		354,909	354,909
Total - CFDA 93.254			0	409,838	409,838
Occupational Safety and Health Program	93.262		16,708	1,309,825	1,326,533
<i>Pass-Through from University of Iowa</i>		42-6004813		892	892
Total - CFDA 93.262			16,708	1,310,717	1,327,425
Immunization Cooperative Agreements	93.268		5,599,805	462,157,095	467,756,900
Adult Viral Hepatitis Prevention and Control	93.270		27,961	84,237	112,198
Alcohol Research Programs	93.273			598,282	598,282
Drug Abuse and Addiction Research Programs	93.279			430,661	430,661
<i>Pass-Through from CASAColumbia</i>		280600		25,731	25,731
Total - CFDA 93.279			0	456,392	456,392
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283		107,646	2,639,164	2,746,810
<i>Pass-Through from Association for Prevention Teaching and Research</i>		15-18-IPE-03/5U36OE0		540	540
<i>Pass-Through from The National African American Tobacco</i>		U58DP004975-01/02		5,100	5,100
Total - CFDA 93.283			107,646	2,644,804	2,752,450
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286			154,832	154,832
State Partnership Grant Program to Improve Minority Health	93.296		29,015	83,328	112,343
Teenage Pregnancy Prevention Program	93.297		521,856	2,304,547	2,826,403
National Center for Health Workforce Analysis	93.300			193,637	193,637
Small Rural Hospital Improvement Grant Program	93.301		775,081	24,650	799,731

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U.S. Department of Health and Human Services (continued)					
National State Based Tobacco Control Programs	93.305		10,706	1,371,860	1,382,566
Minority Health and Health Disparities Research	93.307			49,551	49,551
Trans-NIH Research Support	93.310			95,733	95,733
Mobilization For Health: National Prevention Partnership Awards	93.311		133,649	178,099	311,748
Outreach Programs to Reduce the Prevalence of Obesity in High Risk Rural Areas	93.319			853,138	853,138
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323			69,436	69,436
State Health Insurance Assistance Program	93.324		2,828,234	815,593	3,643,827
National Implementation and Dissemination for Chronic Disease Prevention <i>Pass-Through from American Heart Association</i>	93.328	FX-ANCHOR-TAMU-01		190,280	190,280
Behavioral Risk Factor Surveillance System	93.336			251,217	251,217
National Center for Advancing Translational Sciences	93.350			107,364	107,364
Advanced Education Nursing Traineeships	93.358			807,714	807,714
Nurse Education, Practice Quality and Retention Grants	93.359			1,689,764	1,689,764
Biomedical Advanced Research and Development Authority (BARDA), Biodefense Medical Countermeasure Development	93.360			272,892	272,892
Nursing Research	93.361			45,275	45,275
ACL Independent Living State Grants	93.369		426,989	825,175	1,252,164
Cancer Cause and Prevention Research	93.393			(1,729)	(1,729)
Cancer Centers Support Grants	93.397			65	65
Cancer Research Manpower	93.398			164,638	164,638
ARRA Grants for Training in Primary Care Medicine and Dentistry Training and Enhancement	93.403			20,224	20,224
				(6,567)	(6,567)
Total - CFDA 93.403			0	13,657	13,657
ARRA - Nurse Faculty Loan Program	93.408			241,328	241,328
ACL National Institute on Disability, Independent Living, and Rehabilitation Research <i>Pass-Through from TIRR Memorial Hermann</i>	93.433	90DP0022 ILRU- C/N-1579-16		72,474	72,474
Food Safety and Security Monitoring Project	93.448			487,611	487,611
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505		4,295,033	9,129,254	13,424,287
PPHF National Public Health Improvement Initiative	93.507			12,613	12,613
Affordable Care Act (ACA) Primary Care Residency Expansion Program	93.510			219,773	219,773
Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review	93.511			444,018	444,018

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U.S. Department of Health and Human Services (continued)					
Affordable Care Act (ACA) Advanced Nursing Education Expansion Initiative	93.513			127,380	127,380
Public Health Training Centers Program	93.516			(1)	(1)
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			466,578	466,578
Grants for Capital Development in Health Centers	93.526			236,066	236,066
Affordable Care Act (ACA) Childhood Obesity Research Demonstration	93.535		1,158	1,238	2,396
The Affordable Care Act Medicaid Incentives for Prevention of Chronic Disease Demonstration Project	93.536			1,042,220	1,042,220
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539			906,101	906,101
Abandoned Infants <i>Pass-Through from New York Council on Adoptable Children</i> <i>Pass-Through from New York Council on Adoptable Children</i>	93.551	UTA14-000159 1 UTA14-000159 2		6,495 37,728	6,495 37,728
Total - CFDA 93.551			0	44,223	44,223
Promoting Safe and Stable Families	93.556		8,100,634	30,111,150	38,211,784
Child Support Enforcement	93.563			203,669,867	203,669,867
Child Support Enforcement Research	93.564			232,695	232,695
Refugee and Entrant Assistance_State Administered Programs	93.566		58,071,411	21,319,668	79,391,079
Low-Income Home Energy Assistance	93.568		122,879,063	1,355,088	124,234,151
Community Services Block Grant	93.569		28,888,175	1,463,625	30,351,800
Refugee and Entrant Assistance_Discretionary Grants	93.576		1,318,039	(4,751)	1,313,288
Refugee and Entrant Assistance_Targeted Assistance Grants	93.584		3,992,935		3,992,935
State Court Improvement Program	93.586			1,619,073	1,619,073
Community-Based Child Abuse Prevention Grants	93.590		1,537,395	2,829,793	4,367,188
Grants to States for Access and Visitation Programs	93.597		456,561	257,426	713,987
Chafee Education and Training Vouchers Program (ETV)	93.599			1,923,807	1,923,807
Head Start	93.600		2,427,294	3,794,774	6,222,068
Adoption and Legal Guardianship Incentive Payments	93.603			11,994,563	11,994,563
Strong Start for Mothers and Newborns	93.611			216,519	216,519
Voting Access for Individuals with Disabilities_Grants to States	93.617		185,776	15,151	200,927
Developmental Disabilities Basic Support and Advocacy	93.630		2,397,353	1,894,784	4,292,137
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632			576,201	576,201

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U.S. Department of Health and Human Services (continued)					
Children's Justice Grants to States <i>Pass-Through from Texas Center for the Judiciary</i>	93.643	CJA-16-04/G- 1501TXCJ	20,904	45,489 24,115	45,489 45,019
Total - CFDA 93.643			20,904	69,604	90,508
Stephanie Tubbs Jones Child Welfare Services Program	93.645			19,419,920	19,419,920
Adoption Opportunities <i>Pass-Through from Adoption Exchange Association</i>	93.652	UTA14-001314	205,737	9,148 5,702	214,885 5,702
<i>Pass-Through from Adoption Exchange Association</i>		UTA15-001132		48,672	48,672
<i>Pass-Through from Spaulding for Children</i>		UTA14-001192	22,486	285,962	308,448
<i>Pass-Through from Spaulding for Children</i>		UTA14-801192		23,295	23,295
<i>Pass-Through from Spaulding for Children</i>		UTA16-000049		63,400	63,400
Total - CFDA 93.652			228,223	436,179	664,402
Foster Care Title IV-E	93.658		4,426,710	195,637,752	200,064,462
Adoption Assistance	93.659			125,214,684	125,214,684
Social Services Block Grant	93.667		29,457,341	138,936,913	168,394,254
Child Abuse and Neglect State Grants	93.669			2,495,603	2,495,603
Child Abuse and Neglect Discretionary Activities <i>Pass-Through from BCFS Health and Human Services</i>	93.670	90CA1811-02-00		6,040	6,040
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671		5,430,228		5,430,228
Chafee Foster Care Independence Program	93.674			9,173,534	9,173,534
Trans-NIH Recovery Act Research Support	93.701			47,515	47,515
ARRA - Health Information Technology Regional Extension Centers Program	93.718		154,800	1,019,464	1,174,264
Mental and Behavioral Health Education and Training Grants	93.732			137,530	137,530
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF)	93.733				
<i>Pass-Through from National AHEC Organization</i>		1H23IP000960		10,295	10,295
<i>Pass-Through from National AHEC Organization</i>		1H23IP000960-01		7,331	7,331
Total - CFDA 93.733			0	17,626	17,626
Empowering Older Adults and Adults with Disabilities through Chronic Disease Self-Management Education Programs - financed by Prevention and Public Health Funds (PPHF)	93.734			13,626	13,626
State Public Health Approaches for Ensuring Quitline Capacity- Funded in part by Prevention and Public Health Funds (PPHF)	93.735			1,247,684	1,247,684
Elder Abuse Prevention Interventions Program	93.747			310,868	310,868
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds	93.752		3,634,119	1,531,284	5,165,403
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757		29,296	1,619,162	1,648,458
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758		3,470,450	988,646	4,459,096

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U.S. Department of Health and Human Services (continued)					
Children's Health Insurance Program	93.767			1,192,332,483	1,192,332,483
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779				
<i>Pass-Through from Memorial Hermann - Texas Medical Center</i>		CMSPVAM16		647,161	647,161
<i>Pass-Through from Memorial Hermann - Texas Medical Center</i>		CMSPVAM17		83,115	83,115
Total - CFDA 93.779			0	730,276	730,276
Money Follows the Person Rebalancing Demonstration	93.791		682,040	16,491,988	17,174,028
<i>Pass-Through from Center for Health Care Services</i>		MAPLES - CHCS		23,000	23,000
Total - CFDA 93.791			682,040	16,514,988	17,197,028
State Survey Certification of Health Care Providers and Suppliers (Title XIX) Medicaid	93.796			34,843,217	34,843,217
Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.815			315,085	315,085
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817		4,341,444	1,490,905	5,832,349
Health Careers Opportunity Program	93.822			454,755	454,755
Section 223 Demonstration Programs to Improve Community Mental Health Services	93.829			425,649	425,649
Cardiovascular Diseases Research	93.837			76,026	76,026
Lung Diseases Research	93.838			121,109	121,109
Diabetes, Digestive, and Kidney Diseases Extramural	93.847			28,515	28,515
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853			(2,095)	(2,095)
Allergy and Infectious Diseases Research	93.855			711,589	711,589
Biomedical Research and Research Training	93.859		70,530	1,188,801	1,259,331
<i>Pass-Through from Baylor College of Medicine</i>		5K12 GM084897-08		4,661	4,661
Total - CFDA 93.859			70,530	1,193,462	1,263,992
Child Health and Human Development Extramural Research	93.865		718,937	503,136	1,222,073
<i>Pass-Through from George Washington University</i>		5U01HD068541-05		38,070	38,070
Total - CFDA 93.865			718,937	541,206	1,260,143
Aging Research	93.866			1,604,090	1,604,090
Vision Research	93.867			260,902	260,902
Medical Library Assistance	93.879			22,680	22,680
<i>Pass-Through from William Marsh Rice University</i>		5T15LM007093-23		40,115	40,115
Total - CFDA 93.879			0	62,795	62,795
Grants for Primary Care Training and Enhancement	93.884		10,783	1,670,011	1,680,794
Health Care and Other Facilities	93.887			46,828	46,828
<i>Pass-Through from Piney Woods Regional Advisory Council</i>		75-2603041			
National Bioterrorism Hospital Preparedness Program	93.889		590,066	2,102	592,168

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U.S. Department of Health and Human Services (continued)					
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912				
<i>Pass-Through from Madison County</i>		072312		39,665	39,665
Grants to States for Operation of State Offices of Rural Health	93.913			228,836	228,836
HIV Emergency Relief Project Grants	93.914				
<i>Pass-Through from Harris County Public Health and Environmental Services</i>		14GEN0092		(381)	(381)
<i>Pass-Through from Harris County Public Health and Environmental Services</i>		15GEN0079B		99,274	99,274
<i>Pass-Through from Harris County Public Health and Environmental Services</i>		16GEN0202		100,228	100,228
<i>Pass-Through from Harris Health System</i>		6H12HA000390-17 GA-06062		285,074	285,074
<i>Pass-Through from University Health System</i>		150432 (FFACTS)		36,057	36,057
<i>Pass-Through from University Health System</i>		PART A		24,821	24,821
<i>Pass-Through from University Health System</i>		SUPPLEMENTAL			
<i>Pass-Through from University Health System</i>		R WHITE PART A		11,793	11,793
<i>Pass-Through from University Health System</i>		RYAN WHITE PART A		66,466	66,466
<i>Pass-Through from University Health System</i>		RYAN WHITE PART B		10,420	10,420
Total - CFDA 93.914			0	633,752	633,752
HIV Care Formula Grants	93.917		21,840,870	72,479,159	94,320,029
<i>Pass-Through from Resource Group</i>		15AUTV00PTB		32,072	32,072
<i>Pass-Through from Resource Group</i>		15UTV00SS		17,415	17,415
<i>Pass-Through from Resource Group</i>		16UTV00PTB		309,522	309,522
Total - CFDA 93.917			21,840,870	72,838,168	94,679,038
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918				
<i>Pass-Through from Resource Group</i>		15UTV00PTBSUPP		32,629	32,629
<i>Pass-Through from Resource Group</i>		16UTV00RWC		68,699	68,699
<i>Pass-Through from Resource Group</i>		16UTV00SS		113,749	113,749
<i>Pass-Through from Resource Group</i>		17UTV00RWC		17,001	17,001
Total - CFDA 93.918			0	232,078	232,078
Ryan White HIV/AIDS Dental Reimbursement and Community Based Dental Partnership Grants	93.924			111,655	111,655
HIV Prevention Activities_Health Department Based	93.940		10,427,634	3,906,018	14,333,652
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected	93.943				
<i>Pass-Through from City of Houston Health and Human Services</i>		C16-001-3		34,105	34,105
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944		552,808	1,752,957	2,305,765
Assistance Programs for Chronic Disease Prevention and	93.945		10,708	26,523	37,231
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946			144,001	144,001
Block Grants for Community Mental Health Services	93.958		26,248,830	7,670,498	33,919,328

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U.S. Department of Health and Human Services (continued)					
Block Grants for Prevention and Treatment of Substance Abuse	93.959		104,820,774	23,370,872	128,191,646
PPHF Geriatric Education Centers <i>Pass-Through from Baylor College of Medicine</i>	93.969	SUB4 HP19052-01		690,787 197	690,787 197
Total - CFDA 93.969			0	690,984	690,984
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977		4,631,075	1,835,942	6,467,017
Mental Health Disaster Assistance and Emergency Mental	93.982		1,832,022	84,718	1,916,740
Preventive Health and Health Services Block Grant	93.991		3,066,351	718,848	3,785,199
Maternal and Child Health Services Block Grant to the States	93.994		8,928,595	23,650,406	32,579,001
Total - U.S. Department of Health and Human Services			547,589,569	2,725,303,372	3,272,892,941
Corporation for National and Community Service					
Retired and Senior Volunteer Program	94.002			129,947	129,947
AmeriCorps <i>Pass-Through from OneStar Foundation</i> <i>Pass-Through from OneStar Foundation</i>	94.006	14AC160961 14ESHTX0010002 PRE-AWARD AUTHORIZAT 201503823	193,994	933,010 (31,577) 1,261,570	1,127,004 (31,577) 1,261,570
<i>Pass-Through from OneStar Foundation</i>				8,966	8,966
Total - CFDA 94.006			193,994	2,171,969	2,365,963
Social Innovation Fund	94.019			160,991	160,991
Total - Corporation for National and Community Service			193,994	2,462,907	2,656,901
Executive Office of the President					
High Intensity Drug Trafficking Areas Program	95.001			1,309,914	1,309,914
Total - CFDA 95.001			0	1,309,914	1,309,914
Total - Executive Office of the President			0	1,309,914	1,309,914
U.S. Department of Homeland Security					
U.S. Department of Homeland Security	97.XXX	HSBP1011P00943		5,444	5,444
State and Local Homeland Security National Training Program <i>Pass-Through from Norwich University Applied Research Institutes, Ltd.</i>	97.005	EMW2014CA00129S0 01 POSA2015-019		20,842,795 65,472	20,842,795 65,472
Total - CFDA 97.005			0	20,908,267	20,908,267
Non-Profit Security Program	97.008		291,670	(2)	291,668
Boating Safety Financial Assistance	97.012			4,074,186	4,074,186
State Access to the Oil Spill Liability Trust Fund	97.013			32,244	32,244
Community Assistance Program State Support Services Element (CAP-SSSE)	97.023			455,297	455,297
National Urban Search and Rescue (US&R) Response System	97.025			1,515,028	1,515,028

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U.S. Department of Homeland Security (continued)					
Flood Mitigation Assistance	97.029		5,069,870	137,104	5,206,974
Crisis Counseling	97.032		497,377	96,746	594,123
Disaster Unemployment Assistance	97.034			43,920	43,920
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		93,072,013	66,130,923	159,202,936
Hazard Mitigation Grant	97.039		47,367,895	13,763,028	61,130,923
National Dam Safety Program	97.041			533,299	533,299
Emergency Management Performance Grants	97.042		3,455,328	16,481,191	19,936,519
State Fire Training Systems Grants	97.043			20,000	20,000
Assistance to Firefighters Grant	97.044			745,475	745,475
Cooperating Technical Partners	97.045		328,906	572,318	901,224
Fire Management Assistance Grant	97.046		(467,864)	14,585	(453,279)
Pre-Disaster Mitigation	97.047		600,612	56,893	657,505
Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	97.050			27,383,833	27,383,833
Port Security Grant Program	97.056			1,246,108	1,246,108
Centers for Homeland Security	97.061			9,297	9,297
<i>Pass-Through from Jackson State University</i>		634822		22,982	22,982
<i>Pass-Through from Purdue University</i>		4112-72316		19,558	19,558
<i>Pass-Through from University of Southern California</i>		270530		15,958	15,958
Total - CFDA 97.061			0	67,795	67,795
Scientific Leadership Awards	97.062			190,286	190,286
Homeland Security Grant Program	97.067		80,856,089	5,659,475	86,515,564
<i>Pass-Through from Aransas County Sheriff's Office</i>		14-RGVRGV-10-007 V4		52,465	52,465
<i>Pass-Through from Calhoun County Sheriff's Office</i>		15-RGVRGV-12-003 V5		84,303	84,303
<i>Pass-Through from Kickapoo Traditional Tribes of Texas</i>		TPWD #474272		38,725	38,725
<i>Pass-Through from Victoria County Sheriff's Office</i>		14-RGVRGV-10-011 V4		49,574	49,574
Total - CFDA 97.067			80,856,089	5,884,542	86,740,631
Disaster Assistance Projects	97.088			828,895	828,895
Homeland Security Biowatch Program	97.091			2,459,153	2,459,153
Repetitive Flood Claims	97.092			1,896	1,896
Severe Repetitive Loss Program	97.110		7,456,853	160,329	7,617,182
National Nuclear Forensics Expertise Development Program	97.130				
<i>Pass-Through from University of South Carolina</i>		15-2716		30,267	30,267
Total - U.S. Department of Homeland Security			238,528,749	163,839,050	402,367,799
U. S. Agency for International Development					
USAID Foreign Assistance for Programs Overseas	98.001				
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		2014-00575-01		351,451	351,451

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U. S. Agency for International Development (continued)					
USAID Development Partnerships for University Cooperation and Development	98.012				
<i>Pass-Through from American Council on Education</i>		HED0659722CAR11-01		(1,051)	(1,051)
<i>Pass-Through from American Council on Education</i>		HED0659722CAR13-02		(19,957)	(19,957)
Total - CFDA 98.012			0	(21,008)	(21,008)
Total - U. S. Agency for International Development			0	330,443	330,443
Total Non-Clustered Programs			3,978,905,713	7,539,166,209	11,518,071,922
RESEARCH AND DEVELOPMENT CLUSTER					
U.S. Department of Agriculture					
U.S. Department of Agriculture	10.XXX	DAA2-15-61254-1		13,641	13,641
<i>Pass-Through from Dairy Management, Inc.</i>		UTA15-000186		86,847	86,847
<i>Pass-Through from Oregon State University</i>		DA736B-A		12,455	12,455
Total - CFDA 10.XXX			0	112,943	112,943
Agricultural Research_Basic and Applied Research	10.001		18,039	3,476,641	3,494,680
<i>Pass-Through from Mississippi State University</i>		58-6406-9-434		764	764
<i>Pass-Through from University of California - Berkeley</i>		8265		141,570	141,570
Total - CFDA 10.001			18,039	3,618,975	3,637,014
Plant and Animal Disease, Pest Control, and Animal Care	10.025		38,463	2,339,959	2,378,422
<i>Pass-Through from Texas Citrus Pest and Disease Management</i>		14-8130-0335A		18,853	18,853
<i>Pass-Through from Texas Citrus Pest and Disease Management</i>		15-8130-0452CA		54,151	54,151
<i>Pass-Through from Texas Citrus Pest and Disease Management</i>		15-8448-1794CA		90,724	90,724
Total - CFDA 10.025			38,463	2,503,687	2,542,150
Wildlife Services	10.028			327,018	327,018
Voluntary Public Access and Habitat Incentive Program	10.093			132,648	132,648
Federal-State Marketing Improvement Program	10.156			10,009	10,009
Transportation Services	10.167			2,566	2,566
Specialty Crop Block Grant Program - Farm Bill	10.170				
<i>Pass-Through from Black Gold Farms</i>		M1600699		29,824	29,824
<i>Pass-Through from CEA Advisors, LLC</i>		M1600698		32,871	32,871
<i>Pass-Through from HEB, Inc.</i>		REF# M1600753		79,327	79,327
<i>Pass-Through from J&D Produce</i>		M1601013		11,514	11,514
<i>Pass-Through from J&D Produce</i>		SC-1415-10		32,728	32,728
<i>Pass-Through from L&I Farms, LLC</i>		SRS #M1501727		37,066	37,066
<i>Pass-Through from Texas Olive Oil Council</i>		TOOC-2015TAMUR		9,032	9,032
<i>Pass-Through from Texas Olive Oil Council</i>		TOOC-2015TTU		22,555	22,555
<i>Pass-Through from Uvalde County Underground Water Conservation</i>		SCFB-1314-26		25,951	25,951
<i>Pass-Through from Uvalde County Underground Water Conservation</i>		SRS #M1601018		53,288	53,288
<i>Pass-Through from Washington State Fruit Commission</i>		M1602129		21,269	21,269
Total - CFDA 10.170			0	355,425	355,425
Grants for Agricultural Research, Special Research Grants	10.200		152,704	33,511	186,215
<i>Pass-Through from Colorado State University</i>		G-14961-3		50,000	50,000

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Agriculture (continued)					
<i>Pass-Through from Colorado State University</i>		G-21026-2		(983)	(983)
<i>Pass-Through from Mississippi State University</i>		SRAC - YEAR 3 OF 3		439	439
<i>Pass-Through from Oklahoma State University</i>		2-562140.TAMUR		5,677	5,677
<i>Pass-Through from Oklahoma State University</i>		AB-5-68880.TAMU; PO#E115092		59	59
<i>Pass-Through from University of Florida</i>		1600412037		46,218	46,218
<i>Pass-Through from University of Florida</i>		PO #1600470860		8,285	8,285
<i>Pass-Through from University of Florida - Gainesville</i>		1500345497		10	10
<i>Pass-Through from University of Florida - Gainesville</i>		1500367055		174	174
Total - CFDA 10.200			152,704	143,390	296,094
Cooperative Forestry Research	10.202			813,815	813,815
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203			8,428,346	8,428,346
Payments to 1890 Land-Grant Colleges and Tuskegee University	10.205			5,066,811	5,066,811
Higher Education -- Graduate Fellowships Grant Program	10.210			284,031	284,031
Small Business Innovation Research	10.212			10,192	10,192
<i>Pass-Through from Lynntech, Inc.</i>		SRS REF M1500477		92	92
Total - CFDA 10.212			0	10,284	10,284
Sustainable Agriculture Research and Education	10.215				
<i>Pass-Through from University of Georgia</i>		RD309-122/4940016		10,585	10,585
<i>Pass-Through from University of Georgia</i>		RD309-129/8644687		1,546	1,546
<i>Pass-Through from University of Georgia</i>		RD309-129/S000672		7,740	7,740
<i>Pass-Through from University of Georgia</i>		RD309-129/S000847		6,961	6,961
<i>Pass-Through from University of Georgia</i>		RD309-129/S000881		1,673	1,673
<i>Pass-Through from University of Georgia</i>		RD309-134/S0000908		86,429	86,429
<i>Pass-Through from University of Georgia</i>		RD309-134/S001085		86	86
Total - CFDA 10.215			0	115,020	115,020
1890 Institution Capacity Building Grants	10.216		24,445	334,688	359,133
Higher Education - Institution Challenge Grants Program	10.217		51,071	223,809	274,880
<i>Pass-Through from Kansas State University</i>		8000001932		9,814	9,814
<i>Pass-Through from Oklahoma State University</i>		AA-5-46243-TTU		13,849	13,849
<i>Pass-Through from University of Florida</i>		UFDSP00011213		10,671	10,671
<i>Pass-Through from West Virginia University</i>		13-536-TAR		6,448	6,448
Total - CFDA 10.217			51,071	264,591	315,662
Biotechnology Risk Assessment Research	10.219		61,467	86,724	148,191
Hispanic Serving Institutions Education Grants	10.223		880,178	2,423,333	3,303,511
<i>Pass-Through from Florida International University</i>		800005937-02UG		33,974	33,974
<i>Pass-Through from University of Puerto Rico - Mayaguez</i>		2014-2015-005		92,914	92,914
Total - CFDA 10.223			880,178	2,550,221	3,430,399
Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants	10.226			13,259	13,259

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Agriculture (continued)					
Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations	10.250			25,200	25,200
<i>Pass-Through from University of Baltimore</i>		1020451-UTA		7,426	7,426
Total - CFDA 10.250			0	32,626	32,626
Consumer Data and Nutrition Research	10.253			68,241	68,241
<i>Pass-Through from University of Kentucky Research Foundation</i>		3048110944-14-164		26,517	26,517
Total - CFDA 10.253			0	94,758	94,758
Agricultural Market and Economic Research	10.290			166,581	166,581
Agricultural and Food Policy Research Centers	10.291			683,275	683,275
Integrated Programs	10.303		154,335	434,592	588,927
<i>Pass-Through from Arkansas State University</i>		14-686-15		4,764	4,764
Total - CFDA 10.303			154,335	439,356	593,691
Homeland Security_Agricultural	10.304			224,522	224,522
Organic Agriculture Research and Extension Initiative	10.307		9,376	43,907	53,283
Specialty Crop Research Initiative	10.309		372,727	481,293	854,020
<i>Pass-Through from Citrus Research and Development Foundation</i>		13-012NU-791		6,311	6,311
<i>Pass-Through from Clemson University</i>		1763-207-2020386		98,802	98,802
<i>Pass-Through from Michigan State University</i>		RC104285D		41,851	41,851
<i>Pass-Through from University of California - Riverside</i>		S000778		1,726	1,726
<i>Pass-Through from University of Florida</i>		UFDSP00011197		31,840	31,840
<i>Pass-Through from University of Georgia</i>		RC294-317/4893286		53,253	53,253
Total - CFDA 10.309			372,727	715,076	1,087,803
Agriculture and Food Research Initiative (AFRI)	10.310		899,978	4,187,882	5,087,860
<i>Pass-Through from Colorado State University</i>		2016-680074-25066		4,430	4,430
<i>Pass-Through from Colorado State University</i>		G-06263-3		5,073	5,073
<i>Pass-Through from Colorado State University</i>		G-14765-6		414	414
<i>Pass-Through from Connecticut Agricultural Experiment Station</i>		CAES-AC-2015		75,549	75,549
<i>Pass-Through from Cornell University</i>		65850-10196		101,813	101,813
<i>Pass-Through from Cornell University</i>		76482-10583		20,470	20,470
<i>Pass-Through from Iowa State University</i>		416-23-03A		335	335
<i>Pass-Through from Iowa State University</i>		416-40-16A		48,883	48,883
<i>Pass-Through from Iowa State University</i>		416-40-96E		(15,059)	(15,059)
<i>Pass-Through from Kansas State University</i>		490170		176,043	176,043
<i>Pass-Through from Louisiana State University</i>		2011-67009-30132/ YR.2-5		100,130	100,130
<i>Pass-Through from Montclair State University</i>		2012-67009-19742 TAR		23,446	23,446
<i>Pass-Through from Ohio State University</i>		60045862/RF01398409		22,404	22,404
<i>Pass-Through from Purdue University</i>		8000053333-AG		222,248	222,248
<i>Pass-Through from Purdue University</i>		8000053334-AG		104,134	104,134
<i>Pass-Through from Regents of the University of California</i>		201503344-01		48,111	48,111
<i>Pass-Through from Southern Illinois University - Carbondale</i>		SIU CARBONDALE 15-31		19,778	19,778
<i>Pass-Through from The Curators of The University of Missouri</i>		C00037134-3		162,916	162,916
<i>Pass-Through from University of Arkansas</i>		UA AES 91118-01		23,545	23,545
<i>Pass-Through from University of California - Davis</i>		201300264-01		183,335	183,335
<i>Pass-Through from University of California - Davis</i>		201403146-01		93,259	93,259
<i>Pass-Through from University of Georgia</i>		RC398-139/S000791		37,559	37,559
<i>Pass-Through from University of Missouri</i>		C00031587-9		130,489	130,489

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Agriculture (continued)					
<i>Pass-Through from University of Missouri</i>		C00046474-1		18,762	18,762
<i>Pass-Through from University of Nebraska</i>		25-6239-0235-304 PRIME:2012-68003- 30155		50,676	50,676
<i>Pass-Through from University of Nebraska - Lincoln</i>		25-6239-0235-304, AMEND. 1		106,507	106,507
<i>Pass-Through from University of Nebraska - Lincoln</i>		25-6268-0005-003 2013-68004-20358		174,731	174,731
<i>Pass-Through from University of Nebraska - Lincoln</i>		25-6321-0212-103	12,014	127,100	139,114
<i>Pass-Through from University of North Carolina - Asheville</i>		14-SA-01		44,297	44,297
<i>Pass-Through from University of South Florida</i>		UFDSP00010022		69,743	69,743
<i>Pass-Through from University of Tennessee</i>		8500046705		25,930	25,930
<i>Pass-Through from University of Wisconsin</i>		493K872		43,606	43,606
<i>Pass-Through from William Marsh Rice University</i>		R18761		29,666	29,666
<i>Pass-Through from William Marsh Rice University</i>		R18762		81,188	81,188
Total - CFDA 10.310			911,992	6,549,393	7,461,385
Biomass Research and Development Initiative Competitive Grants Program (BRDI)	10.312				
<i>Pass-Through from Ceramtec, Inc.</i>		2212013		278,152	278,152
Women and Minorities in Science, Technology, Engineering, and Mathematics Fields	10.318			102,681	102,681
Sun Grant Program	10.320				
<i>Pass-Through from Oklahoma State University</i>		AB-5-68020.TAES11	216		216
<i>Pass-Through from University of Oklahoma</i>		2015-51		28,545	28,545
Total - CFDA 10.320			216	28,545	28,761
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	10.326		25,830	337,086	362,916
<i>Pass-Through from Middle Tennessee State University</i>		C16-0811		55,510	55,510
Total - CFDA 10.326			25,830	392,596	418,426
National Food Safety Training, Education, Extension, Outreach, and Technical Assistance Competitive Grants Program	10.328				
<i>Pass-Through from University of Florida</i>		UFDSP00011141		51,763	51,763
Crop Protection and Pest Management Competitive Grants Program	10.329		73,948	191,045	264,993
<i>Pass-Through from Kansas State University</i>		S15119		72,748	72,748
<i>Pass-Through from Louisiana State University</i>		106172		27,907	27,907
<i>Pass-Through from Louisiana State University</i>		PO 94653		69,195	69,195
Total - CFDA 10.329			73,948	360,895	434,843
Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers	10.443			2,017	2,017
Crop Insurance	10.450			3,467,238	3,467,238
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475			158,572	158,572
Food Safety Cooperative Agreements	10.479			79,045	79,045
Cooperative Extension Service	10.500			21,747	21,747

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Agriculture (continued)					
Child and Adult Care Food Program	10.558			(75,602)	(75,602)
Scientific Cooperation Exchange Program with China	10.614			43,794	43,794
Forestry Research <i>Pass-Through from University of Idaho</i>	10.652	GNK380-SB-001	53,291	1,406,556 12,059	1,459,847 12,059
Total - CFDA 10.652			53,291	1,418,615	1,471,906
Cooperative Forestry Assistance	10.664			44,129	44,129
Forest Stewardship Program	10.678			5,462	5,462
Forest Health Protection	10.680			15,021	15,021
Rural Cooperative Development Grants	10.771		22,210	404,655	426,865
National Sheep Industry Improvement Center <i>Pass-Through from National Sheep Industry Improvement</i>	10.774	2192014		1,728	1,728
Norman E. Borlaug International Agricultural Science and Technology Fellowship	10.777		31,847	217,464	249,311
Rural Energy for America Program	10.868			15,388	15,388
Soil and Water Conservation <i>Pass-Through from New Mexico State University</i>	10.902	Q01787	709	98,028 9,051	98,737 9,051
Total - CFDA 10.902			709	107,079	107,788
Soil Survey	10.903		33,444	1,042,764	1,076,208
Plant Materials for Conservation	10.905			18,558	18,558
Environmental Quality Incentives Program <i>Pass-Through from Chesapeake Bay Foundation</i> <i>Pass-Through from Heidelberg University</i> <i>Pass-Through from Oklahoma State University</i> <i>Pass-Through from Pheasants Forever, Inc.</i> <i>Pass-Through from Pheasants Forever, Inc.</i>	10.912	434740 490010 3-580130.TAMAL1 LPCI-16-03 LPCI-16-06	8,943	404,689 8,919 31,405 7,009 66,351 70,875	413,632 8,919 31,405 7,009 66,351 70,875
Total - CFDA 10.912			8,943	589,248	598,191
Agricultural Statistics Reports	10.950			158,392	158,392
Technical Agricultural Assistance <i>Pass-Through from Catholic Relief Services</i>	10.960	FCC-686-2013-027-00		406,819 32,090	406,819 32,090
Total - CFDA 10.960			0	438,909	438,909
Cochran Fellowship Program-International Training-Foreign Participant	10.962			875,303	875,303
Total - U.S. Department of Agriculture			2,925,235	44,388,103	47,313,338
U.S. Department of Commerce					
U.S. Department of Commerce	11.XXX	70NANB12H107 IP1504UTA15-000338 1 RA-133F-14-SE-3678 & RA-133F-15-SE-1		408,640 114,495 59,134	408,640 114,495 59,134

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Commerce (continued)					
<i>Pass-Through from Industrial Economics, Inc.</i>		5700-TAMU-G (AB133C-11-CQ-		61,875	61,875
<i>Pass-Through from Nanoelectronics Research Corporation</i>		2006-NE-1464 UTA08-596		11	11
<i>Pass-Through from Nanoelectronics Research Corporation</i>		2013-NE-2400	332,980	972,357	1,305,337
<i>Pass-Through from Research Foundation for the State University of New York</i>		70NANB12H107		28,189	28,189
<i>Pass-Through from Woods Hole Group, Inc.</i>		2014-0120-000-001-01		78,719	78,719
<i>Pass-Through from Woods Hole Group, Inc.</i>		2014-0121-00-001-01		73,525	73,525
<i>Pass-Through from Woods Hole Group, Inc.</i>		EA-133C-13CQ-0028		34,609	34,609
<i>Pass-Through from Woods Hole Oceanographic Institution</i>		PO 2015-0026/2006-026		156,164	156,164
Total - CFDA 11.XXX			332,980	1,987,718	2,320,698
Integrated Ocean Observing System (IOOS)	11.012			2,009	2,009
<i>Pass-Through from The Southeastern University Research Association</i>		2013-006		22,020	22,020
<i>Pass-Through from University of California - Santa Cruz</i>		S0184263		16,086	16,086
<i>Pass-Through from Woods Hole Oceanographic Institution</i>		A101272		7,536	7,536
<i>Pass-Through from Woods Hole Oceanographic Institution</i>		A101273		24,447	24,447
Total - CFDA 11.012			0	72,098	72,098
Education Quality Award Ambassadorship	11.013			22,097	22,097
Foreign-Trade Zones in the United States	11.111				
<i>Pass-Through from Worleyparsons Group, Inc.</i>		GH201451205	5,100	80,893	85,993
Economic Adjustment Assistance	11.307				
<i>Pass-Through from South Plains Association of Governments</i>		08-69-05042		139,757	139,757
Geodetic Surveys and Services (Geodesy and Applications of the National Geodetic Reference System)	11.400				
<i>Pass-Through from University of Puerto Rico - Mayaguez</i>		NA11NOS0120035		50,015	50,015
<i>Pass-Through from University of Southern Mississippi</i>		UMS-GR04905-02		498,754	498,754
Total - CFDA 11.400			0	548,769	548,769
Sea Grant Support	11.417		16,025	2,096,621	2,112,646
<i>Pass-Through from Mississippi - Alabama Sea Grant Consortium</i>		USM-GR04114- R/MG/CSP-24 (NA10OAR4170078)		(200)	(200)
<i>Pass-Through from University of Florida</i>		UFDSP00010455		1,455	1,455
Total - CFDA 11.417			16,025	2,097,876	2,113,901
Coastal Zone Management Administration Awards	11.419			1,010,613	1,010,613
<i>Pass-Through from University of New Hampshire</i>		12-040		43	43
<i>Pass-Through from University of Southern Mississippi</i>		16-08-011		9,924	9,924
Total - CFDA 11.419			0	1,020,580	1,020,580
Coastal Zone Management Estuarine Research Reserves	11.420			797,977	797,977
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	11.427		6,381	416,662	423,043

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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 Commerce (continued)					
Climate and Atmospheric Research	11.431		99,143	437,590	536,733
<i>Pass-Through from University Corporation for Atmospheric Research</i>		Z15-17961		(6,000)	(6,000)
<i>Pass-Through from University of Oklahoma</i>		2016-41		23,550	23,550
Total - CFDA 11.431			99,143	455,140	554,283
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432			69,824	69,824
<i>Pass-Through from Industrial Economics, Inc.</i>		AB133C-11-CQ- 0050/5700-TAMUCC		174,383	174,383
<i>Pass-Through from Mississippi State University</i>		191001.363411.05		36,998	36,998
<i>Pass-Through from University of Miami</i>		S140004		31,652	31,652
<i>Pass-Through from University of Miami</i>		S16-33 PO #AD08126		17,331	17,331
<i>Pass-Through from University of Oklahoma</i>		2015-08		4,350	4,350
<i>Pass-Through from University of Oklahoma</i>		2016-44		33,500	33,500
Total - CFDA 11.432			0	368,038	368,038
Marine Fisheries Initiative	11.433		4,477	314,865	319,342
Environmental Sciences, Applications, Data, and Education	11.440			96,824	96,824
Gulf Coast Ecosystem Restoration Science, Observation, Monitoring, and Technology	11.451		144,875	195,004	339,879
Unallied Industry Projects	11.452		5,331	98,341	103,672
Unallied Management Projects	11.454		14,112	104,256	118,368
<i>Pass-Through from Gulf of Mexico Alliance</i>		GOMA 121125-00		17,764	17,764
Total - CFDA 11.454			14,112	122,020	136,132
Weather and Air Quality Research	11.459			143,749	143,749
Habitat Conservation	11.463			40,238	40,238
<i>Pass-Through from University of Southern Mississippi</i>		USM-GR04125- R/HRC-04		12,219	12,219
Total - CFDA 11.463			0	52,457	52,457
Meteorologic and Hydrologic Modernization Development	11.467			181,286	181,286
<i>Pass-Through from University Corporation for Atmospheric Research</i>		Z16-23463		3,077	3,077
Total - CFDA 11.467			0	184,363	184,363
Applied Meteorological Research	11.468			114,054	114,054
Unallied Science Program	11.472			114,793	114,793
Fisheries Disaster Relief	11.477			69,908	69,908
Center for Sponsored Coastal Ocean Research_Coastal Ocean Program	11.478		42,648	683,339	725,987
Educational Partnership Program	11.481				
<i>Pass-Through from Florida Agricultural and Mechanical University</i>		C3953 / C4264		596,397	596,397
<i>Pass-Through from Florida Agricultural and Mechanical University</i>		C-4263		128,771	128,771
<i>Pass-Through from Howard University</i>		0007342-10000046407		148,225	148,225
Total - CFDA 11.481			0	873,393	873,393

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Commerce (continued)					
Measurement and Engineering Research and Standards <i>Pass-Through from MorphoTrust USA, LLC</i>	11.609	UTA15-000044 PO008869	19,999	630,766 66,184	650,765 66,184
<i>Pass-Through from University of Louisville Research Foundation, Inc.</i>		ULRF13-1307-01		119,922	119,922
Total - CFDA 11.609			19,999	816,872	836,871
Manufacturing Extension Partnership	11.611		1,512,796	4,537,965	6,050,761
National Institute of Standards and Technology Construction Grant Program	11.618			(37)	(37)
Arrangements for Interdisciplinary Research Infrastructure <i>Pass-Through from Colorado State University</i> <i>Pass-Through from Colorado State University</i> <i>Pass-Through from University of Massachusetts</i>	11.619	G00745-5 G-00745-6 S51700000029488	37,300	229,248 12,912 217,883 26,043	266,548 12,912 217,883 26,043
Total - CFDA 11.619			37,300	486,086	523,386
Science, Technology, Business and/or Education Outreach	11.620			41,094	41,094
Total - U.S. Department of Commerce			2,241,167	16,952,695	19,193,862
U.S. Department of Defense					
U.S. Department of Defense	12.XXX	0/201W911NF1320018 P00007 1216820 CREDIT 14-C-0075 CLIN 0001 ACRN AA 15-C-0108 CLIN 0001 15-JV-11272167-067 16-C-0242 CLIN 0001 2012*12082100001 CLIN 100 BASE 2012-12082100001 CLIN 0106 2012-12082100001 CLIN 0107 2012-12082100001 CLIN 9001 2012-12082100001 CLIN 9002 2014-14072500009 TO 0001 2014-14072500009 TO 0002 2014-14072500009 TO 0003 2014-14072500009 TO 0004 2014-14072500009 TO 0005 2014-14072500009 TO 0006 2014-14072500009 TO 0007		256,693 51,926 (33) 490,899 11,471 25,744 6,184 8 1,533 1,372 9,527 253,467 31,166 637,353 400,633 596,285 47,303 69,899	256,693 51,926 (33) 490,899 11,471 25,744 6,184 8 1,533 1,372 9,527 253,467 31,166 637,353 400,633 596,285 47,303 69,899

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
		2014-14072500009 TO 008 CLIN 0001		156,427	156,427
		469031-M1400370		39,500	39,500
		8000002551		20,693	20,693
		FA8650-15-C-6588		476,582	476,582
		FA8650-15-C-6589		316,360	316,360
		FA8903-12-C-0008	53,181	65,148	118,329
		H98230-12-C- 0336/CLN 0006 ACN AD		102,157	102,157
		HDTRA1-12-C-0007 P00005	134,557	56,293	190,850
		HDTRA1-14-C-0113	416,974	295,824	712,798
		HDTRA1-16-C-0024		91,580	91,580
		HQ0034-15-P-0111		35,054	35,054
		HQ0147-13-C-6026	62,686	12,711	75,397
		HQ0147-14-C-6003		216,211	216,211
		HQ0147-15-C-6001		195,339	195,339
		HR0011-15-C-0031	962,264	367,959	1,330,223
		HR0011-15-C-0095		868,940	868,940
		HR0011-15-C-0095		288,437	288,437
		HU0001091TS15		77,604	77,604
		IPA2015Chotiros		335,982	335,982
		IPAA for DR SCHWACHA		44,483	44,483
		MOOREIPA		15,304	15,304
		N00014-06-G-0218 0042		23,992	23,992
		N00014-06-G- 0218/0043		2,916	2,916
		N00014-11-G-0041 #3006		353,433	353,433
		N00014-11-G0041 0008		28,994	28,994
		N00014-11-G-0041 0018		153,221	153,221
		N00014-11-G-0041 0019		172,719	172,719
		N00014-11-G-0041 0021 CLN 0001 ACN AA		532,718	532,718
		N0001411G0041 0023		174,803	174,803
		N00014-11-G-0041 3010		228,374	228,374
		N00014-11-G-0041 DO#0020		156,000	156,000
		N00014-11-G-0041 DO#0022 CLN 0001 ACN AA		369,447	369,447
		N00014-11-G-0041 DO#0024		89,536	89,536
		N00014-11-G-0041 DO-0014 CLN 0001 ACN AA		48,432	48,432
		N00014-11-G-0041- 0006_CLN 0001 ACN AA_AB		188,355	188,355
		N00014-11-G-0041- 0012		157,140	157,140

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
		N00014-11-G-0041-0013 CLN 0001 ACN AA AB		108,848	108,848
		N00014-11-G-0041-0015		163,517	163,517
		N00014-11-G-0041-2005		688,313	688,313
		N00024-07-D-6200 DO# 0612 CLN 0003		2,255,658	2,255,658
		N00024-07-D-6200-0513 CLN 0003 ACN AA AB		187,391	187,391
		N00024-07-D-6200-0547 CLN 0003 ACN AA		1	1
		N00024-07-D-6200-0719-01 CLN 0003 ACN AB		69,932	69,932
		N00024-07-D-6200-0729 CLN 0003 ACN AA		26,066	26,066
		N00024-07-D-6200-0732 CLN 0003 ACN AA AB		151,437	151,437
		N00024-07-D-6200-0732-04 CLN 0003 ACN AC		137,457	137,457
		N00024-07-D-6200-0748 CLN 0003 ACN AA		79,884	79,884
		N00024-07-D-6200-0750 CLN 0003 ACN AA AB		120,784	120,784
		N00024-07-D-6200-0751 CLN 0003 ACN AA		94,484	94,484
		N00024-07-D-6200-0766 CLN 0003 ACN AA		1,611,873	1,611,873
		N00024-07-D-6200-0795 CLN 0003 ACN AA		765,669	765,669
		N00024-07-D-6200-0801 CLN 0003 ACN AA		99,887	99,887
		N00024-07-D-6200-0804 CLN 0003 ACN AA		92,242	92,242
		N00024-07-D-6200-0807 CLN 0003 ACN AA		1,215,091	1,215,091
		N00024-07-D-6200-0813 CLN 0003 ACN AA AB		2,494,167	2,494,167
		N00024-07-D-6200-0839 CLN 0003 ACN AA		140,870	140,870

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
		N00024-07-D-6200-0842 CLN 0003 ACN AA		148,158	148,158
		N00024-07-D-6200-0843 CLN 0003 ACN AA		84,730	84,730
		N00024-07-D-6200-0845 CLN 0003 ACN AA		6,901	6,901
		N00024-07-D-6200-0848 CLN 0003 ACN AA		2,120	2,120
		N00024-07-D-6200-0849 CLN 0003 ACN AA		18,847	18,847
		N00024-07-D-6200-0850 CLN 0003 ACN AA		77,543	77,543
		N00024-07-D-6200-0851 CLN 0003 ACN AA		7,683	7,683
		N00024-07-D-6200-0852 CLN 0003 ACN AA AB		12,869	12,869
		N00024-07-D-6200-0853 CLN 0003 ACN AA		196,198	196,198
		N00024-07-D-6200-0859 CLN 0003 ACN AA		63,927	63,927
		N00024-07-D-6200-0860 CLN 0003 ACN AA		47	47
		N00024-07-D-6200-0861 CLN 0003 ACN AA		3,005	3,005
		N00024-07-D-6200-0866 CLN 0003 ACN AA		165,984	165,984
		N00024-07-D-6200-0867 CLN 0003 ACN AA		2,589	2,589
		N00024-07-D-6200-0870 CLN 0003 ACN AA		20,047	20,047
		N00024-07-D-6200-0871 CLN 0003 ACN AA		67,376	67,376
		N00024-07-D-6200-0872 CLN 0003 ACN AA		64,681	64,681
		N00024-07-D-6200-0874 CLN 0003 ACN AA		471,250	471,250
		N00024-07-D-6200-0875 CLN 0003 ACN AA		24,945	24,945

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
		N00024-07-D-6200-0876 CLN 0003 ACN AA		121,924	121,924
		N00024-07-D-6200-0878 CLN 0003 ACN AA		92,334	92,334
		N00024-07-D-6200-0882 CLN 0003 ACN AA		11,975	11,975
		N00024-07-D-6200-0884 CLN 0003 ACN AA AB		208,798	208,798
		N00024-07-D-6200-0890 CLN 0003 ACN AA AB		27,909	27,909
		N00024-07-D-6200-0891 CLN 0003 ACN AA		22,880	22,880
		N00024-07-D-6200-0892 CLN 0003 ACN AA		253,938	253,938
		N00024-07-D-6200-0898 CLN 0003 ACN AA		40,456	40,456
		N00173-15-O-3503		36,578	36,578
		N00173-15P-0069		290	290
		NNX15AQ54G		134,914	134,914
		P00007		49,875	49,875
		SR00001694		21,014	21,014
		UTA12-000271		174	174
		GEORGIOU			
		UTA13-000862 1		4,558	4,558
		WILKE			
		W5J9CQ-12-C-0043		51,225	51,225
		W81EWF61529739		74	74
		W81XWH-12-C-0149		112,890	112,890
		W91151-15-D-0009 0004		14,852	14,852
		W91151-15-D-0009 CLIN 0001AA		1,075,138	1,075,138
		W91151-15-D-0009 CLIN 0001AA ACRN AE		133,275	133,275
		W91151-15-D-0009 CLIN 0001AB		298,773	298,773
		W91151-15-D-0009 CLIN 0001AB ACRN AA		436,249	436,249
		W91151-15-D-0009 CLIN 0001AC		52,188	52,188
		W91151-15-D-0009 CLIN 0001AC ACRN AB		330,000	330,000
		W91151-15-D-0009 CLIN 0001AD ACRN AA		172,252	172,252

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
		W91151-15-D-0009		134,569	134,569
		CLIN 0001AD ACRN AC			
		W91151-15-D-0009		43,740	43,740
		CLIN 0002AA			
		W91151-15-D-0009		22,465	22,465
		CLIN 0002AA ACRN AD			
		W91151-15-D-0009		3,000	3,000
		CLIN 0002AB			
		W91151-15-D-0009		9,997	9,997
		CLIN 0002AC			
		W91151-15-D-0009		43	43
		CLIN 0003AA			
		W91151-15-D-0009		18,478	18,478
		CLIN 0003AB			
		W91151-15-D-0009		15,414	15,414
		CLIN 0003AC			
		W91151-15-D-0009		484,107	484,107
		CLIN 0006AA WR 1			
		W91151-15-D-0009		43,753	43,753
		CLIN 0008AA WR 1			
		W9115U-10-C-0002		10,945	10,945
		W911NF P00003		(3,471)	(3,471)
		W911NF 10 2 0018		2,811	2,811
		W911NF-13-2-0018		21,259	21,259
		W911QY-15-C-0021		178,581	178,581
		W911S0-13-P-0090		4,484	4,484
		W912HQ-11-C-0035	182,509	68,268	250,777
		W912HQ-14-C-0019	143,306	154,526	297,832
		W912HQ-14-C-0033	212,340	161,853	374,193
		W912HQ-15-C-0014	62,915	130,927	193,842
		ER-2530			
		14-17 / 14-17A		5,202	5,202
<i>Pass-Through from Academy of Applied Sciences</i>		510593		921	921
<i>Pass-Through from Allegheny Technologies, Inc.</i>		510593 REV 3		3,417	3,417
<i>Pass-Through from Allegheny Technologies, Inc.</i>		W911NF-14-C003- TAMU 33694		6,572	6,572
<i>Pass-Through from Applied Novel Devices, Inc.</i>		UTA15-001192		71,319	71,319
<i>Pass-Through from Applied Research Associates, Inc.</i>		N41756-12-C-4721, 12-00328		9,931	9,931
<i>Pass-Through from ARC Technology</i>		TTU-HAP2		5,156	5,156
<i>Pass-Through from BAE Systems</i>		905911 2		183,624	183,624
<i>Pass-Through from BAE Systems</i>		933973		32,156	32,156
<i>Pass-Through from Balcones Technologies, LLC</i>		UTA14-000974		11,472	11,472
<i>Pass-Through from Battelle Memorial Institute</i>		431861		55,062	55,062
<i>Pass-Through from Bio Scientific Corporation</i>		UTA14-000878 1		8,223	8,223
<i>Pass-Through from Bio Scientific Corporation</i>		UTA16-000312		120,416	120,416
<i>Pass-Through from Boeing Company</i>		1123816		14,114	14,114
<i>Pass-Through from Boeing Company</i>		1189751		58,314	58,314
<i>Pass-Through from Boeing Company</i>		PO#1161311		52,306	52,306
<i>Pass-Through from Brainscope Company, Inc.</i>		UTA15-000835		85,837	85,837
<i>Pass-Through from CEED</i>		SINIT-14-0009		(909)	(909)
<i>Pass-Through from Charles River Analytics, Inc.</i>		SC1325701		22,801	22,801
<i>Pass-Through from Chiral Photonics</i>		FA8650-16M-1820		24,310	24,310
<i>Pass-Through from Clarkson Aerospace Corporation</i>		UTEP WIC 16-S7700-03		59,860	59,860
<i>Pass-Through from Cobham Advanced Electronic Solutions</i>		PO 3784		1,630	1,630
<i>Pass-Through from Combustion Research and Flow Technology, Inc.</i>		CRAFT-C632 / 15-M- 2594		42,955	42,955

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Creare, Inc.</i>		67868		2,186	2,186
<i>Pass-Through from Cree, Inc.</i>		11 005 911NF 10 2 0038		30,473	30,473
<i>Pass-Through from Def - Logix, Inc.</i>		HC1028-14-C		23,355	23,355
<i>Pass-Through from Doolittle Institute</i>		M1602135		6,782	6,782
<i>Pass-Through from Draper</i>		PO001-0001039681		8,097	8,097
<i>Pass-Through from DRS Network & Imaging Systems, LLC</i>		10P0008902		56,667	56,667
<i>Pass-Through from Duke University</i>		13-ONR-1112		186,691	186,691
<i>Pass-Through from DxDiscovery, Inc.</i>		W911QY15C0058		10,276	10,276
<i>Pass-Through from Dynamic Research Corp</i>		14463-PETTT- UTAUSTIN TO10		169,970	169,970
<i>Pass-Through from Ecology and Environment, Inc.</i>		1003025.0025		38,832	38,832
<i>Pass-Through from Electric Drivetrain Technologies, LLC</i>		UTA15-000638		115,962	115,962
<i>Pass-Through from Emergent Space Technologies, Inc.</i>		UTA14-001102		83,354	83,354
<i>Pass-Through from Emergent Space Technologies, Inc.</i>		UTA14-001102 1		41,282	41,282
<i>Pass-Through from EnSafe Inc.</i>		21263 N62470-11F- 8013		41,186	41,186
<i>Pass-Through from Excet, Inc.</i>		4072		19,098	19,098
<i>Pass-Through from FLIR Systems, Inc.</i>		ENZ-1302-001		(478)	(478)
<i>Pass-Through from Galois, Inc.</i>		2016-001 1st Increment		30,499	30,499
<i>Pass-Through from General Dynamics</i>		08ESM832597		35,987	35,987
<i>Pass-Through from General Dynamics Information Technology, Inc.</i>		07ESM756355/W91YT Z-1		4,743	4,743
<i>Pass-Through from General Dynamics Information Technology, Inc.</i>		08ESM753983		144,799	144,799
<i>Pass-Through from General Dynamics Land Systems</i>		UTA16-000226 BE PO 40247858		73,742	73,742
<i>Pass-Through from Geneva Foundation</i>		S-1245-01		939	939
<i>Pass-Through from Geomorph Information Systems, LLC</i>		9095-003		171,806	171,806
<i>Pass-Through from Georgia Institute of Technology</i>		RG131-S1		71,457	71,457
<i>Pass-Through from Georgia Tech Research Institute</i>		D6182-S12		73,186	73,186
<i>Pass-Through from Georgia Tech Research Institute</i>		D7709-S3		652,291	652,291
<i>Pass-Through from Giner, Inc.</i>		SRS #M1600747		40,740	40,740
<i>Pass-Through from Global Engineering Research and Technologies, LLC</i>		UTA15-000981		27,091	27,091
<i>Pass-Through from Henry M. Jackson Foundation for the Advancement of Military Medicine</i>		827172		52,150	52,150
<i>Pass-Through from High Performance Technologies, Inc.</i>		14463-PETTT- UTAUSTIN-T08 001		2,382	2,382
<i>Pass-Through from Honeywell Federal Manufacturing and Technologies, LLC</i>		UTA16-000224		35,132	35,132
<i>Pass-Through from Horstman, Inc.</i>		UTA12-000711		(1,007)	(1,007)
<i>Pass-Through from Horstman, Inc.</i>		UTA12-000711 007		(210)	(210)
<i>Pass-Through from Horstman, Inc.</i>		UTA12-000711 008		45,952	45,952
<i>Pass-Through from HRL Laboratories, LLC</i>		12081-300654-BS		(204)	(204)
<i>Pass-Through from HRL Laboratories, LLC</i>		12081-300654-BS CHANGE NOTICE 9		6,515	6,515
<i>Pass-Through from Intraband, LLC</i>		UTA15-000921		43,035	43,035
<i>Pass-Through from Issac Corp</i>		UTA16-000771		12,763	12,763
<i>Pass-Through from Johns Hopkins University</i>		SR00001694/W81XW H-10		1,910	1,910
<i>Pass-Through from Johns Hopkins University</i>		W81XWH-10-2-0134		3,176	3,176
<i>Pass-Through from Kestrel Technology LLC</i>		02-KT-0202-TTU		30,672	30,672
<i>Pass-Through from Knowledge Based Systems, Inc.</i>		5351250-UTA-2015-1		76,627	76,627
<i>Pass-Through from Lockheed Martin Aeronautics Company</i>		PO 4100706880		401,657	401,657
<i>Pass-Through from Lockheed Martin Corporation</i>		PO# XS3605300E		59,388	59,388
<i>Pass-Through from Lynntech, Inc.</i>		FA9550-13-C-0004		48,085	48,085
<i>Pass-Through from Lynntech, Inc.</i>		UTA15-000778		27,611	27,611

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Lynntech, Inc.</i>		W81XWH-16-C-0012		59,201	59,201
<i>Pass-Through from Mapp Biopharmaceutical, Inc.</i>		HDTRA113C0018		3,998	3,998
<i>Pass-Through from Maritime Applied Physics Corporation</i>		UTA14-001331		707	707
<i>Pass-Through from Mason & Hanger Group, Inc.</i>		MN01153101		90,157	90,157
<i>Pass-Through from Massachusetts Institute of Technology</i>		7000289364		324,140	324,140
<i>Pass-Through from Mohawk Innovative Technology, Inc.</i>		UTA15-000368		142,617	142,617
<i>Pass-Through from Mohawk Innovative Technology, Inc.</i>		UTA15-000809		340,411	340,411
<i>Pass-Through from Nanowatt Design, Inc.</i>		GN0007244 Mohanty		25,277	25,277
<i>Pass-Through from National Center for Defense Manufacturing and Machining</i>		FA8650-12-2-7230	63,915	428,321	492,236
<i>Pass-Through from National Institute of Building Sciences</i>		#28 ST-01 & 02		16,380	16,380
<i>Pass-Through from NCDMM</i>		UTA14-001417		320,632	320,632
<i>Pass-Through from New Mexico State University</i>		Q01586 830832-1		33,944	33,944
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0781-05 CLIN 0001AA		734,807	734,807
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0781-06 CLIN 0001AA		768,212	768,212
<i>Pass-Through from Northrop Grumman Corporation</i>		8200170705 UTA12- 001161		67	67
<i>Pass-Through from Northrop Grumman Systems Corporation</i>		PO 8140000824		8,691	8,691
<i>Pass-Through from Ohio State University</i>		LOA #1 SHVETS60052491PO RF01423516		6,503	6,503
<i>Pass-Through from Omega Optics, Inc.</i>		UTA14-000620		94,825	94,825
<i>Pass-Through from Penn State University</i>		S13-25		27,987	27,987
<i>Pass-Through from Printed Performance Innovations, LLC</i>		FA9451-15M-0531		63,302	63,302
<i>Pass-Through from Raytheon BBN Technologies Corporation</i>		14524 2 PHASE II SLIN 0002		37,140	37,140
<i>Pass-Through from Raytheon BBN Technologies Corporation</i>		14524 FIRST INCREMENT- PO 9500012841		86,025	86,025
<i>Pass-Through from Rel, Incorporated</i>		7124T2		(485)	(485)
<i>Pass-Through from Robotic Research, LLC</i>		RPP20-UTA		13,842	13,842
<i>Pass-Through from SCRA Applied R</i>		2015-322 NRTC- FY15-S	49,936	337,944	387,880
<i>Pass-Through from Silicon Audio Labs</i>		FA9550-16-C-0036 UTA16-000710		1,081	1,081
<i>Pass-Through from Silicon Audio Labs</i>		UTA15-000209 LOA Hall		24	24
<i>Pass-Through from Soar Technology, Inc.</i>		10248.01		153,651	153,651
<i>Pass-Through from Southwest Research Institute</i>		-H99033RI		17,939	17,939
<i>Pass-Through from Special Metals, Huntington Alloys Corporation</i>		723283		345	345
<i>Pass-Through from Special Metals, Huntington Alloys Corporation</i>		723283 REV 3		3,415	3,415
<i>Pass-Through from Spectral Energies, LLC</i>		SB1201-001-1		7,688	7,688
<i>Pass-Through from Spectral Energies, LLC</i>		SB1201-001-2		123,829	123,829
<i>Pass-Through from SRI International</i>		19-000266 / SRI-266		134,973	134,973
<i>Pass-Through from Stanford University</i>		61102421-118342		54,375	54,375
<i>Pass-Through from Stevens Institute of Technology</i>		RT 131-UT Austin- 20141029		2,015	2,015
<i>Pass-Through from Service Engineering Company, LLC</i>		1.09001E+18		28,722	28,722
<i>Pass-Through from Systems and Materials Research Corporation</i>		102-02		21,116	21,116
<i>Pass-Through from Technical Data Analysis, Inc.</i>		1073-017-07		67,074	67,074
<i>Pass-Through from Technical Data Analysis, Inc.</i>		2005-001-01		66,144	66,144
<i>Pass-Through from Technical Data Analysis, Inc.</i>		2005-001-01 03		96,712	96,712
<i>Pass-Through from Texas Research Institute Austin, Inc.</i>		A7518-500-01-15- SC1589		84,874	84,874
<i>Pass-Through from Thermavant</i>		UTA-TAT-P2-041515		142,023	142,023
<i>Pass-Through from Tulane University</i>		tul-scc-553201-15/16		15,197	15,197

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from UES, Inc.</i>		S-901-3D2-002		13,530	13,530
<i>Pass-Through from University of Colorado</i>		CU-31539 / PO 1000275891		315	315
<i>Pass-Through from University of Colorado - Boulder</i>		CU-445773 / PO 1000445773		5,879	5,879
<i>Pass-Through from University of Colorado - Boulder</i>		CU-445773-2 / PO 1000574384		1,311	1,311
<i>Pass-Through from University of Colorado - Boulder</i>		CU-445773-3 PO 1000624437		2,256	2,256
<i>Pass-Through from University of Maryland</i>		2014-14071600012		171,136	171,136
<i>Pass-Through from University of Maryland</i>		24297-Z9036103		17,533	17,533
<i>Pass-Through from University of Maryland</i>		Z9774003		7,001	7,001
<i>Pass-Through from University of Michigan</i>		3003563281		171,877	171,877
<i>Pass-Through from University of Mississippi</i>		15-01-029 / UM-029		9,127	9,127
<i>Pass-Through from University of Pennsylvania</i>		566321 PO 3475881		94,749	94,749
<i>Pass-Through from University of Pittsburgh</i>		0043845-7		73,167	73,167
<i>Pass-Through from University of Pittsburgh</i>		W81XWH-14-2-0003		6,121	6,121
<i>Pass-Through from University Research Foundation, inc.</i>		11647		78,341	78,341
<i>Pass-Through from Vertical Lift Consortium</i>		W911W6-12-2-0003		6,386	6,386
<i>Pass-Through from Weston Solutions, Inc.</i>		PO 0081323		22,696	22,696
<i>Pass-Through from Wet Labs, Inc.</i>		F2014-001		21,039	21,039
<i>Pass-Through from Wildlife Conservation Society</i>		SERDP110515-117		36,696	36,696
<i>Pass-Through from Wyle Laboratories</i>		T72550/FA8650-12-D-6		6,833	6,833
<i>Pass-Through from Wyle Laboratories</i>		WSCS00028 TAT 261		91,124	91,124
<i>Pass-Through from Zymergen, Inc.</i>		UTA15-000540 PO #4286		137,594	137,594
<i>Pass-Through from Zyvox</i>		UTA15-001288		182,384	182,384
<i>Pass-Through from Zyvox Labs, LLC</i>		W911NF-13-1-0470		88,820	88,820
Total - CFDA 12.XXX			2,344,583	36,915,944	39,260,527
Aquatic Plant Control	12.100			10,812	10,812
<i>Pass-Through from City of Lewisville</i>		FY11-01		2,729	2,729
<i>Pass-Through from Denton County</i>		UNT FY 06-01		1	1
Total - CFDA 12.100			0	13,542	13,542
Protection of Essential Highways, Highway Bridge Approaches, and Public Works	12.105			146,797	146,797
Navigation Projects	12.107				
<i>Pass-Through from ECS-GEC JV</i>		W91237-16-D-0002		4,242	4,242
Collaborative Research and Development	12.114			168,377	168,377
<i>Pass-Through from Katmai Information Technologies, LLC</i>		M1602452		36,459	36,459
<i>Pass-Through from Katmai Information Technologies, LLC</i>		M1602454		40,506	40,506
<i>Pass-Through from Katmai Information Technologies, LLC</i>		M1602622		4,671	4,671
<i>Pass-Through from Massachusetts Institute of Technology</i>		7000339119		53,533	53,533
<i>Pass-Through from Protection Engineering Consultants</i>		P12-062TO02-01		1,429	1,429
<i>Pass-Through from Technology Service Corporation</i>		TSC--40066		4,483	4,483
<i>Pass-Through from Virginia Commonwealth University</i>		8000002348		26,854	26,854
Total - CFDA 12.114			0	336,312	336,312
Basic and Applied Scientific Research	12.300		676,746	79,120,098	79,796,844
<i>Pass-Through from Academy of Applied Science</i>		SG16062 & SG16063		6,903	6,903
<i>Pass-Through from Accacia International</i>		1601357		7,000	7,000
<i>Pass-Through from Boston University</i>		4500000045 FORMERLY GC208303NGE		135,437	135,437

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Bprp Consulting, LLC</i>		N00024-07-D-6200 LOA UTA14-001284		41,957	41,957
<i>Pass-Through from Brigham Young University</i>		W900KK-13-C-0026		27,016	27,016
<i>Pass-Through from Carnegie Mellon University</i>		1141255-337233		18,129	18,129
<i>Pass-Through from Czech Technical University</i>		N62909-13-1-N256		25,647	25,647
<i>Pass-Through from Duke University</i>		14-ONR; 16-ONR		247,274	247,274
<i>Pass-Through from Duke University</i>		313-0620		42,434	42,434
<i>Pass-Through from Empirical Technologies Corporation</i>		N0001410C0240		(34,233)	(34,233)
<i>Pass-Through from Florida Atlantic University</i>		CRK06		42,648	42,648
<i>Pass-Through from Georgia Institute of Technology</i>		RC217-G3		112,052	112,052
<i>Pass-Through from Georgia Institute of Technology</i>		RE195-G1		35,833	35,833
<i>Pass-Through from Helicon Chemical Company, LLC</i>		SRS REF M1600953		24,959	24,959
<i>Pass-Through from Innovative Decisions, Inc.</i>		IDI-TAMU-1213-2012		92,561	92,561
<i>Pass-Through from Johns Hopkins University</i>		103318 CLIN 1 PROJ R4T02 JHU/APL		868	868
<i>Pass-Through from Johns Hopkins University</i>		103318 CLIN 2 PROJ R4T03 JHU/APL		161,519	161,519
<i>Pass-Through from Lynntech, Inc.</i>		M1600970		15,000	15,000
<i>Pass-Through from Naval Postgraduate School</i>		N00244-14-1-0062		2,086	2,086
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0720-01		8,340	8,340
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0721-01-1		992,846	992,846
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0721-01-9		4	4
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-01-1 CLIN 0001AA		1	1
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-01-2 CLIN 0011AA		2	2
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-01-3 CLIN 0011AB		1	1
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-01-4 CLIN 0021AA		2	2
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-02-1 CLIN 0001AA		3	3
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-02-2 CLIN 0011AA		5	5
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-03-1 CLIN0001AA		5	5
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-04-1 CLIN 0001AA		2	2
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-04-2 CLIN 0011AA		1	1
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-05-1 CLIN 0001		(37)	(37)
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-05-2 CLIN 0011		1	1
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-05-3 CLIN 0021		1	1
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-06-1 CLIN 0001AA		44	44
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-07-1 CLIN 0001		154,774	154,774
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-08-1 CLIN 0001		3	3
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-10-1 CLIN 1001		184,640	184,640
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-10-2 CLIN 1011		276,999	276,999

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-10-3 CLIN 1021		56,593	56,593
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-11-1 CLIN 1001		672,712	672,712
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-11-2 CLIN 1011		260,507	260,507
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-11-9		(3,008)	(3,008)
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-12-1 CLIN 1001		74,976	74,976
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-12-2 CLIN 1011		189,558	189,558
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-12-3 CLIN 1021		466,779	466,779
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-13-1 CLIN 1001		94,975	94,975
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-14-1 CLIN 1001		149,962	149,962
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-14-2 CLIN 1011		74,952	74,952
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-15-1 CLIN 2001		496,744	496,744
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-15-2 CLIN 2011		66,959	66,959
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-9-1 CLIN 1001		74,249	74,249
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-9-2 CLIN 1011		507,369	507,369
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0762-9-3 CLIN 1021		62,635	62,635
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0781-02		4,552,225	4,552,225
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0781-03		19	19
<i>Pass-Through from Non - Disclosed Sponsor</i>		26-0781-04		574	574
<i>Pass-Through from North Carolina Agricultural and Technical State University</i>		210158B		326,716	326,716
<i>Pass-Through from Northwestern University</i>		SP0030277- PROJ0008095		19,817	19,817
<i>Pass-Through from Physics, Materials, and Applied Mathematics Research, LLC</i>		8050-S01		23,687	23,687
<i>Pass-Through from Princeton University</i>		N00014-12-1-0876		60,035	60,035
<i>Pass-Through from Princeton University</i>		N00014-12-1-0962		7,866	7,866
<i>Pass-Through from Princeton University</i>		N00014-13-1-0458		29,424	29,424
<i>Pass-Through from Princeton University</i>		SUB0000022		81,546	81,546
<i>Pass-Through from Princeton University</i>		SUB0000022LOA #1 MACDONALD		106,904	106,904
<i>Pass-Through from Stanford University</i>		60535648-104772 3420586		104,279	104,279
<i>Pass-Through from Systems and Materials Research Corporation</i>		8000002137		20,147	20,147
<i>Pass-Through from University of California - Berkeley</i>		00008156N00014-13- 1-0421PO# BB00173098		82,882	82,882
<i>Pass-Through from University of Chicago</i>		N00014-16-1-2327		27,618	27,618
<i>Pass-Through from University of Colorado</i>		N00014-11-1-0691		64,467	64,467
<i>Pass-Through from University of Michigan</i>		N00014-12-1-0874		37,102	37,102
<i>Pass-Through from University of Minnesota</i>		A002181202		119,910	119,910
<i>Pass-Through from University of Oregon</i>		236700A		102,058	102,058
<i>Pass-Through from University of Pennsylvania</i>		555991		47,182	47,182
<i>Pass-Through from University of Tennessee</i>		A15-1053-S001		137,830	137,830
<i>Pass-Through from University of Wisconsin</i>		470K901		43,554	43,554

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Virginia Tech University</i>		CR-19794-430345		41	41
<i>Pass-Through from William Marsh Rice University</i>		R18681		317,481	317,481
<i>Pass-Through from William Marsh Rice University</i>		R19011		47,209	47,209
<i>Pass-Through from William Marsh Rice University</i>		R19092		220,117	220,117
<i>Pass-Through from Woods Hole Oceanographic Institution</i>		A100846		121,058	121,058
<i>Pass-Through from Woods Hole Oceanographic Institution</i>		N00014-14-1- 0073/A101062/A100984		64,194	64,194
<i>Pass-Through from Zyvex Corporation</i>		W911NF-13-1-0470		24,039	24,039
Total - CFDA 12.300			676,746	91,778,768	92,455,514
Navy Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance	12.335			31,807	31,807
<i>Pass-Through from Advanced Cooling Technologies, Inc.</i>		24799		21,476	21,476
<i>Pass-Through from Adventium Enterprises, LLC</i>		AEC2012-15-0006		(203)	(203)
Total - CFDA 12.335			0	53,080	53,080
Scientific Research - Combating Weapons of Mass Destruction	12.351		884,637	5,038,129	5,922,766
<i>Pass-Through from Arizona State University</i>		13-174		63,779	63,779
<i>Pass-Through from Georgia State University</i>		HDTRA11410013		124,443	124,443
<i>Pass-Through from Icahn School of Medicine - Mount Sinai</i>		HDTRA11210051		120,582	120,582
<i>Pass-Through from Icahn School of Medicine - Mount Sinai</i>		HDTRA11410013		153,475	153,475
<i>Pass-Through from Los Alamos National Laboratory</i>		330920		117,475	117,475
<i>Pass-Through from Science Applications International Corporation</i>		B8270		441,495	441,495
<i>Pass-Through from University of New Mexico Board of Regents</i>		433453-87Z1		1,881	1,881
<i>Pass-Through from Vanderbilt University</i>		HDTRA11310034		322,209	322,209
Total - CFDA 12.351			884,637	6,383,468	7,268,105
Research on Chemical and Biological Defense	12.360			396	396
<i>Pass-Through from Profectus BioSciences Incorporated</i>		W911QY1410001		373,624	373,624
<i>Pass-Through from Profectus BioSciences Incorporated</i>		W911QY1510014		200,811	200,811
Total - CFDA 12.360			0	574,831	574,831
National Guard Military Operations and Maintenance (O&M) Projects	12.401		1,778	(8,295)	(6,517)
Military Medical Research and Development	12.420		2,324,524	25,811,441	28,135,965
<i>Pass-Through from American Burn Association</i>		W81XWH0920194		66,531	66,531
<i>Pass-Through from American Burn Association</i>		W81XWH-09-2-0194		10,309	10,309
<i>Pass-Through from American Burn Association</i>		W81XWH1110835		99,503	99,503
<i>Pass-Through from Baylor College of Medicine</i>		W81XWH-12-0475		(7,855)	(7,855)
<i>Pass-Through from Baylor College of Medicine</i>		W81XWH-12-1-0516		4,166	4,166
<i>Pass-Through from Baylor College of Medicine</i>		W81XWH1310286		17,043	17,043
<i>Pass-Through from Baylor College of Medicine</i>		W81XWH-14-1-0393		63,216	63,216
<i>Pass-Through from Boston University</i>		4500001734/W81XW H-14		667,371	667,371
<i>Pass-Through from Boston University</i>		W81XWH-11-2-0161 04		134,146	134,146
<i>Pass-Through from Boston VA Research Institute, Inc.</i>		1/W81XWH-15-1- B-AHEAD III TRIAL		75,135	75,135
<i>Pass-Through from Brainscope Company, Inc.</i>		BRAINSCOPE		1,408	1,408
<i>Pass-Through from Brainscope Company, Inc.</i>		AHEAD 200		(35)	(35)
<i>Pass-Through from Children's Research Institute</i>		W81XWH-15-1-0334		65,038	65,038
<i>Pass-Through from Christopher and Dana Reeve Foundation</i>		CTN10-2014(MJ)		(3,974)	(3,974)
<i>Pass-Through from Christopher and Dana Reeve Foundation</i>		CTN11-2015(MJ)		39,354	39,354

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Christopher and Dana Reeve Foundation</i>		CTN12-2016(KS)		24,264	24,264
<i>Pass-Through from Foundation for Advancing Veterans' Health Research</i>		CHATDOD/PARK		2,402	2,402
<i>Pass-Through from Foundation for Advancing Veterans' Health Research</i>		ROYALLDOD/UTHS CSA		13,204	13,204
<i>Pass-Through from Foundation for Advancing Veterans' Health Research</i>		W81XWH-14-1-0606		41,613	41,613
<i>Pass-Through from Geneva Foundation</i>		W81XWH-06-2-0033		43,209	43,209
<i>Pass-Through from Geneva Foundation</i>		W81XWH130191		(784)	(784)
<i>Pass-Through from Geneva Foundation</i>		W81XWH-13-2- 0011/S-1274-02		38,020	38,020
<i>Pass-Through from Huntington Medical Research Institutes</i>		106005		(119)	(119)
<i>Pass-Through from Huntington Medical Research Institutes</i>		109171		35,014	35,014
<i>Pass-Through from Indiana University</i>		W81XWH-10-1-0540 01		(1,295)	(1,295)
<i>Pass-Through from Johns Hopkins University</i>		1R01AR064066-01		741	741
<i>Pass-Through from Johns Hopkins University</i>		2002901075/W81XW H-15		84,524	84,524
<i>Pass-Through from Johns Hopkins University</i>		W81XWH-09-02-0108		2,232	2,232
<i>Pass-Through from Johns Hopkins University</i>		W81XWH-09-2-0108		40,280	40,280
<i>Pass-Through from Johns Hopkins University</i>		W81XWH-10-2-0090		264,234	264,234
<i>Pass-Through from Johns Hopkins University</i>		W81XWH-12-1-0588		390	390
<i>Pass-Through from Johns Hopkins University School of</i>		W81XWH 12 1 0464		5,922	5,922
<i>Pass-Through from Livionex Incorporated</i>		SR09		232,930	232,930
<i>Pass-Through from Manzanita Pharmaceuticals, Inc.</i>		13273014-TX-1		120,601	120,601
<i>Pass-Through from Memorial Sloan Kettering Cancer Center</i>		W81XWH-10-1-0699		79,817	79,817
<i>Pass-Through from Methodist Hospital Research Institute</i>		AGMT. 18130020-128		25,419	25,419
<i>Pass-Through from Methodist Hospital Research Institute</i>		W81XWH-09-2-0139 02		(15,284)	(15,284)
<i>Pass-Through from Methodist Hospital Research Institute</i>		W81-XWH-10-2-0125		18,871	18,871
<i>Pass-Through from Methodist Hospital Research Institute</i>		W81XWH-10-2-0125 01		(299)	(299)
<i>Pass-Through from Methodist Hospital Research Institute</i>		W81XWH-10-2-0125 02		3,226	3,226
<i>Pass-Through from National Trauma Institute</i>		NTI-NTRR15-09		17,197	17,197
<i>Pass-Through from National Trauma Institute</i>		NTI-NTRR15- 11/W81XWH		11,660	11,660
<i>Pass-Through from National Trauma Institute</i>		NTITRA10101/W81X WH15		19,519	19,519
<i>Pass-Through from Northwestern University Medical School</i>		W81XWH-13-1-0318		(140,523)	(140,523)
<i>Pass-Through from Southwest Texas Regional Advisory Council</i>		STRAC_REMTORN_0 01		241,824	241,824
<i>Pass-Through from SRI International</i>		W81XWH1210223		56,985	56,985
<i>Pass-Through from T.R.U.E. Research Foundation</i>		W81XWH-06-2-0033 05		(25)	(25)
<i>Pass-Through from Texas Biomedical Research Institute</i>		13-04423.003 / W81XW		25,267	25,267
<i>Pass-Through from Texas Biomedical Research Institute</i>		13-04423.003 SCINTO		7,878	7,878
<i>Pass-Through from University of California - San Francisco</i>		6821SC		14,450	14,450
<i>Pass-Through from University of Central Florida</i>		24096036-01		144,251	144,251
<i>Pass-Through from University of Delaware</i>		41018	44,947	154,057	199,004
<i>Pass-Through from University of Florida</i>		UFDSP00010257		127,662	127,662
<i>Pass-Through from University of Maryland - Baltimore</i>		W81XWH-14-1-0324		(2,538)	(2,538)
<i>Pass-Through from University of Missouri</i>		C00047589-1		13,941	13,941
<i>Pass-Through from University of Missouri - St. Louis</i>		00050555- 1/W81XWH-13		205,413	205,413
<i>Pass-Through from University of Oklahoma</i>		W81XWH-14-1-0228		157,149	157,149

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from University of Pennsylvania</i>		551097/W81XWH-08-2-0111		127,613	127,613
<i>Pass-Through from University of Pennsylvania</i>		565318/W91XWH-14-1-0		508,615	508,615
<i>Pass-Through from University of Pennsylvania</i>		PETERSON/U PENN		129,399	129,399
<i>Pass-Through from University of Pennsylvania</i>		W81XWH-15-1-0555		55,549	55,549
<i>Pass-Through from University of Pittsburgh</i>		0035859(409685-1)		89,370	89,370
<i>Pass-Through from University of Utah</i>		10015178		(138)	(138)
<i>Pass-Through from University of Washington</i>		751989		33,563	33,563
<i>Pass-Through from University of Washington</i>		UWSC5341		53,991	53,991
<i>Pass-Through from University of Washington</i>		W81XWH-13-2-0090		204,635	204,635
<i>Pass-Through from Vanderbilt University</i>		2437-017449/WFUHS		(1,678)	(1,678)
<i>Pass-Through from Wake Forest University Health Sciences</i>		W81XWH-14-2-0004		39,414	39,414
<i>Pass-Through from Wake Forest University Health Sciences</i>		WFUHS 441078 CF-08		24,925	24,925
<i>Pass-Through from ZOLL Medical Corporation</i>		W81XWH-12-C-0181		20,546	20,546
Total - CFDA 12.420			2,369,471	30,441,900	32,811,371
Basic Scientific Research	12.431		2,121,064	11,262,977	13,384,041
<i>Pass-Through from BAE Systems</i>		882235		118,261	118,261
<i>Pass-Through from Boston University</i>		4500001910		18,979	18,979
<i>Pass-Through from Carnegie Mellon University</i>		1130171-323762		45,647	45,647
<i>Pass-Through from Clemson University</i>		1734-201-2010192		13,334	13,334
<i>Pass-Through from Drexel University</i>		202329		162,233	162,233
<i>Pass-Through from George Mason University</i>		E203528-1		43,903	43,903
<i>Pass-Through from Iowa State University</i>		421-20-27A		20,078	20,078
<i>Pass-Through from Marshall University Research Corporation</i>		RC-P1600525		3	3
<i>Pass-Through from Northeastern University</i>		504062-78052		59,694	59,694
<i>Pass-Through from Ohio State University</i>		PO#		264,783	264,783
<i>Pass-Through from Silicon Informatics, Inc.</i>		RF0135582260043375		(9,867)	(9,867)
<i>Pass-Through from Stanford University</i>		SI-2012-001		592,070	592,070
<i>Pass-Through from State University of New York at Buffalo</i>		60300261-107307-B		11,535	11,535
<i>Pass-Through from Superpower, Inc.</i>		W911NF-11-1-0333		34,373	34,373
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		W911NF-12-2-0044		19,123	19,123
<i>Pass-Through from University of Maryland</i>		2010-04989-04		28	28
<i>Pass-Through from University of Maryland</i>		18691-Z8533001		105,153	105,153
<i>Pass-Through from University of Maryland</i>		Z845803		8,078	8,078
<i>Pass-Through from University of Massachusetts - Lowell</i>		8000002596		52,070	52,070
<i>Pass-Through from University of North Carolina - Charlotte</i>		20130358-01-UTX Sub		131,637	131,637
<i>Pass-Through from University of Pittsburgh</i>		004815 411221-1		19,998	19,998
<i>Pass-Through from University of Southern California</i>		67076509		(9,867)	(9,867)
Total - CFDA 12.431			2,121,064	12,974,090	15,095,154
The Language Flagship Grants to Institutions of Higher Education	12.550				
<i>Pass-Through from Institute of International Education</i>		NSEP-U631073-UT-HIN-D		21,517	21,517
<i>Pass-Through from Institute of International Education</i>		NSEP-U631073-UT-HIN-D 3		270,001	270,001
<i>Pass-Through from Institute of International Education</i>		NSEP-U631073-UT-HIN-O		(982)	(982)
<i>Pass-Through from Institute of International Education</i>		NSEP-U631073-UT-HIN-O 3		74,978	74,978
Total - CFDA 12.550			0	365,514	365,514
Centers for Academic Excellence	12.598			328,761	328,761

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
Basic, Applied, and Advanced Research in Science and Engineering	12.630		272,741	5,769,640	6,042,381
<i>Pass-Through from Academy of Applied Science</i>		2015-16-446401; M1600429		19,526	19,526
<i>Pass-Through from American Lightweight Materials Manufacturing Innovation Institute</i>		0003A-6		71,757	71,757
<i>Pass-Through from DCS Corporation</i>		APX02-0002 Task0005		516,364	516,364
<i>Pass-Through from DCS Corporation</i>		W911NF-10-D-0002		124,697	124,697
<i>Pass-Through from Florida International University</i>		800001753-02		(51)	(51)
<i>Pass-Through from John Hopkins University</i>		2001645112/96012366 CLIN3		75,986	75,986
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		7060634		174,439	174,439
<i>Pass-Through from Shear Form, Inc.</i>		M1600968		7,660	7,660
<i>Pass-Through from Sikorsky Aircraft Corp</i>		SA-908NP Revised102512 4500236133		1,286	1,286
<i>Pass-Through from Universal Technology Corporation</i>		15-S2606-04-C22		5,721	5,721
Total - CFDA 12.630			272,741	6,767,025	7,039,766
Uniformed Services University Medical Research Projects	12.750				
<i>Pass-Through from Geneva Foundation</i>		S-1315-02		25,312	25,312
<i>Pass-Through from Henry M. Jackson Foundation</i>		726100 2272 UTA11- 000658		6,165	6,165
<i>Pass-Through from Henry M. Jackson Foundation</i>		SUB# 2973 8/1/15 - 3/27/17		18,079	18,079
Total - CFDA 12.750			0	49,556	49,556
Air Force Defense Research Sciences Program	12.800		1,603,831	10,805,245	12,409,076
<i>Pass-Through from Applied Defense Solutions, Inc.</i>		14-1185-01		131	131
<i>Pass-Through from Applied Defense Solutions, Inc.</i>		M1502626		168,235	168,235
<i>Pass-Through from Asian Office of Aerospace Research and</i>		FA2386-13-1-4119		40,236	40,236
<i>Pass-Through from Asian Office of Aerospace Research and</i>		FA2386-14-1-4069		913	913
<i>Pass-Through from Booz Allen Hamilton, Inc.</i>		C2970		(12,336)	(12,336)
<i>Pass-Through from Brayton Energy, LLC</i>		OSD13-PR5-1		26,283	26,283
<i>Pass-Through from Brown University</i>		00000557 / PO#P280811		228,849	228,849
<i>Pass-Through from California Institute of Technology</i>		52-1093210		59,790	59,790
<i>Pass-Through from Case Western Reserve University</i>		RESS06636		128,278	128,278
<i>Pass-Through from Case Western Reserve University</i>		RESS10258		153,714	153,714
<i>Pass-Through from Clarkson Aerospace Corporation</i>		FA8650-13-C- 5800/13S770002C		96,491	96,491
<i>Pass-Through from Clarkson Aerospace Corporation</i>		PVAM 13-S7700-01-C2		78,168	78,168
<i>Pass-Through from Clarkson Aerospace Corporation</i>		PVAM UDC 14- S7700-02-C3		6,324	6,324
<i>Pass-Through from Clarkson Aerospace Corporation</i>		TAMU 13-S7700-01-C2		48,397	48,397
<i>Pass-Through from Clarkson Aerospace Corporation</i>		TAMU 14-S7700-02-C2		122,760	122,760
<i>Pass-Through from Clarkson Aerospace Corporation</i>		TAMU CS 15-S-0234		142,513	142,513
<i>Pass-Through from Clarkson Aerospace Corporation</i>		UH CS 15-S-0234		152,815	152,815
<i>Pass-Through from Clarkson Aerospace Corporation</i>		UHH-13-S7700-01-C2		47,432	47,432
<i>Pass-Through from Clarkson Aerospace Corporation</i>		UHM 13-S7700-01-C1		119,895	119,895
<i>Pass-Through from Clarkson Aerospace Corporation</i>		UHV-15-S7700-01-C2		11,737	11,737
<i>Pass-Through from Clarkson Aerospace Corporation</i>		UTEP 15 S7700-01-C2		15,293	15,293
<i>Pass-Through from Clarkson Aerospace Corporation</i>		UTSA 13-S7700-01-C2		37,640	37,640
<i>Pass-Through from Clarkson Aerospace Corporation</i>		UTSA 15-S7700-01-C2		43,833	43,833
<i>Pass-Through from Dynetics</i>		SRS REF M1502100		6,653	6,653
<i>Pass-Through from Engility Corporation</i>		0010466		10,079	10,079
<i>Pass-Through from Florida State University</i>		R01748		130,220	130,220

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from General Dynamics Information Technology, Inc.</i>		08ESM541890/F5702-11-04-SC63-01		4,227	4,227
<i>Pass-Through from Geneva Foundation</i>		S-1695-01		115,166	115,166
<i>Pass-Through from Georgia Institute of Technology</i>		8000002321		161,447	161,447
<i>Pass-Through from Georgia Tech Research Corporation</i>		RD446-S1		29,674	29,674
<i>Pass-Through from Georgia Tech Research Corporation</i>		RD451-S1		57,778	57,778
<i>Pass-Through from Harvard University</i>		M1602374		7,927	7,927
<i>Pass-Through from Illinois Institute of Technology</i>		M1501624		(13,546)	(13,546)
<i>Pass-Through from Intelligent Automation, Inc.</i>		2116-1		26,521	26,521
<i>Pass-Through from Intelligent Fusion Technology, Inc.</i>		IFT022-1		48,453	48,453
<i>Pass-Through from Iowa State University</i>		421-21-03C		219,013	219,013
<i>Pass-Through from Kairos Microsystems Corporation</i>		FA8650-11-C-1028		(1,297)	(1,297)
<i>Pass-Through from Lockheed Martin Corporation</i>		PO# XH3583790E		52,625	52,625
<i>Pass-Through from Lynntech, Inc.</i>		21016		63,122	63,122
<i>Pass-Through from Lynntech, Inc.</i>		M1502803		49,206	49,206
<i>Pass-Through from Lynntech, Inc.</i>		M1503044		25,184	25,184
<i>Pass-Through from Massachusetts Institute of Technology</i>		5710003842		160,522	160,522
<i>Pass-Through from Massachusetts Institute of Technology</i>		5710004048		60,405	60,405
<i>Pass-Through from National Center for Defense Manufacturing and Machining</i>		FA8650-12-2-7230	54,657	337,249	391,906
<i>Pass-Through from National Central University</i>		107097		(892)	(892)
<i>Pass-Through from National Central University</i>		110501		81,364	81,364
<i>Pass-Through from New York University</i>		F4359-01 PO UW829980		83,800	83,800
<i>Pass-Through from Northrop Grumman Corporation</i>		2859431		52,709	52,709
<i>Pass-Through from Northrop Grumman Corporation</i>		FA8803-05-0-0001		314,379	314,379
<i>Pass-Through from Northwestern University</i>		SP0022325- PROJ0007152 2W/EXT		278,218	278,218
<i>Pass-Through from Northwestern University</i>		SP0022325- PROJ0007152 LOA		(11)	(11)
<i>Pass-Through from Numerica Corporation</i>		1206-000-01		16,347	16,347
<i>Pass-Through from Ohio Aerospace Institute</i>		M1503795		84,359	84,359
<i>Pass-Through from Ohio State University</i>		60036546 PO RF01301949		11,437	11,437
<i>Pass-Through from Ohio State University</i>		60052491 PO RF01423516		79,003	79,003
<i>Pass-Through from Ohio State University</i>		RF01344603		8,160	8,160
<i>Pass-Through from Old Dominion University Research Foundation</i>		16-138-300345-010		20,720	20,720
<i>Pass-Through from Omega Optics, Inc.</i>		UTA14-000195		1	1
<i>Pass-Through from Pacific Defense Solutions</i>		C0810		(431)	(431)
<i>Pass-Through from Physics, Materials, and Applied Mathematics Research, LLC</i>		8045-S1		43,302	43,302
<i>Pass-Through from Physics, Materials, and Applied Mathematics Research, LLC</i>		8046-S1		73,586	73,586
<i>Pass-Through from Physics, Materials, and Applied Mathematics Research, LLC</i>		M1602121		15,636	15,636
<i>Pass-Through from Southwest Research Institute</i>		B99076BT		30,857	30,857
<i>Pass-Through from Spectral Energies, LLC</i>		SB1317-001-1		(25,092)	(25,092)
<i>Pass-Through from Stanford University</i>		60803373-114411		364,428	364,428
<i>Pass-Through from State University of New York Binghamton</i>		FA9550-12-1-0077		333,766	333,766
<i>Pass-Through from Stratays Incorporated</i>		GIT 129247		13,019	13,019
<i>Pass-Through from Technical Data Analysis, Inc.</i>		2039-001-01		19,994	19,994
<i>Pass-Through from Technology Service Corporation</i>		TSC-1054-40017		28,606	28,606
<i>Pass-Through from Technology Service Corporation</i>		TSC-1064-40066		18,671	18,671
<i>Pass-Through from Texas Research Institute Austin, Inc.</i>		F7407-14-SC1556		4,235	4,235
<i>Pass-Through from UES, Inc.</i>		S-875-203-002		2,070	2,070
<i>Pass-Through from Universal Technology Corporation</i>		14-S7405-16-C1		95,314	95,314

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from Universal Technology Corporation</i>		15-S2606-04-C31		14,732	14,732
<i>Pass-Through from Universal Technology Corporation</i>		15-S7407-14-CI		29,306	29,306
<i>Pass-Through from Universal Technology Corporation</i>		15-S7412-08-C1		77,724	77,724
<i>Pass-Through from Universal Technology Corporation</i>		FA8650-11-D-5800		4,682	4,682
<i>Pass-Through from Universal Technology Corporation</i>		SUB 15-S7412-09-C1		25,553	25,553
<i>Pass-Through from University of Akron</i>		TEES-535030		134,608	134,608
<i>Pass-Through from University of Akron</i>		TEES-540333		66,151	66,151
<i>Pass-Through from University of Akron</i>		TEES-540781		1,104	1,104
<i>Pass-Through from University of Alabama - Tuscaloosa</i>		FA9550-14-1-0227		72,129	72,129
<i>Pass-Through from University of Arizona</i>		226258		116,428	116,428
<i>Pass-Through from University of Colorado</i>		1552153		128,837	128,837
<i>Pass-Through from University of Colorado - Boulder</i>		1549565		13,002	13,002
<i>Pass-Through from University of Dayton Research Institute</i>		RSC14027		66,569	66,569
<i>Pass-Through from University of Dayton Research Institute</i>		RSC15078		31,424	31,424
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		FA9550-14-1-0101		66,851	66,851
<i>Pass-Through from University of Maryland</i>		FA86501426D16		12,184	12,184
<i>Pass-Through from University of Maryland - College Park</i>		PRIME: FA9550-14-1-0019		444,530	444,530
<i>Pass-Through from University of Michigan</i>		3002498055		1,258	1,258
<i>Pass-Through from University of Michigan</i>		3002498055 3		93,603	93,603
<i>Pass-Through from University of Michigan</i>		3003832420		52,287	52,287
<i>Pass-Through from University of Michigan</i>		3003932306		50,216	50,216
<i>Pass-Through from University of North Carolina - Charlotte</i>		20100669-02-UTA		121,787	121,787
<i>Pass-Through from University of Pittsburgh</i>		49297		41,689	41,689
<i>Pass-Through from University of Southern California</i>		34272240		19,808	19,808
<i>Pass-Through from University of Washington</i>		757225/UWSC7426		57,994	57,994
<i>Pass-Through from Utah State University</i>		8000002168		85,126	85,126
<i>Pass-Through from Virginia Polytechnic Institute</i>		450321-19093		73,732	73,732
<i>Pass-Through from William Marsh Rice University</i>		FA9550-12-1-0035		124,080	124,080
Total - CFDA 12.800			1,658,488	18,148,213	19,806,701
Language Grant Program	12.900			72,006	72,006
Mathematical Sciences Grants Program	12.901			179,171	179,171
<i>Pass-Through from Mathematical Association of America</i>		205481		1,000	1,000
Total - CFDA 12.901			0	180,171	180,171
Information Security Grants	12.902			249,397	249,397
<i>Pass-Through from Carnegie Mellon University</i>		1130172-326101		70,983	70,983
<i>Pass-Through from Mississippi State University</i>		193500.360648.01		25,593	25,593
Total - CFDA 12.902			0	345,973	345,973
Research and Technology Development	12.910		296,788	5,720,169	6,016,957
<i>Pass-Through from Baylor College of Medicine</i>		N66001-14-1-402		227	227
<i>Pass-Through from Boeing Company</i>		972614		146,392	146,392
<i>Pass-Through from California Institute of Technology</i>		68A-1093709		51,691	51,691
<i>Pass-Through from Creatv MicroTech, Inc.</i>		W911NF-14-C-0098		40,233	40,233
<i>Pass-Through from Kestrel Institute</i>		15-C-0007-UT-AUSTIN		199,594	199,594
<i>Pass-Through from Lynntech, Inc.</i>		C4880		23	23
<i>Pass-Through from Michigan State University</i>		RC104707-UTA		122,410	122,410
<i>Pass-Through from MSI STEM Research & Development Consortium</i>		W911SR-14-2-0001		180,414	180,414
<i>Pass-Through from National Energetics</i>		12-63-PULSE-FP014		416,923	416,923
<i>Pass-Through from Northwestern University</i>		SP0020412-PROJ000516		98,552	98,552
<i>Pass-Through from Purdue University</i>		4104-56056		1,304	1,304
<i>Pass-Through from Queens College</i>		FA8750-13-2-0041		66,711	66,711

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Defense (continued)					
<i>Pass-Through from SRI International</i>		123-000023		(6)	(6)
<i>Pass-Through from SRI International</i>		FA8750-14-C-0005		161,168	161,168
<i>Pass-Through from State University of New York at Buffalo</i>		1128476/3/73066		57,236	57,236
<i>Pass-Through from Teledyne Scientific and Imaging, LLC</i>		2PO00101737 4T087		55,527	55,527
<i>Pass-Through from University of Minnesota</i>		A003571419		81,727	81,727
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5055068		87,712	87,712
<i>Pass-Through from Zyvex Corporation</i>		FA8650-15-C-7542		161,483	161,483
Total - CFDA 12.910			296,788	7,649,490	7,946,278
Total - U.S. Department of Defense			10,626,296	213,521,388	224,147,684
Central Intelligence Agency					
Central Intelligence Agency	13.XXX	012215		10,029	10,029
		M1501049		60,354	60,354
		M1601741		9,600	9,600
Total - CFDA 13.XXX			0	79,983	79,983
Total - Central Intelligence Agency			0	79,983	79,983
U.S. Department of Housing and Urban Development					
U.S. Department of Housing and Urban Development	14.XXX				
<i>Pass-Through from Lower Manhattan Development Corporation</i>		9974		48,420	48,420
General Research and Technology Activity	14.506			152,770	152,770
Transformation Initiative Research Grants: Sustainable Community Research Grant Program	14.523			28,684	28,684
Healthy Homes Technical Studies Grants	14.906			49,425	131,571
Total - U.S. Department of Housing and Urban Development			49,425	361,445	410,870
U.S. Department of the Interior					
U.S. Department of the Interior	15.XXX	E13PC00017	9,990	5,285	15,275
		E16PC00001		69,227	69,227
		F13PC00013		33,878	33,878
		M10PC00091		42,571	42,571
		P11AC91270 MOD2		44,489	44,489
		P11PX15710		12,947	12,947
		P13AC01159		2,762	2,762
		P14AC01691		1,961	1,961
		P14AC01788		62,282	62,282
<i>Pass-Through from Stratus Consulting</i>		S183-3S-1931 S183- 041		(6)	(6)
Total - CFDA 15.XXX			9,990	275,396	285,386
Cultural and Paleontological Resources Management	15.224			18,587	18,587
Recreation Resource Management	15.225			11,657	11,657
Wild Horse and Burro Resource Management	15.229			8,018	8,018

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of the Interior (continued)					
Wildland Fire Research and Studies	15.232			21,141	21,141
<i>Pass-Through from National Wild Turkey Federation</i>		L13AC00117		77,563	77,563
Total - CFDA 15.232			0	98,704	98,704
Rangeland Resource Management	15.237				
<i>Pass-Through from Grazing Land Management Systems, Inc.</i>		D13PC00077		39,845	39,845
Challenge Cost Share	15.238			1,516	1,516
Science and Technology Projects Related to Coal Mining and Reclamation	15.255			80,821	80,821
Alaska Coastal Marine Institute	15.421		13,482	174,870	188,352
Bureau of Ocean Energy Management (BOEM) Environmental Studies (ES)	15.423		307,028	349,412	656,440
<i>Pass-Through from University of Alaska</i>		UAF-12-0028	12,450	13,995	26,445
Total - CFDA 15.423			319,478	363,407	682,885
Coastal Impact Assistance Program (CIAP)	15.426			32,340	32,340
<i>Pass-Through from Houston Advanced Research Center</i>		CITP07-TALR0212		278	278
<i>Pass-Through from Houston Advanced Research Center</i>		CITP08-TAMUK0113A		211,816	211,816
<i>Pass-Through from Houston Advanced Research Center</i>		CITP08-TAMUK0113B		683	683
<i>Pass-Through from Houston Advanced Research Center</i>		CITP08-TAMUK0113C		13,709	13,709
<i>Pass-Through from Houston Advanced Research Center</i>		CITP0910-		61,563	61,563
<i>Pass-Through from Houston Advanced Research Center</i>		CITP0910-IRNR0613B		148,540	148,540
<i>Pass-Through from Houston Advanced Research Center</i>		CITP0910-TALR0513		52,158	52,158
<i>Pass-Through from Houston Advanced Research Center</i>		CITP0910-		39,517	39,517
		TAMUK0513A			
<i>Pass-Through from Houston Advanced Research Center</i>		CITP0910-		105,228	105,228
		TAMUK0513B			
Total - CFDA 15.426			0	665,832	665,832
Safety and Environmental Enforcement Research and Data Collection for Offshore Energy and Mineral Activities	15.441			1,337,568	1,337,568
<i>Pass-Through from CSI Technologies, LLC</i>		E14PC0037		11,515	11,515
Total - CFDA 15.441			0	1,349,083	1,349,083
Water Desalination Research and Development	15.506			132,230	132,230
<i>Pass-Through from Kii, Inc.</i>		002		1,121	1,121
<i>Pass-Through from University of Arizona</i>		187914		4,834	4,834
Total - CFDA 15.506			0	138,185	138,185
Water SMART (Sustaining and Manage America's Resources for Tomorrow)	15.507				
<i>Pass-Through from El Paso Water Utilities Public Service Board</i>		CERRO001-2014/2015		6,783	6,783
Cultural Resources Management	15.511			19,780	19,780
Desert and Southern Rockies Landscape Conservation Cooperatives	15.557		17,797	67,914	85,711
SECURE Water Act - Research Agreements	15.560			5,560	5,560

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of the Interior (continued)					
Fish and Wildlife Management Assistance <i>Pass-Through from Gulf States Marine Fisheries Commission</i>	15.608	FWS-800-037-2016- SFASU		24,910 364	24,910 364
Total - CFDA 15.608			0	25,274	25,274
Wildlife Restoration and Basic Hunter Education	15.611			273,556	273,556
Coastal Wetlands Planning, Protection and Restoration	15.614			5,761	5,761
Cooperative Endangered Species Conservation Fund <i>Pass-Through from State of Louisiana</i>	15.615	U513105899.513		371,729 22,522	371,729 22,522
Total - CFDA 15.615			0	394,251	394,251
Multistate Conservation Grant	15.628			29,041	29,041
Coastal	15.630			10,000	10,000
Partners for Fish and Wildlife	15.631			43,404	43,404
State Wildlife Grants <i>Pass-Through from Humboldt State University Sponsored Programs Foundation</i>	15.634	SRS REF# M1503067	(2,849)	949,154 16,090	946,305 16,090
<i>Pass-Through from South Carolina Department of Natural Resources</i>		scdnr-fy-2015-010		7,131	7,131
<i>Pass-Through from State of Louisiana</i>		2000173589		5,196	5,196
<i>Pass-Through from State of Louisiana</i>		CFMS 728593		45,939	45,939
Total - CFDA 15.634			(2,849)	1,023,510	1,020,661
Migratory Bird Joint Ventures <i>Pass-Through from American Bird Conservancy</i>	15.637	1232B		17,484 57,632	17,484 57,632
Total - CFDA 15.637			0	75,116	75,116
Wildlife Without Borders-Mexico	15.641			5,938	5,938
Marine Turtle Conservation Fund	15.645			7,115	7,115
Research Grants (Generic) <i>Pass-Through from Lynntech, Inc.</i>	15.650	SRS REF M1502371		42,087 71,017	42,087 71,017
Total - CFDA 15.650			0	113,104	113,104
Invasive Species	15.652			40,167	40,167
Migratory Bird Monitoring, Assessment and Conservation	15.655			97,636	97,636
Endangered Species Conservation - Recovery Implementation Funds	15.657			52,239	52,239
National Fish and Wildlife Foundation <i>Pass-Through from National Fish and Wildlife Foundation</i>	15.663	0104.13.040537		17,259	17,259
Coastal Impact Assistance <i>Pass-Through from Cameron County</i>	15.668	Contract#2012C06204	25,523	830,581 88	856,104 88
<i>Pass-Through from The Nature Conservancy</i>		TXFO 03 0714 1		69,322	69,322
<i>Pass-Through from The Nature Conservancy</i>		TXFO0307141 & TXFO042715-1		77,440	77,440
<i>Pass-Through from UMIAQ</i>		10-CIAP-025		440,754	440,754
Total - CFDA 15.668			25,523	1,418,185	1,443,708

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of the Interior (continued)					
Cooperative Landscape Conservation	15.669		35,492	200,560	236,052
<i>Pass-Through from Wildlife Management Institute, Inc.</i>		GCP LCC 2015-01		38,625	38,625
<i>Pass-Through from Wildlife Management Institute, Inc.</i>		GCP LCC 2015-02		40,000	40,000
<i>Pass-Through from Wildlife Management Institute, Inc.</i>		GCPLCC 2013-04		26,250	26,250
Total - CFDA 15.669			35,492	305,435	340,927
Adaptive Science	15.670			62,250	62,250
Assistance to State Water Resources Research Institutes	15.805			117,385	117,385
Earthquake Hazards Program Assistance	15.807			121,260	121,260
U.S. Geological Survey_ Research and Data Collection	15.808			298,521	298,521
National Cooperative Geologic Mapping	15.810			153,460	153,460
Cooperative Research Units	15.812			296,327	296,327
National Land Remote Sensing_Education Outreach and Research	15.815			24,739	24,739
National Geospatial Program: Building the National Map	15.817		24,885	13,012	37,897
Energy Cooperatives to Support the National Coal Resources Data System (NCRDS)	15.819			14,999	14,999
National Climate Change and Wildlife Science Center	15.820				
<i>Pass-Through from Oklahoma State University</i>		2-510780.TAMU		15,799	15,799
<i>Pass-Through from University of Oklahoma</i>		2014-16		22,047	22,047
<i>Pass-Through from University of Oklahoma</i>		2015-30		51,078	51,078
<i>Pass-Through from University of Oklahoma</i>		2015-31		55,632	55,632
<i>Pass-Through from University of Oklahoma</i>		2016-07 /		78,319	78,319
<i>Pass-Through from University of Oklahoma</i>		2016-40		27,001	27,001
<i>Pass-Through from University of Oklahoma</i>		G12AC00002 SUB		116,445	116,445
<i>Pass-Through from University of Oklahoma</i>		2012-30			
Total - CFDA 15.820			0	366,321	366,321
Outdoor Recreation_Acquisition, Development and Planning	15.916			9,965	9,965
National Center for Preservation Technology and Training	15.923			48,406	48,406
American Battlefield Protection	15.926			22,730	22,730
Natural Resource Stewardship	15.944			4,609	4,609
<i>Pass-Through from World Wildlife Foundation</i>		P14AC01243		3,390	3,390
Total - CFDA 15.944			0	7,999	7,999
Cooperative Research and Training Programs - Resources of the National Park System	15.945		8,702	487,166	495,868
National Park Service Conservation, Protection, Outreach, and Education	15.954			15,492	15,492
Total - U.S. Department of the Interior			452,500	9,322,981	9,775,481

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Justice					
U.S. Department of Justice	16.XXX	1321021316851030LN CE		72,536	72,536
		DJF-15-1200-P- 0001932 CLIN 0001		256,261	256,261
		DJF-15-1200-P- 0001932 CLIN 0002		488,388	488,388
		DJF-15-1200-P- 0001932 CLIN 0004		493,792	493,792
		DJF-15-1200-P- 0001932 CLIN 0005		93,194	93,194
		DJF-15-1200-P- 0001932 CLIN 0006		638,848	638,848
		DJF-15-1200-P- 001932 CLIN 0007		16,945	16,945
		DJF-15-1200-P- 001932 CLIN 0008		127,768	127,768
		DJF-15-1200-V -00097	321,924	196,458	518,382
		DJF-15-1200-V- 0010476	23,422	41,287	64,709
		FBI-13-UNTHSC-001		92,504	92,504
		FBI-16-UNTHSC-002 LETTER #151000168 SLIN 001		7,093	7,093
<i>Pass-Through from Concurrent Technologies</i>				304,743	304,743
<i>Pass-Through from Concurrent Technologies</i>		LETTER #151000168 SLIN 002		26,065	26,065
<i>Pass-Through from Roger Williams University</i>		2015063466		1,103	1,103
Total - CFDA 16.XXX			345,346	2,856,985	3,202,331
Community Relations Service	16.200		5,581	26,000	31,581
Promoting Evidence Integration in Sex Offender Management Discretionary Grant Program	16.203				
<i>Pass-Through from Fairleigh Dickinson University</i>		DOJ0009-01		1,554	1,554
Part E - Developing, Testing and Demonstrating Promising New Programs	16.541			158,201	158,201
<i>Pass-Through from John Hopkins University</i>		8000001981		14,581	14,581
Total - CFDA 16.541			0	172,782	172,782
Missing Children's Assistance	16.543				
<i>Pass-Through from Fox Valley Technical College</i>		D2016016026		26,055	26,055
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		41,786	7,290,164	7,331,950
<i>Pass-Through from Arizona State University</i>		270490	47,393	99,293	146,686
<i>Pass-Through from Flashscan3D</i>		2014-IJ-CX-K003		65,456	65,456
<i>Pass-Through from Missouri State University</i>		15203-001		33,300	33,300
<i>Pass-Through from University of Colorado</i>		270280		1,238	1,238
Total - CFDA 16.560			89,179	7,489,451	7,578,630
Criminal Justice Research and Development_Graduate Research Fellowships	16.562			184,029	184,029
Crime Victim Assistance/Discretionary Grants	16.582				
<i>Pass-Through from Lone Star Legal Aid</i>		7484-1 2012-VF-GX- 2019		4,952	4,952

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Justice (continued)					
Juvenile Mentoring Program	16.726			91,629	91,629
DNA Backlog Reduction Program	16.741			545,355	545,355
Edward Byrne Memorial Competitive Grant Program <i>Pass-Through from Institute for Intergovernmental Research</i>	16.751	8000002167	63,565	4,512,797	4,576,362
Byrne Criminal Justice Innovation Program	16.817			71,380	71,380
Girls in the Juvenile Justice System	16.830			27,683	27,683
Total - U.S. Department of Justice			503,671	16,010,652	16,514,323
U.S. Department of Labor					
U.S. Department of Labor	17.XXX	DOL-ETA-14-C-0022 DOL-OPS-15-P-00239 UTA13-000870		96,135 10,463 169,582	96,135 10,463 169,582
<i>Pass-Through from Aspen Institute</i>					
Total - CFDA 17.XXX			0	276,180	276,180
Employment Service/Wagner-Peyser Funded Activities <i>Pass-Through from Arlington Chamber of Commerce Foundation, Inc.</i>	17.207	0516WPB000		128,661 31,636	128,661 31,636
Total - CFDA 17.207			0	160,297	160,297
H-1B Job Training Grants	17.268			31,435	31,435
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants <i>Pass-Through from Austin Community College</i>	17.282			24,571	24,571
<i>Pass-Through from Corporation for A Skilled Workforce</i>		2014-2015 UTA14- 000282 31-1-93196 2013-02		34,481	34,481
<i>Pass-Through from Corporation for A Skilled Workforce</i>		2013-15 / UTA13- 000825		36,379	36,379
Total - CFDA 17.282			0	95,431	95,431
Workforce Innovation Fund <i>Pass-Through from Jobs for the Future</i>	17.283	UTA12-001153		73,597	73,597
Occupational Safety and Health_Susan Harwood Training	17.502			92,975	92,975
Total - U.S. Department of Labor			0	729,915	729,915
U.S. Department of State					
Environmental and Scientific Partnerships and Programs	19.017			33,102	33,102
International Programs to Combat Human Trafficking	19.019			137,510	137,510
Investing in People in The Middle East and North Africa	19.021			64,671	64,671
Energy Governance and Reform Programs	19.027		17,500	77,136	94,636
Global Threat Reduction <i>Pass-Through from CRDF Global</i>	19.033	GTR3-15-61257-1		377,167 156,527	377,167 156,527
Total - CFDA 19.033			0	533,694	533,694

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of State (continued)					
Academic Exchange Programs - Scholars	19.401				
<i>Pass-Through from Institute of International Education</i>		3069-TAMU		21,886	21,886
<i>Pass-Through from Institute of International Education</i>		3069-UT-4-1-16		20,057	20,057
<i>Pass-Through from Institute of International Education</i>		S-ECAGD-13-CA-149		73,133	73,133
Total - CFDA 19.401			0	115,076	115,076
General Department of State Assistance	19.700			56,323	56,323
<i>Pass-Through from CRDF Global</i>		GTR2-15-61297-1	31,800	81,856	113,656
Total - CFDA 19.700			31,800	138,179	169,979
Total - U.S. Department of State			49,300	1,099,368	1,148,668
U.S. Department of Transportation					
U.S. Department of Transportation	20.XXX				
<i>Pass-Through from Center for Transportation and the Environment</i>		UTA11-000802 FL-88-0001-00		387	387
<i>Pass-Through from Center for Transportation and the Environment</i>		UTA12-000814		17,091	17,091
<i>Pass-Through from Center for Transportation and the Environment</i>		UTA12-000814 08		3,695	3,695
<i>Pass-Through from Center for Transportation and the Environment</i>		UTA15-001294		129,710	129,710
<i>Pass-Through from KAI, LLC</i>		UTA15-000465		89,374	89,374
<i>Pass-Through from MITRE Corporation</i>		84443	33,342	(11)	33,331
<i>Pass-Through from R.D. Mingo and Associates</i>		DTFH61-13-D-0021-T5008		35,389	35,389
<i>Pass-Through from Transportation Research Board</i>		HR 10-96	14,809	39,054	53,863
<i>Pass-Through from Transportation Research Board</i>		HR 24-41	43,331	101,231	144,562
<i>Pass-Through from University of Alabama</i>		UA16-008		37,121	37,121
Total - CFDA 20.XXX			91,482	453,041	544,523
Airport Improvement Program	20.106				
<i>Pass-Through from Nas - Acrp - Airport Cooperative Research</i>		NAS 150, 13 - ACRP A09-11	1,711	79,051	80,762
<i>Pass-Through from National Academy of Sciences</i>		ACRP A09-10	7,300		7,300
Total - CFDA 20.106			9,011	79,051	88,062
Aviation Research Grants	20.108				
<i>Pass-Through from Nas - Acrp - Airport Cooperative Research</i>		ACRP A01-33 SUB0000840 - NAS150	287,864	403,123	690,987
				5,305	5,305
Total - CFDA 20.108			287,864	408,428	696,292
Air Transportation Centers of Excellence	20.109				
Highway Research and Development Program	20.200				
<i>Pass-Through from American Road and Transportation Builders Association</i>		DTFH61-13-H-00022-A	148,983	105,218	254,201
<i>Pass-Through from American Road and Transportation Builders Association</i>		DTFH61-13-H-00025-A		182,694	182,694
<i>Pass-Through from Applied Pavement Technology, Inc.</i>		WORK AUTHORIZATION 5; 2012-120-RR01		35,633	35,633
				17	17
<i>Pass-Through from Battelle Memorial Institute</i>		US001-0000401794		(91)	(91)
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601206-1		66,791	66,791
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-18		49,615	49,615

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Transportation (continued)					
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-7		8,045	8,045
<i>Pass-Through from California Department of Transportation</i>		65A0401		(45,431)	(45,431)
<i>Pass-Through from California Department of Transportation</i>		65A0526	50,831	45,327	96,158
<i>Pass-Through from California State University - Long Beach</i>		SG175414100-A		52,747	52,747
<i>Pass-Through from Cambridge Systematics</i>		008551 129, NAS 143		6,084	6,084
<i>Pass-Through from Cambridge Systematics</i>		NCHRP 8-36C - 008551.131		34,370	34,370
<i>Pass-Through from Michigan Department of Transportation</i>		2013-0229		24	24
<i>Pass-Through from Migma Systems, Inc.</i>		P2014683		31,857	31,857
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		HR 14-28, 163511- 1102		204,573	204,573
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		HR 24-45	9,280	105,200	114,480
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		NAS 150, 15 - HR 09- 57		92,898	92,898
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		NAS 150, T.O. #14, HR 17-66	20	127,631	127,651
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		SUB0000237 (HR 01- 52)		66,571	66,571
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		SUB0000237 (HR 17- 58)		69,628	69,628
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		SUB0000273 (HR 07/23)	27,862	136,465	164,327
<i>Pass-Through from National Academy of Sciences</i>		2000005165		12,424	12,424
<i>Pass-Through from National Academy of Sciences</i>		2000005312		136	136
<i>Pass-Through from National Academy of Sciences</i>		2000006163		4,000	4,000
<i>Pass-Through from National Academy of Sciences</i>		2000007239		5,125	5,125
<i>Pass-Through from National Academy of Sciences</i>		HR 14-20A / SUB000004	74,511	101,473	175,984
<i>Pass-Through from Oklahoma Department of Transportation</i>		SP&R 2261 CONTR# 3459044628 JP# 01946	6,906		6,906
<i>Pass-Through from Oklahoma Department of Transportation</i>		SP&R 2265 CONTR:3459044731 JP:01946	12,403	697	13,100
<i>Pass-Through from Oklahoma Department of Transportation</i>		SP&R ITEM 2265/CTR#3459048321 /JP01946		40,784	40,784
<i>Pass-Through from Research Foundation of CUNY</i>		49204-J		20,210	20,210
<i>Pass-Through from Transportation Research Board of the National Academies</i>		HR 12-97		84,805	84,805
<i>Pass-Through from University of California - Los Angeles</i>		0159 G RA063 1		(93)	(93)
<i>Pass-Through from University of California - Los Angeles</i>		0159 G RA063 2		75,224	75,224
<i>Pass-Through from University of Michigan - Ann Arbor</i>		SUB 3003298881		52,675	52,675
Total - CFDA 20.200			330,796	1,773,326	2,104,122
Highway Planning and Construction	20.205		159,678	718,649	878,327
<i>Pass-Through from Battelle Memorial Institute</i>		601304-10		125,185	125,185
<i>Pass-Through from Battelle Memorial Institute</i>		601304-11		9,365	9,365
<i>Pass-Through from Battelle Memorial Institute</i>		601304-16		76,681	76,681
<i>Pass-Through from Battelle Memorial Institute</i>		601305-4		2,093	2,093
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-12		35,413	35,413
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-13		3,709	3,709
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-14		6,903	6,903
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-17		135,611	135,611
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-19		26,669	26,669
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-4		54,103	54,103
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-5		65,281	65,281

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Transportation (continued)					
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-6		13,974	13,974
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601305-3		21,922	21,922
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601305-5		41,722	41,722
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601305-7		27,642	27,642
<i>Pass-Through from Cambridge Systematics</i>		008551		289	289
<i>Pass-Through from Cambridge Systematics</i>		008780.008		23,122	23,122
<i>Pass-Through from Cambridge Systematics</i>		008780.009		2,528	2,528
<i>Pass-Through from Cambridge Systematics</i>		140044.001 NAS 143; SUB0004		15,198	15,198
<i>Pass-Through from Cambridge Systematics</i>		M1500610		2,289	2,289
<i>Pass-Through from CH2M Hill, Inc.</i>		10006-7-101058		31,030	31,030
<i>Pass-Through from CH2M Hill, Inc.</i>		10006-7-104029		35,621	35,621
<i>Pass-Through from Colorado Department of Transportation</i>		411002554		1,527	1,527
<i>Pass-Through from Crash Avoidance Metrics Partnership</i>		CAMP0000066/674	34,965	135,122	170,087
<i>Pass-Through from Crash Avoidance Metrics Partnership</i>		CAMP0000172		1,994	1,994
<i>Pass-Through from Fort Bend County</i>		P2012144		(140)	(140)
<i>Pass-Through from Houston - Galveston Area Council</i>		14.0220-02		48,305	48,305
<i>Pass-Through from Houston - Galveston Area Council</i>		M1602268		12,645	12,645
<i>Pass-Through from Iteris, Inc.</i>		D00002-TEX		8,965	8,965
<i>Pass-Through from Kittelson & Associates, Inc.</i>		17763		12,635	12,635
<i>Pass-Through from Leetron Vision</i>		P2012352 SRS#1214356		21,114	21,114
<i>Pass-Through from Leidos, Inc.</i>		10177856		47,575	47,575
<i>Pass-Through from MacroSys, LLC</i>		M1501759		43,001	43,001
<i>Pass-Through from MRIGlobal</i>		681-110950-1		11,218	11,218
<i>Pass-Through from National Academy of Science - National Cooperative Freight Research</i>		NAS 150, TO7, NCFRP-46 SUB00000398		150,322	150,322
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		HR 03-123 - SUB0000833 - NAS 150 TO 25		735	735
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		HR 19-13 - NAS150 TO 27		18,867	18,867
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		HR 20-05(47-05) SUB0000789		21,010	21,010
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		NAS 22; HR 24-43 SUB0000711		145,363	145,363
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		NAS 150 21; HR 05- 21 SUB0000708	16,950	40,032	56,982
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		NAS 150 26 - HR 08- 106 SUB000083		20,676	20,676
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		NAS 150 TO #17; HR 20-05(46-16)		6,771	6,771
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		NAS 150 TO 31 HR 20-07(395) SUB000089		26,992	26,992
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		NAS 150, 24 - HR 20- 07(370)		2,392	2,392
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		NAS 150, #20, HR 03- 117 SUB000005	25,000	178,886	203,886
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		NAS 150, TO #12, HR 09-58	25,000	370,519	395,519
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		NAS 150, TO #16, HR01-53, SUB0000582		14,670	14,670
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		NAS 150, TO 10, HR 03-114	36,296	86,493	122,789

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Transportation (continued)					
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		NCHRP 20-102(1)	75,576	228,874	304,450
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		NCHRP 20-102(6)		2,346	2,346
<i>Pass-Through from National Academy of Sciences - Transit Cooperative Research Program</i>		SUB0000444 / NAS 150, NO.9	26,467	80,574	107,041
<i>Pass-Through from North Central Texas Council of Government</i>		2016-082		46,186	46,186
<i>Pass-Through from North Central Texas Council of Government</i>		DTFH64-15G001030104105106		7,084	7,084
<i>Pass-Through from North Central Texas Council of Government</i>		TRN2215		26,577	26,577
<i>Pass-Through from Ohio Department of Transportation</i>		26923/ #135097	29,447	96,767	126,214
<i>Pass-Through from Ohio Department of Transportation</i>		27125	14,850	537,018	551,868
<i>Pass-Through from Ohio University</i>		UT19078		19,792	19,792
<i>Pass-Through from Oregon Department of Transportation</i>		30240		36,319	36,319
<i>Pass-Through from University of Nebraska - Lincoln</i>		26-1121-4019-002		(4)	(4)
Total - CFDA 20.205			444,229	3,984,221	4,428,450
Highway Training and Education	20.215			302,396	302,396
<i>Pass-Through from Battelle Memorial Institute</i>		601304-8		85,399	85,399
<i>Pass-Through from Battelle Memorial Institute</i>		US001-601304-1		4,749	4,749
<i>Pass-Through from Cambridge Systematics</i>		150040; NAS 143		14,090	14,090
<i>Pass-Through from Georgia Department of Transportation</i>		PEMSL000600311: P.I. 0006311		114,021	114,021
<i>Pass-Through from Midwest Research Institute</i>		578-110811-01		1,477	1,477
<i>Pass-Through from Nas - Transportation Research Board</i>		NAS 150, 03	2,472	44,520	46,992
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		HR 20-07 (344)		852	852
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		NAS 150 TO #11 HR 09-49B		(3,562)	(3,562)
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		SUB0000338 HR-20-59(047)	8,795	3,473	12,268
<i>Pass-Through from National Academy of Science - National Cooperative Highway Research</i>		SUB0000342 HR 15-49		234,664	234,664
<i>Pass-Through from Parker Corporate Enterprises, Inc.</i>		HR 20-06 (02-01)		(13,964)	(13,964)
Total - CFDA 20.215			11,267	788,115	799,382
Motor Carrier Safety Assistance	20.218			107,397	107,397
<i>Pass-Through from University of Michigan - Ann Arbor</i>		3003519732	25,000	318,220	343,220
<i>Pass-Through from University of Michigan - Ann Arbor</i>		DTMC75-14-R-00039\ 3003305465		1,737	1,737
Total - CFDA 20.218			25,000	427,354	452,354
Federal Transit Formula Grants	20.507				
<i>Pass-Through from Fort Bend County</i>		CC 16-03-01 WO 1		8,996	8,996
<i>Pass-Through from Harris County - Texas</i>		1		2,785	2,785
Total - CFDA 20.507			0	11,781	11,781
Public Transportation Research, Technical Assistance, and Training	20.514				
<i>Pass-Through from Fort Bend County</i>		M1500072		14,265	14,265
<i>Pass-Through from National Academy of Sciences - Transit Cooperative Research Program</i>		NAS 150, 9, TCRP H-52; SUB00	45,297	191,179	236,476
<i>Pass-Through from National Academy of Sciences - Transit Cooperative Research Program</i>		NAS 150, 18, G-14 - SUB0000621	38,081	185,473	223,554
Total - CFDA 20.514			83,378	390,917	474,295

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Transportation (continued)					
Capital Assistance Program for Reducing Energy Consumption and Greenhouse Gas Emissions	20.523				
<i>Pass-Through from Center for Transportation and the Environment</i>		UTA12-000559		34,207	34,207
State and Community Highway Safety	20.600			1,678,346	1,678,346
<i>Pass-Through from University of Iowa - Iowa City</i>		1001353180		14,932	14,932
Total - CFDA 20.600			0	1,693,278	1,693,278
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608				
<i>Pass-Through from University of California - Berkeley</i>		008704, SUB TTI 15 BB00514781		49,004	49,004
National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants	20.614				
<i>Pass-Through from Colorado Department of Transportation</i>		M1601237		20,428	20,428
<i>Pass-Through from Nebraska Department of Health and Human Services</i>		M1500081		(1,945)	(1,945)
<i>Pass-Through from Nebraska Department of Health and Human Services</i>		M1600105		24,536	24,536
Total - CFDA 20.614			0	43,019	43,019
National Priority Safety Programs	20.616			1,116,947	1,116,947
University Transportation Centers Program	20.701		296,991	1,837,119	2,134,110
<i>Pass-Through from Knowledge Based Systems, Inc.</i>		M1501577		1,275	1,275
<i>Pass-Through from Michigan State University</i>		RC103194UTA		136,087	136,087
<i>Pass-Through from Rutgers University</i>		5235/4-36362/10223		153,346	153,346
<i>Pass-Through from University of Idaho</i>		KLK-900-SB-003		91,428	91,428
<i>Pass-Through from University of Michigan - Ann Arbor</i>		3002833944		258,970	258,970
<i>Pass-Through from University of New Orleans</i>		8000002113		118	118
<i>Pass-Through from University of Oklahoma</i>		2014-25		95,162	95,162
<i>Pass-Through from University of Oklahoma</i>		(PRIME: DTRT13-G- UTC36)			
<i>Pass-Through from University of Oklahoma</i>		2014-27		119,559	119,559
<i>Pass-Through from University of Oklahoma</i>		2015-18	52,324	53,302	105,626
<i>Pass-Through from University of Oklahoma</i>		DTRT13-G-UTC36		16,293	16,293
<i>Pass-Through from University of South Florida - Tampa</i>		SUB# 2015-17A4			
<i>Pass-Through from University of South Florida - Tampa</i>		#2117-9061-02-A		56,318	56,318
<i>Pass-Through from University of South Florida - Tampa</i>		2117-9062-02-A		93,438	93,438
<i>Pass-Through from University of South Florida - Tampa</i>		2117-9063-02-A		4,778	4,778
<i>Pass-Through from University of Tulsa</i>		14-2-1208346-94802		17,768	17,768
<i>Pass-Through from University of Tulsa</i>		14-2-1208346-94814		17,859	17,859
<i>Pass-Through from University of Wisconsin - Madison</i>		563K754		14,059	14,059
<i>Pass-Through from Western Michigan University</i>		8090-UTA-1		26,822	26,822
<i>Pass-Through from Western Michigan University</i>		8823-UTA-1		51,041	51,041
Total - CFDA 20.701			349,315	3,044,742	3,394,057
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703				
<i>Pass-Through from National Academy of Sciences</i>		HM-18		36,486	36,486
Pipeline Safety Research Competitive Academic Agreement Program (CAAP)	20.724			53,181	53,181
Transportation Planning, Research and Education	20.931			346,640	346,640
Total - U.S. Department of Transportation			1,640,035	15,145,831	16,785,866

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of the Treasury					
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015			239,935	239,935
Total - U.S. Department of the Treasury			0	239,935	239,935
Office of Personnel Management					
Intergovernmental Personnel Act (IPA) Mobility Program	27.011			436,693	436,693
Total - Office of Personnel Management			0	436,693	436,693
General Services Administration					
Donation of Federal Surplus Personal Property	39.003			7,674	7,674
Total - General Services Administration			0	7,674	7,674
Library of Congress					
Library of Congress	42.XXX	CRS 14-08 CRS 15-07		1,466 5,066	1,466 5,066
Total - CFDA 42.XXX			0	6,532	6,532
Total - Library of Congress			0	6,532	6,532
National Aeronautics and Space Administration					
National Aeronautics and Space Administration	43.XXX	1532982 201601650-001 2016-25668 5K23HD069521-03 CA00004 NASA-28G / NNX15AE28G NCC95849/CA02701 NND15SA85B NNG12VI01C NNJ13ZA04P NNL14AA00C NNL14AA00C NNL15AB14T NNL14AA00C NNL15AB95T NNL14AA00C NNL15AB97T NNL15AA0BC NNX08AW08G NNX09AM08G NNX09AM51A NNX10AC68G NNX10AT02G NNX10AT57A		28,102 19,559 800 19,879 74,539 127,219 286,395 143,322 569,758 88,854 364,392 10,566 117,146 1,970,406 273,757 688 13,853 159 5,480 140,639 128,483	28,102 19,559 800 19,879 74,539 127,219 286,395 253,929 569,758 88,854 399,363 10,566 117,146 1,970,406 273,757 688 13,853 159 5,480 140,639 128,483

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
National Aeronautics and Space Administration (continued)					
		NNX11AJ73G		62,792	62,792
		NNX12AG09G		80,573	80,573
		NNX14AC76G		365,648	365,648
		NNX15AP25G		3,290	3,290
<i>Pass-Through from Advanced Magnet Lab</i>		108653		(367)	(367)
<i>Pass-Through from Advanced Magnet Lab</i>		110721		40,039	40,039
<i>Pass-Through from Arizona State University</i>		15-705		24,359	24,359
<i>Pass-Through from Atmospheric and Environmental Research, Inc.</i>		P2026-001		7,804	7,804
<i>Pass-Through from Balcones Technologies, LLC</i>		UTA13-000810		57,255	57,255
<i>Pass-Through from Boeing Company</i>		785051		11,595	11,595
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1360670		20,855	20,855
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1405316 1		56,452	56,452
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1427884		4,217	4,217
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1450036		32,149	32,149
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1454813		(42)	(42)
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1464593		149	149
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1478584		1,260	1,260
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1478584 02		1,556,415	1,556,415
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1479726		95,502	95,502
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1487811		88	88
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1491844		33,850	33,850
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1500179		79,282	79,282
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1512634		(1)	(1)
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1514075		17,324	17,324
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1515281		13,963	13,963
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1515281 LOA T LARSON		2,566	2,566
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1515303		2,249	2,249
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1518949		19,317	19,317
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1521160		8,335	8,335
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1521161		9,548	9,548
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1521162		6,530	6,530
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1521445		8,261	8,261

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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>		1522906		4,444	4,444
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1525948		6,770	6,770
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1525949		25,651	25,651
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1530657		9,998	9,998
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1531220		49,633	49,633
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1531262 SWA	128,192	461,897	590,089
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1532370		22,924	22,924
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1535726		3,402	3,402
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1535910		25,877	25,877
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1537314		42,110	42,110
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1538288		9,583	9,583
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1538289		19,500	19,500
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1538825		4,320	4,320
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1540361		1,532	1,532
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1542005		656	656
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1542006		6,497	6,497
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1542412		4,910	4,910
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1543389		22,794	22,794
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1544186		5,017	5,017
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1544189		1,120	1,120
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1544413		17,166	17,166
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1546195		3,353	3,353
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		1551021		9,070	9,070
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		RSA 1510016		1,091	1,091
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		RSA 1515297		3,983	3,983
<i>Pass-Through from California Institute of Technology Jet Propulsion Lab</i>		RSA 1552339		3,742	3,742
<i>Pass-Through from Colorado State University</i>		HHSN276201100-007C		(484)	(484)
<i>Pass-Through from Intelligent Optical Systems, Inc.</i>		GN0007359		31,236	31,236
<i>Pass-Through from Jacobs Technology, Inc.</i>		HBCU-BOA-1001		963,879	963,879
<i>Pass-Through from Jet Propulsion Laboratory</i>		1506453		12,188	12,188

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
National Aeronautics and Space Administration (continued)					
<i>Pass-Through from Johns Hopkins University Applied Physics Laboratory</i>		122578		89,859	89,859
<i>Pass-Through from Kestrel Technology LLC</i>		KT-AA07C-TTU		49,287	49,287
<i>Pass-Through from Lockheed Martin Corporation</i>		7200004829	467,460	26,459	493,919
<i>Pass-Through from Massachusetts Institute of Technology</i>		5710004088		43,815	43,815
<i>Pass-Through from NASA - Jet Propulsion Lab - Pasadena, Ca</i>		1515315		20,209	20,209
<i>Pass-Through from NASA - Jet Propulsion Lab - Pasadena, Ca</i>		1521569		30,818	30,818
<i>Pass-Through from NASA - Jet Propulsion Lab - Pasadena, Ca</i>		1529750		59,038	59,038
<i>Pass-Through from NASA - Jet Propulsion Lab - Pasadena, Ca</i>		1536793-B		15,260	15,260
<i>Pass-Through from NASA - Jet Propulsion Lab - Pasadena, Ca</i>		1542413-B		1,699	1,699
<i>Pass-Through from NASA - Jet Propulsion Lab - Pasadena, Ca</i>		RSA 1466427		2,243	2,243
<i>Pass-Through from NASA - Jet Propulsion Lab - Pasadena, Ca</i>		RSA 1485903		5,151	5,151
<i>Pass-Through from National Institute of Aerospace</i>		T13-6500-UTEX TO 6528-UTEX		145	145
<i>Pass-Through from National Space Grant Foundation</i>		3291-4952		1,564	1,564
<i>Pass-Through from Omega Optics, Inc.</i>		UTA15-000617		95,567	95,567
<i>Pass-Through from Science Applications International Corporation</i>		NNJ13RA01B		8,035	8,035
<i>Pass-Through from Science Systems and Applications, Inc.</i>		21101-15-020 - CR G- 006		24,524	24,524
<i>Pass-Through from Southwest Research Institute</i>		1415FC0036 Mod3		(2,441)	(2,441)
<i>Pass-Through from Southwest Research Institute</i>		H75222VS		19,897	19,897
<i>Pass-Through from Southwest Research Institute</i>		J99060MEC		6,828	6,828
<i>Pass-Through from Space Telescope Science Institute</i>		HST-AR-12836004-A		38,620	38,620
<i>Pass-Through from Space Telescope Science Institute</i>		HST-AR-13269.05-A		1,324	1,324
<i>Pass-Through from Space Telescope Science Institute</i>		HST-AR-1327602-A		47,436	47,436
<i>Pass-Through from Space Telescope Science Institute</i>		HST-AR-13888006-A		585	585
<i>Pass-Through from Space Telescope Science Institute</i>		HST-AR-13896009-A		3,318	3,318
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-1250604-A		11,471	11,471
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-1287902		255	255
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-12880.006-A		31,987	31,987
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-12896.001-A		5,005	5,005
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13019.02-A		170	170
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13334.004-A		118	118
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13334003-A		5,966	5,966
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13335.005-A		48,361	48,361
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13376012-A		94,007	94,007
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13647.005-A		16,952	16,952
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13650-009-A		15,324	15,324
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13678.007-A		118	118
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13678002-A		6,982	6,982
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13717.001-A		15,500	15,500
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13735.001-A		5,318	5,318
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13736003-A		575	575
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13750012-A		29,354	29,354
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13765.008-A		17,590	17,590
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13779022-A		18,862	18,862
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13804006-A		1,261	1,261
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-13856.005-A		37,036	37,036
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-14139.001-A		6,500	6,500
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-14227.001-A		19,619	19,619
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-14259.01-A		8,276	8,276
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-14450.001-A		16,791	16,791
<i>Pass-Through from The Aerospace Corporation</i>		NNX16AH46G		17,284	17,284
<i>Pass-Through from United Negro College Fund</i>		NNX13AK89A		7,566	7,566
<i>Pass-Through from Universities Space Research Association</i>		04555-018 1		16,364	16,364

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
National Aeronautics and Space Administration (continued)					
<i>Pass-Through from Universities Space Research Association</i>		04555-O18		423	423
<i>Pass-Through from Universities Space Research Association</i>		NAS2-97001 UTA14-000015		96	96
<i>Pass-Through from Universities Space Research Association</i>		NAS2-97001 UTA14-000174		407	407
<i>Pass-Through from Universities Space Research Association</i>		NAS2-97001SOFO048		48,749	48,749
<i>Pass-Through from Universities Space Research Association</i>		SOF 04-0073GreenNAS2-97001		860	860
<i>Pass-Through from Universities Space Research Association</i>		SOF 04-0146GreenNAS2-97001		5,512	5,512
<i>Pass-Through from University Space Research Association</i>		NAS2-97001		9,047	9,047
<i>Pass-Through from Wyle Laboratories</i>		NAS902078		4,427	4,427
<i>Pass-Through from Wyle Laboratories</i>		NNJ15HK11B		9,377	9,377
<i>Pass-Through from Wyle Laboratories</i>		W11AG83012		(1,851)	(1,851)
Total - CFDA 43.XXX			741,230	9,900,011	10,641,241
Science	43.001		1,112,345	9,422,830	10,535,175
<i>Pass-Through from Astronomical Society of the Pacific</i>		CNV14-166		2,574	2,574
<i>Pass-Through from Boise State University</i>		6445-B		5,863	5,863
<i>Pass-Through from California Institute of Technology</i>		65P-1094260		26,853	26,853
<i>Pass-Through from Center for the Advancement of Science in Space</i>		C5700		(773)	(773)
<i>Pass-Through from Center for the Advancement of Science in Space</i>		GA-2015-211		42,932	42,932
<i>Pass-Through from Columbia University</i>		1GG006669		16,907	16,907
<i>Pass-Through from George Mason University</i>		E2030522		(1,367)	(1,367)
<i>Pass-Through from Georgia Tech Research Corporation</i>		RG016-G1		41,352	41,352
<i>Pass-Through from HJ Science & Technology, Inc.</i>		NNX13CP49C-1		(134)	(134)
<i>Pass-Through from Jacobs Technology, Inc.</i>		8000002248		63,606	63,606
<i>Pass-Through from Jacobs Technology, Inc.</i>		8000002254		441	441
<i>Pass-Through from Jacobs Technology, Inc.</i>		8000002284		176,866	176,866
<i>Pass-Through from Jacobs Technology, Inc.</i>		8000002285		95,276	95,276
<i>Pass-Through from Jacobs Technology, Inc.</i>		8000002286		177,692	177,692
<i>Pass-Through from Jacobs Technology, Inc.</i>		8000002371		144	144
<i>Pass-Through from Jacobs Technology, Inc.</i>		8000002372		93	93
<i>Pass-Through from Jacobs Technology, Inc.</i>		8000002512		7,780	7,780
<i>Pass-Through from Jacobs Technology, Inc.</i>		8000002587		7,382	7,382
<i>Pass-Through from Jacobs Technology, Inc.</i>		8000002589		7,966	7,966
<i>Pass-Through from Johns Hopkins University</i>		128769		2,453	2,453
<i>Pass-Through from Johns Hopkins University Applied Physics Laboratory</i>		129217		73,479	73,479
<i>Pass-Through from Lynntech, Inc.</i>		1502910		125,458	125,458
<i>Pass-Through from Lynntech, Inc.</i>		M1503445		19,639	19,639
<i>Pass-Through from National Space Biomedical Research Institute</i>		CA03801		390	390
<i>Pass-Through from National Space Biomedical Research Institute</i>		NCC958203		106,465	106,465
<i>Pass-Through from Northeastern University</i>		505015-78050		19,718	19,718
<i>Pass-Through from Nuvue Therapeutics</i>		09660-12-A-1		184,939	184,939
<i>Pass-Through from Nuvue Therapeutics</i>		09660-12-A-2 / NNJ11HE31A		94,861	94,861
<i>Pass-Through from Nuvue Therapeutics</i>		NNJ11HE31A		75,030	75,030
<i>Pass-Through from Nuvue Therapeutics</i>		NNJ16GU04A		6,037	6,037
<i>Pass-Through from Ohio State University</i>		60039639		50,135	50,135
<i>Pass-Through from Oregon State University</i>		NS270A-A		7,162	7,162

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
National Aeronautics and Space Administration (continued)					
<i>Pass-Through from Paragon Tec, Inc.</i>		051711		5,632	5,632
<i>Pass-Through from Pennsylvania State University</i>		5080-TAMU-NASA-M37G		102,402	102,402
<i>Pass-Through from Physics, Materials, and Applied Mathematics Research, LLC</i>		8043-S1		93,350	93,350
<i>Pass-Through from Privatran, LLC</i>		SRS REF M1303258		37	37
<i>Pass-Through from Privatran, LLC</i>		SRS REF M1402529		3,221	3,221
<i>Pass-Through from Purdue University</i>		4103-51247		1,504	1,504
<i>Pass-Through from SETI Institute</i>		SC3163		14,902	14,902
<i>Pass-Through from Smithsonian Astrophysical Observatory</i>		AR3-14004X		36,434	36,434
<i>Pass-Through from Smithsonian Astrophysical Observatory</i>		G04-15034X		72,552	72,552
<i>Pass-Through from Smithsonian Astrophysical Observatory</i>		G04-15061X		594	594
<i>Pass-Through from Smithsonian Astrophysical Observatory</i>		GO0-11076X		24,766	24,766
		PRIME:NAS			
<i>Pass-Through from Smithsonian Astrophysical Observatory</i>		GO5-16079X		49,154	49,154
<i>Pass-Through from Southwest Research Institute</i>		1 1415FC0087		(13,399)	(13,399)
<i>Pass-Through from Southwest Research Institute</i>		1 1415FC0084		33,903	33,903
<i>Pass-Through from Southwest Research Institute</i>		1 1415GC0079		35,117	35,117
<i>Pass-Through from Southwest Research Institute</i>		1 1415GC0085		34,001	34,001
<i>Pass-Through from Southwest Research Institute</i>		1 1415GC0088		30,496	30,496
<i>Pass-Through from Southwest Research Institute</i>		1415FC0086 - 1		35,141	35,141
<i>Pass-Through from Southwest Research Institute</i>		1415FC0087		13,399	13,399
<i>Pass-Through from Southwest Research Institute</i>		-1415FC0094		35,203	35,203
<i>Pass-Through from Southwest Research Institute</i>		1415GC0080		41,629	41,629
<i>Pass-Through from Southwest Research Institute</i>		1415GC0088		12,980	12,980
<i>Pass-Through from Southwest Research Institute</i>		1415GC0090 - 1		15,582	15,582
<i>Pass-Through from Southwest Research Institute</i>		1415GC0091		34,001	34,001
<i>Pass-Through from Southwest Research Institute</i>		1415NC0095		34,047	34,047
<i>Pass-Through from Southwest Research Institute</i>		B99076BT-H99072MEC		24,875	24,875
<i>Pass-Through from Southwest Research Institute</i>		B99081BT-RANDOL		(11)	(11)
<i>Pass-Through from Southwest Research Institute</i>		H99073MEC		35,143	35,143
<i>Pass-Through from Southwest Research Institute</i>		J99061MEC		3,855	3,855
<i>Pass-Through from Southwest Research Institute</i>		Task1 1415FC0089		35,117	35,117
<i>Pass-Through from Southwest Research Institute</i>		Task1 1415GC0080		27,379	27,379
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-14073008-A		1,309	1,309
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-14232003-A		4,213	4,213
<i>Pass-Through from Space Telescope Science Institute</i>		HST-GO-14257004-A		10,754	10,754
<i>Pass-Through from Tao of Systems Integration, Inc.</i>		11-0662		(342)	(342)
<i>Pass-Through from Tao of Systems Integration, Inc.</i>		M1502845		77,241	77,241
<i>Pass-Through from Universities Space Research Association</i>		02235-06		5,256	5,256
<i>Pass-Through from Universities Space Research Association</i>		09960-22		9,375	9,375
<i>Pass-Through from Universities Space Research Association</i>		NNX15AW48G		2,593	2,593
<i>Pass-Through from Universities Space Research Association</i>		SOF 03-0033 Green		2,999	2,999
<i>Pass-Through from University of Alaska</i>		UAF 16-0083 PO #		12,507	12,507
		P0503052			
<i>Pass-Through from University of California - Berkeley</i>		NNG12FA45C		1,346,943	1,346,943
<i>Pass-Through from University of Colorado</i>		1551917 PO		15,715	15,715
		1000400866			
<i>Pass-Through from University of Colorado</i>		155339-1000553095		22,195	22,195
<i>Pass-Through from University of Georgia</i>		RR185-447/4944326		11,640	11,640
<i>Pass-Through from University of Hawaii</i>		MA140015/POZ10070		(2,719)	(2,719)
		169			
<i>Pass-Through from University of Illinois - Champaign</i>		2012-04308-03		56,007	56,007
<i>Pass-Through from University of Kansas Center for Research, Inc.</i>		FY2014-068		19,425	19,425
<i>Pass-Through from University of Maryland - College Park</i>		Z7680601		48,776	48,776

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
National Aeronautics and Space Administration (continued)					
<i>Pass-Through from University of South Florida</i>		2500-1662-00-A		16,084	16,084
<i>Pass-Through from University of South Florida</i>		NNX14AP62A / (2500-1616-00-E)		42,552	42,552
<i>Pass-Through from University of Washington</i>		UWSC8206		16,637	16,637
<i>Pass-Through from University of Wisconsin</i>		584K732		22,823	22,823
<i>Pass-Through from University of Wisconsin</i>		629K996		42,458	42,458
<i>Pass-Through from VectorNav Technologies, LLC</i>		C4820		3,793	3,793
<i>Pass-Through from Virginia Tech University</i>		NNX12AF30G		1,333	1,333
<i>Pass-Through from Wyle Integrated Science and Engineering Group</i>		T73005		794,071	794,071
<i>Pass-Through from Wyle Laboratories</i>		NNZ10AM34G		(18,124)	(18,124)
<i>Pass-Through from Wyle Laboratories</i>		T72314		209,483	209,483
<i>Pass-Through from Wyle Laboratories</i>		T72644		13,750	13,750
<i>Pass-Through from Wyle Laboratories</i>		T73031		49,756	49,756
<i>Pass-Through from Yale University</i>		C15N12088 (N00218)		58,767	58,767
Total - CFDA 43.001			1,112,345	14,630,325	15,742,670
Aeronautics	43.002		5,020	2,988,286	2,993,306
<i>Pass-Through from Baylor College of Medicine</i>		AO00017; #5600965730		8,976	8,976
<i>Pass-Through from Baylor College of Medicine</i>		COOP AGMT #NCC 9-58-587; NSBRI #EO02001		190,986	190,986
<i>Pass-Through from Baylor College of Medicine</i>		NCC 9-58-601		70,400	70,400
<i>Pass-Through from Baylor College of Medicine</i>		AO00017; #5600965730		69,176	69,176
<i>Pass-Through from Baylor College of Medicine</i>		NCC 9-58-73 / NSBRI #SMST00008		44,749	44,749
<i>Pass-Through from Baylor College of Medicine</i>		NCC9-58-614		46,248	46,248
<i>Pass-Through from Baylor College of Medicine</i>		NCC9-58-94		(5,308)	(5,308)
<i>Pass-Through from Lockheed Martin Corporation</i>		8100003048		44,738	44,738
<i>Pass-Through from National Space Biomedical Research Institute</i>		NCC9-58-94		9,052	9,052
<i>Pass-Through from Tao of Systems Integration, Inc.</i>		SRS REF M1500108		157,112	157,112
<i>Pass-Through from United Technologies Research Center</i>		1219064		3,624,415	3,629,435
Total - CFDA 43.002			5,020	3,624,415	3,629,435
Exploration	43.003		23,158	4,273,741	4,296,899
<i>Pass-Through from Colorado State University</i>		NNX15AK13G		342,698	342,698
<i>Pass-Through from Emory University</i>		T267892		23,665	23,665
<i>Pass-Through from Georgetown University</i>		5R01AI078962-03		13	13
<i>Pass-Through from National Space Biomedical Research Institute</i>		CA02802/NCC 9-58 298		(6,168)	(6,168)
<i>Pass-Through from United Negro College Fund Special Programs Corporation</i>		M1400473		(1,967)	(1,967)
Total - CFDA 43.003			23,158	4,631,982	4,655,140
Space Operations	43.007		6,725	966,581	973,306
<i>Pass-Through from Baylor College of Medicine</i>		102239101		28,987	28,987
<i>Pass-Through from Center for the Advancement of Science in Space</i>		GA-2014-128	7,918	43,575	51,493
<i>Pass-Through from Center for the Advancement of Science in Space</i>		GA-2014-132		21	21
<i>Pass-Through from Wyle Integrated Science and Engineering Group</i>		T72203		206,630	206,630

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National Aeronautics and Space Administration (continued)					
<i>Pass-Through from Wyle Integrated Science and Engineering Group</i>		T72589		2,217	2,217
<i>Pass-Through from Wyle Integrated Science and Engineering Group</i>		T73015		357,704	357,704
<i>Pass-Through from Wyle Integrated Science and Engineering Group</i>		T73063		2,075	2,075
Total - CFDA 43.007			14,643	1,607,790	1,622,433
Education	43.008		3,648,463	4,915,836	8,564,299
<i>Pass-Through from CFD Research Corporation</i>		9179-15		29,800	29,800
<i>Pass-Through from National Institute of Aerospace</i>		2A33-TAMU		53,488	53,488
<i>Pass-Through from Omega Optics, Inc.</i>		8000002451		93,923	93,923
<i>Pass-Through from Paragon Space Development Corporation</i>		S09600008		6,415	6,415
<i>Pass-Through from University of Alabama - Huntsville</i>		2015-422		22,399	22,399
<i>Pass-Through from University of Alabama - Huntsville</i>		SUB2012-053		54,135	54,135
Total - CFDA 43.008			3,648,463	5,175,996	8,824,459
Cross Agency Support	43.009			1,017,829	1,017,829
<i>Pass-Through from Atmospheric and Space Technology Research Associates, LLC</i>		NNX14AP88G		159,237	159,237
<i>Pass-Through from California Institute of Technology</i>		1530066		(800)	(800)
<i>Pass-Through from Mesa Photonics, LLC</i>		NNX15CA09C		12,840	12,840
<i>Pass-Through from Planetary Science Institute</i>		1350		78,337	78,337
<i>Pass-Through from UCLA Atmospheric and Oceanic Sciences</i>		NNX13A161G		11,881	11,881
<i>Pass-Through from University of New Mexico</i>		282002-8784		31,124	31,124
Total - CFDA 43.009			0	1,310,448	1,310,448
Space Technology	43.012			115,587	115,587
Total - National Aeronautics and Space Administration			5,544,859	40,996,554	46,541,413
National Endowment for the Humanities					
Promotion of the Arts_Grants to Organizations and Individuals	45.024			76,047	76,047
Promotion of the Humanities_Federal/State Partnership	45.129				
<i>Pass-Through from Humanities Texas</i>		2014-4624		2,680	2,680
<i>Pass-Through from Humanities Texas</i>		2014-4637		1,092	1,092
<i>Pass-Through from Humanities Texas</i>		2015-4737		(104)	(104)
<i>Pass-Through from Humanities Texas</i>		8000002307		4,196	4,196
Total - CFDA 45.129			0	7,864	7,864
Promotion of the Humanities_Challenge Grants	45.130				
<i>Pass-Through from Digital Public Library of America</i>		HC-50017-12		18	18
Promotion of the Humanities_Division of Preservation and Access	45.149		68,561	69,644	138,205
<i>Pass-Through from Oklahoma Historical Society</i>		11-101		125	125
Total - CFDA 45.149			68,561	69,769	138,330
Promotion of the Humanities_Fellowships and Stipends	45.160			67,209	67,209
Promotion of the Humanities_Research	45.161		31,785	17,834	49,619
Promotion of the Humanities_Teaching and Learning Resources and Curriculum Development	45.162			10,393	10,393

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
National Endowment for the Humanities (continued)					
Promotion of the Humanities_Professional Development	45.163			104,334	104,334
Promotion of the Humanities_Public Programs	45.164				
<i>Pass-Through from American Library Association</i>		ALA PPO GRANT LA105942		2,390	2,390
<i>Pass-Through from American Library Association</i>		LA105763		2,129	2,129
Total - CFDA 45.164			0	4,519	4,519
Promotion of the Humanities_Office of Digital Humanities	45.169			125,733	125,733
National Leadership Grants	45.312			179,704	179,704
<i>Pass-Through from Cal Poly Corporation</i>		2015-13-45169		33,604	33,604
<i>Pass-Through from Virginia Polytechnic Institute</i>		451415-19C28		15,245	15,245
Total - CFDA 45.312			0	228,553	228,553
Laura Bush 21st Century Librarian Program	45.313		644	239,135	239,779
Total - National Endowment for the Humanities			100,990	951,408	1,052,398
National Science Foundation					
National Science Foundation	47.XXX	1543301		32,563	32,563
		201602428-001		6,695	6,695
		201602565-002		13,170	13,170
<i>Pass-Through from American Educational Research Association</i>		UTA15-000151		14,450	14,450
<i>Pass-Through from American Institutes for Research</i>		0366900003		93,200	93,200
<i>Pass-Through from Baton Rouge Area Foundation</i>		PHY-0917587		6,279	6,279
<i>Pass-Through from Columbia University</i>		26(GG009393-01)		3,831	3,831
<i>Pass-Through from Consortium for Ocean Leadership</i>		T352A59		4,785	4,785
<i>Pass-Through from Consortium for Ocean Leadership</i>		T353A59		14,995	14,995
<i>Pass-Through from Metropolitan Transportation Commission</i>		UTA15-000693		(107)	(107)
<i>Pass-Through from Ohio State University</i>		60050218		19,815	19,815
<i>Pass-Through from Uniformed Services University of the Health Sciences</i>		HU0001-16-1-TS08		1,385	1,385
<i>Pass-Through from University of Missouri - Columbia</i>		C00054441-1		75,047	75,047
<i>Pass-Through from Woods Hole Research Institute</i>		WHRC-MG0917-01		86,252	86,252
Total - CFDA 47.XXX			0	372,360	372,360
Engineering Grants	47.041		2,269,279	36,765,719	39,034,998
<i>Pass-Through from Arizona State University</i>		108286		5,496	5,496
<i>Pass-Through from Arizona State University</i>		12-731		173,159	173,159
<i>Pass-Through from ATX Photonics, LLC</i>		UTA15-00169		814	814
<i>Pass-Through from Case Western Reserve University</i>		IIP-I343270		280	280
<i>Pass-Through from Cornell University</i>		44771-7476		3,297	3,297
<i>Pass-Through from Femto Scale, Inc.</i>		IIP-1330350		2,570	2,570
<i>Pass-Through from Framergy, Inc.</i>		M1503417		32,307	32,307
<i>Pass-Through from Innovative Energy Solution</i>		M1500521		25,957	25,957
<i>Pass-Through from Kettering University</i>		GRANT 530215A		4,174	4,174
<i>Pass-Through from Louisiana State University</i>		96227		26,222	26,222
<i>Pass-Through from Macromoltek, LLC</i>		UTA15-000787		24,893	24,893
<i>Pass-Through from Nano3d Biosciences, Inc.</i>		1127551		53,927	53,927
<i>Pass-Through from Northeastern University - Boston</i>		501947-078050		9,639	9,639
<i>Pass-Through from Ohio State University</i>		60046373 PO RF01378732		166,799	166,799
<i>Pass-Through from Pennsylvania State University</i>		5279-UNT-NSF-1155		7,459	7,459
<i>Pass-Through from Princeton University</i>		00001217		87,446	87,446

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
National Science Foundation (continued)					
<i>Pass-Through from Purdue University</i>		NEES-4101-31903		(31)	(31)
<i>Pass-Through from Skyven Technologies, LLC</i>		1520316		25,845	25,845
<i>Pass-Through from SkywriterRX</i>		1549549		62,317	62,317
<i>Pass-Through from Thermal Expansion Solutions, LLC</i>		M1503132		51,964	51,964
<i>Pass-Through from University of Arizona</i>		242687		55,592	55,592
<i>Pass-Through from University of California - Berkeley</i>		00008204/BB00188148		139,361	139,361
<i>Pass-Through from University of California - Riverside</i>		CBET-1144237 01		(22)	(22)
<i>Pass-Through from University of Cincinnati</i>		CMMI-1120382		(1,629)	(1,629)
<i>Pass-Through from University of Colorado</i>		1554087		2,891	2,891
<i>Pass-Through from University of Colorado</i>		FY15.581.002, 3-5-35743		15,097	15,097
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		IIP-0934400		9,548	9,548
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		IIP-1540030		46,536	46,536
<i>Pass-Through from University of Louisville Research Foundation, Inc.</i>		ULRF 16-0972a01		4,210	4,210
<i>Pass-Through from University of Massachusetts</i>		13-007358 13-007606		774	774
<i>Pass-Through from University of Minnesota</i>		A0005262201		614	614
<i>Pass-Through from University of Minnesota</i>		A003996501		44,160	44,160
<i>Pass-Through from Virginia Polytechnic Institute and State University</i>		479261-19837		14,534	14,534
<i>Pass-Through from Virginia Polytechnic Institute and State University</i>		P# EEC1428502 S#479261-19B36		5,687	5,687
<i>Pass-Through from Virginia Tech University</i>		478997-19892		27,527	27,527
<i>Pass-Through from Virginia Tech University</i>		479261-19433		7,677	7,677
<i>Pass-Through from Virginia Tech University</i>		479261-19892		1,953	1,953
<i>Pass-Through from yearONE, LLC</i>		IIP-1549618		41,631	41,631
Total - CFDA 47.041			2,269,279	37,946,394	40,215,673
Mathematical and Physical Sciences	47.049		466,115	33,167,419	33,633,534
<i>Pass-Through from American University</i>		1534233		49,016	49,016
<i>Pass-Through from Association of Universities for Research in Astronomy</i>		N60354C		18,272	18,272
<i>Pass-Through from Baylor University</i>		32050269-01		3,463	3,463
<i>Pass-Through from California Institute of Technology</i>		68D-1094596		201,178	201,178
<i>Pass-Through from Carnegie Institution of Washington</i>		7-10220-01		29,231	29,231
<i>Pass-Through from Case Western Reserve University</i>		DMR-0423914 UTA06-623		398,369	398,369
<i>Pass-Through from Case Western Reserve University</i>		DMR-0423914 UTA11-288 BONNECAZE		168,094	168,094
<i>Pass-Through from Case Western Reserve University</i>		DMR-0423914 UTA11-289 ELLISON		62,381	62,381
<i>Pass-Through from City University of New York</i>		CHE1309640		20,714	20,714
<i>Pass-Through from Columbia University</i>		1 GG009299		6,422	6,422
<i>Pass-Through from Columbia University</i>		13/#5-25191 PRIME: P	159,234	1,582,184	1,741,418
<i>Pass-Through from Columbia University</i>		5(GG009028) PR:BNL-2		(685)	(685)
<i>Pass-Through from Iowa State University</i>		420-25-64A Prime- DMR-1309510		3,504	3,504
<i>Pass-Through from Methodist Hospital Research Institute</i>		15090006-0120		42,127	42,127
<i>Pass-Through from North Carolina State University</i>		2011-1039-01		13,193	13,193
<i>Pass-Through from Ohio State University</i>		60047148		110,543	110,543
<i>Pass-Through from Oregon State University</i>		CHE1102637		88,265	88,265
<i>Pass-Through from Rice Institute, Inc.</i>		R3F204		58,917	58,917
<i>Pass-Through from University of California - Berkeley</i>		00008791-BB00582889		217,920	217,920

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
National Science Foundation (continued)					
<i>Pass-Through from University of Michigan</i>		3002099272		2,383	2,383
<i>Pass-Through from University of Michigan</i>		3002558313		(2,769)	(2,769)
<i>Pass-Through from University of North Carolina</i>		5103418 - (DMS- 1127914)		35,252	35,252
<i>Pass-Through from University of South Carolina</i>		14-2477		1,767	1,767
<i>Pass-Through from University of Tennessee</i>		A13-0253-S001		81,249	81,249
<i>Pass-Through from University of Washington</i>		UWSC6757		91,223	91,223
<i>Pass-Through from University of Wisconsin - Milwaukee</i>		163405577A		79,759	79,759
<i>Pass-Through from Wesleyan University</i>		WESU5011003130		22,394	22,394
<i>Pass-Through from William Marsh Rice University</i>		R3F80B		316,108	316,108
Total - CFDA 47.049			625,349	36,867,893	37,493,242
Geosciences	47.050		2,007,338	14,466,596	16,473,934
<i>Pass-Through from Columbia University</i>		10GG009393		43,910	43,910
<i>Pass-Through from Columbia University</i>		10GG009393 3CHRISTESON		17,870	17,870
<i>Pass-Through from Columbia University</i>		10GG009393 4 GULICK		42,267	42,267
<i>Pass-Through from Columbia University</i>		10GG009393 7 Chris Lowry		12,618	12,618
<i>Pass-Through from Columbia University</i>		10GG009393 8 Kitty Milliken		16,800	16,800
<i>Pass-Through from Columbia University</i>		10GG009393 AADD CO-PI		62,084	62,084
<i>Pass-Through from Columbia University</i>		1GG008898		12,107	12,107
<i>Pass-Through from Columbia University</i>		1GG010799		48,891	48,891
<i>Pass-Through from Columbia University</i>		26(GG009393)		39,521	39,521
<i>Pass-Through from Columbia University</i>		26(GG009393-01)		4,168	4,168
<i>Pass-Through from Columbia University</i>		3 GC002456		43,777	43,777
<i>Pass-Through from Columbia University</i>		398(GG009393)		8,180	8,180
<i>Pass-Through from Columbia University</i>		9 GG002806 2 PO G04791		17,616	17,616
<i>Pass-Through from Conservation International Foundation</i>		1000484		36,238	36,238
<i>Pass-Through from Consortium for Ocean Leadership</i>		T329A123		11,723	11,723
<i>Pass-Through from Consortium for Ocean Leadership</i>		T341A59		18	18
<i>Pass-Through from CUAHSI</i>		1338606-004		42,300	42,300
<i>Pass-Through from Duke University</i>		14-NSF-1030		67,119	67,119
<i>Pass-Through from Duke University</i>		14-NSF-1030 LOA #1 Latrubesse		62,221	62,221
<i>Pass-Through from Georgia State University</i>		SP00011816-03		2,809	2,809
<i>Pass-Through from Incorporated Research Institutions for Seismology</i>		10-UTEP-SAGE		339,013	339,013
<i>Pass-Through from Joint Oceanographic Institutions, Inc.</i>		T352A42		283	283
<i>Pass-Through from Lake Superior State University</i>		20653201301 OCE- 1313558		5,988	5,988
<i>Pass-Through from NorthWest Research Associates, Inc.</i>		NWRA-15-S-182		13,253	13,253
<i>Pass-Through from Old Dominion University</i>		15-181-100510-010		45,881	45,881
<i>Pass-Through from Portland State University</i>		204FOU432		18,209	18,209
<i>Pass-Through from San Francisco State University</i>		S9-94557		(2,701)	(2,701)
<i>Pass-Through from The Trustees of Columbia University</i>		3(GG009393-01)		2,992	2,992
<i>Pass-Through from University Corporation for Atmospheric Research</i>		AGS-1033112		246,876	246,876
<i>Pass-Through from University Corporation for Atmospheric Research</i>		Z16-21926		38,732	38,732
<i>Pass-Through from University of Georgia</i>		RR100-621/4943786		55,137	55,137
<i>Pass-Through from University of Miami</i>		S1603		49,069	49,069
<i>Pass-Through from University of Minnesota</i>		A003176706		(4,207)	(4,207)

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
National Science Foundation (continued)					
<i>Pass-Through from University of Southern California</i>		33425379		24,738	24,738
<i>Pass-Through from University of Southern California</i>		52097439/10214394		21,377	21,377
<i>Pass-Through from University of Southern California</i>		62585492 (EAR-1033462)		10,197	10,197
<i>Pass-Through from University of Southern California</i>		Y88409		32,454	32,454
<i>Pass-Through from Vanderbilt University</i>		3812-016568		16,973	16,973
<i>Pass-Through from William Marsh Rice University</i>		R3E513		40,418	40,418
<i>Pass-Through from William Marsh Rice University</i>		R3E515		137,430	137,430
<i>Pass-Through from Woods Hole Oceanographic Institution</i>		A101275		51,970	51,970
<i>Pass-Through from Woods Hole Oceanographic Institution</i>		A101285		29,242	29,242
Total - CFDA 47.050			2,007,338	16,232,157	18,239,495
Computer and Information Science and Engineering	47.070		2,085,556	43,341,364	45,426,920
<i>Pass-Through from Baylor College of Medicine</i>		102223336		5,259	5,259
<i>Pass-Through from BBN Technology Corporation</i>		14303		10,710	10,710
<i>Pass-Through from Computer Aids for Chemical Engineering</i>		SRS REF M1401549		76,983	76,983
<i>Pass-Through from Harvard University</i>		BL-4812502-UTA PO 1607654		189,424	189,424
<i>Pass-Through from Johns Hopkins University</i>		2002096800		66,296	66,296
<i>Pass-Through from New York University</i>		F4365-01 PO UW829726		36,022	36,022
<i>Pass-Through from Oklahoma State University</i>		M1600322		52,303	52,303
<i>Pass-Through from Purdue University</i>		4101-47540		89,489	89,489
<i>Pass-Through from Syracuse University</i>		28175-04140-S01		6,270	6,270
<i>Pass-Through from University of Arizona</i>		ACI-1443019		40,591	40,591
<i>Pass-Through from University of Buffalo</i>		R965416		190,486	190,486
<i>Pass-Through from University of California - San Diego</i>		CNS1338192		266,955	266,955
<i>Pass-Through from University of Colorado</i>		1549808 / 1000144247		124,683	124,683
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		2014-03629-01		21,478	21,478
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		CSAOC10725070		50,641	50,641
<i>Pass-Through from University of Louisville Research Foundation, Inc.</i>		ULRF-16-0870-02		10,647	10,647
<i>Pass-Through from University of Massachusetts - Amherst</i>		13-007379B 00 PO #A000415348		58,313	58,313
<i>Pass-Through from University of Michigan</i>		3002960285		90,556	90,556
<i>Pass-Through from University of Notre Dame</i>		IIS-1450349		9,965	9,965
<i>Pass-Through from University of Washington</i>		UWSC8901 BPO13326		32,891	32,891
<i>Pass-Through from University of Wisconsin</i>		487K281		72,173	72,173
<i>Pass-Through from US Ignite, Inc.</i>		CNS-1531046		35,406	35,406
Total - CFDA 47.070			2,085,556	44,878,905	46,964,461
Biological Sciences	47.074		1,212,759	14,361,920	15,574,679
<i>Pass-Through from Arizona State University</i>		14-343		18,525	18,525
<i>Pass-Through from Michigan State University</i>		61-2075UT		383,906	383,906
<i>Pass-Through from Michigan State University</i>		61-2075UT 013 W/EXT		200,093	200,093
<i>Pass-Through from Michigan State University</i>		RC062075UTRGV		28,001	28,001
<i>Pass-Through from North Carolina State University</i>		2010-1450-01		132,097	132,097
<i>Pass-Through from Portland State University</i>		MCB43963		18,123	18,123
<i>Pass-Through from Radford University</i>		F21021		98,933	98,933
<i>Pass-Through from Stratus Consulting</i>		S087-1C-1667		63,277	63,277
<i>Pass-Through from The Samuel Roberts Noble Foundation, Inc.</i>		2012-943-003		150,295	150,295
<i>Pass-Through from The Samuel Roberts Noble Foundation, Inc.</i>		GN0005967		32,322	32,322
<i>Pass-Through from University of Arizona</i>		131816		1,717,805	1,717,805
<i>Pass-Through from University of California - Davis</i>		201223137-01 2		93,641	93,641
<i>Pass-Through from University of California - Los Angeles</i>		0521 G RA115		81,029	81,029

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
National Science Foundation (continued)					
<i>Pass-Through from University of California - San Francisco</i>		MCB1516686		73,284	73,284
<i>Pass-Through from University of Delaware</i>		37568		9,291	9,291
<i>Pass-Through from University of Michigan</i>		3003241305		28,639	28,639
<i>Pass-Through from University of Minnesota</i>		H003254003		154,931	154,931
<i>Pass-Through from University of New Hampshire</i>		14-036		9,929	9,929
<i>Pass-Through from University of Northern Iowa</i>		S6093A/ PO 101009		11,606	11,606
<i>Pass-Through from University of Utah</i>		10028702		18,278	18,278
Total - CFDA 47.074			1,212,759	17,685,925	18,898,684
Social, Behavioral, and Economic Sciences	47.075		195,460	5,508,283	5,703,743
<i>Pass-Through from American Bar Foundation</i>		M1600593; SES-1535563		45,099	45,099
<i>Pass-Through from American Bar Foundation</i>		S2012-1 (SES-1228345)		(1,561)	(1,561)
<i>Pass-Through from Arizona State University</i>		15-582		2,617	2,617
<i>Pass-Through from Baylor College of Medicine</i>		1519667		56,564	56,564
<i>Pass-Through from Carnegie Mellon University</i>		1122003-327837		70,228	70,228
<i>Pass-Through from Gallaudet University</i>		UTA10-000365 50000022678		15,061	15,061
<i>Pass-Through from George Washington University</i>		1542848		26,653	26,653
<i>Pass-Through from Human Relations Area Files, Inc.</i>		SA CO14-19 UTH CRE		20,222	20,222
<i>Pass-Through from Iowa State University</i>		420-71-26A		22,204	22,204
<i>Pass-Through from Michigan State University</i>		RC104050TAMU		62,009	62,009
<i>Pass-Through from Texas Christian University</i>		24472-14-00		3,693	3,693
<i>Pass-Through from University of California - Riverside</i>		S-000756		8,339	8,339
<i>Pass-Through from University of Cincinnati</i>		008149 PRIME: BCS-12		63,654	63,654
<i>Pass-Through from University of Georgia</i>		SMA1262522		(5,770)	(5,770)
<i>Pass-Through from University of Kansas Center for Research, Inc.</i>		FY2015-010		4,321	4,321
<i>Pass-Through from University of Michigan</i>		3003765653		56,004	56,004
<i>Pass-Through from University of Southern Mississippi</i>		USM-GR05085-003		13,634	13,634
Total - CFDA 47.075			195,460	5,971,254	6,166,714
Education and Human Resources	47.076		1,550,869	23,197,711	24,748,580
<i>Pass-Through from Association of American Geographers</i>		8000002088		30,632	30,632
<i>Pass-Through from Cal State University</i>		GRA2183 1		30,419	30,419
<i>Pass-Through from Carleton College</i>		DUE-1125331		40,846	40,846
<i>Pass-Through from Kent State University</i>		402016UTA_DUE-114098		1,974	1,974
<i>Pass-Through from New Mexico State University</i>		Q01635		41,646	41,646
<i>Pass-Through from North Dakota State University</i>		#FAR0025336		22,973	22,973
<i>Pass-Through from Oregon State University</i>		1515550-DRL		24,910	24,910
<i>Pass-Through from Purdue University</i>		4101-31776		37,867	37,867
<i>Pass-Through from RAND Corporation</i>		9920160035		63,116	63,116
<i>Pass-Through from University of California - Santa Cruz</i>		S0184225		57,685	57,685
<i>Pass-Through from University of Central Florida</i>		24056046-01		10,719	10,719
<i>Pass-Through from University of Massachusetts - Lowell</i>		8000002315		3,482	3,482
<i>Pass-Through from University of Michigan</i>		3003298136		41,435	41,435
<i>Pass-Through from University of Virginia</i>		GA10874-136594		165	165
<i>Pass-Through from University of Wisconsin</i>		490K873 (DUE-1231286)		52,333	52,333
<i>Pass-Through from University of Wisconsin</i>		490K921		35,711	35,711
<i>Pass-Through from University of Wisconsin System</i>		490K803		64,967	64,967
<i>Pass-Through from Venturewell</i>		2015-259		250	250
Total - CFDA 47.076			1,550,869	23,758,841	25,309,710

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
National Science Foundation (continued)					
Polar Programs	47.078		100,543	219,864	320,407
<i>Pass-Through from Association of American Geographers</i>		8000002600		8,975	8,975
<i>Pass-Through from CH2M Hill Constructors, Inc.</i>		815732		284,635	284,635
<i>Pass-Through from University of California - Santa Cruz</i>		A00-1548-S001- P0569663		15,281	15,281
Total - CFDA 47.078			100,543	528,755	629,298
Office of International Science and Engineering	47.079		96,063	578,368	674,431
<i>Pass-Through from CRDF Global</i>		54-1773406		127,559	127,559
<i>Pass-Through from Johns Hopkins University</i>		2001648885		164,519	164,519
<i>Pass-Through from Johns Hopkins University</i>		OISE-1243482		67,855	67,855
<i>Pass-Through from West Virginia University</i>		09-547-UTB		6,822	6,822
Total - CFDA 47.079			96,063	945,123	1,041,186
Office of Cyberinfrastructure	47.080		6,821	641,415	648,236
<i>Pass-Through from Indiana University</i>		BL-4812459- UTHSC/OCI		(616)	(616)
<i>Pass-Through from University of Buffalo</i>		R928869		73,661	73,661
<i>Pass-Through from University of Georgia</i>		RR197-017/4941206		11,449	11,449
<i>Pass-Through from University of Illinois - Champaign</i>		2009-02232-04		134,457	134,457
<i>Pass-Through from University of Illinois - Champaign</i>		2011-00318- 08ILLINOIS GRANT CODE A1536		3,600,887	3,600,887
<i>Pass-Through from Utah State University</i>		12008204		49,914	49,914
Total - CFDA 47.080			6,821	4,511,167	4,517,988
Trans-NSF Recovery Act Reasearch Support ARRA - Trans-NSF Recovery Act Research Support	47.082			73,716	73,716
				1,102	1,102
Total - CFDA 47.082			0	74,818	74,818
Office of Integrative Activities	47.083				
<i>Pass-Through from Boise State University</i>		6800-F		7,681	7,681
<i>Pass-Through from University of Rochester</i>		416752-G		37,918	37,918
Total - CFDA 47.083			0	45,599	45,599
Total - National Science Foundation			10,150,037	189,819,191	199,969,228
U.S. Department of Veterans Affairs					
U.S. Department of Veterans Affairs	64.XXX				
		110773		17,584	17,584
		1501535		37,214	37,214
		1501544		19,128	19,128
		580 D62152		18,327	18,327
		580C65149		28,223	28,223
		580-C65285		31,718	31,718
		580-D45086 D35053		1,802	1,802
		580-D-62053		23,153	23,153
		580-D-62180		4,710	4,710
		580-D72040		1,968	1,968
		580-D72041		8,752	8,752
		671-C55276		12,523	12,523
		691-15-2-432-0062		7,410	7,410
		691-C58093		3,374	3,374
		691-C68170		30,625	30,625
		691C68179		70,898	70,898

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Veteran Affairs (continued)					
		AGUIAR/IPAA/LIN		63,991	63,991
		AGUIAR/IPAA/WANG		59,763	59,763
		AHUJA/IPAA/CARRI LLO		47,292	47,292
		AHUJA/IPAA/HE		99,921	99,921
		AHUJA/IPAA/INGALE		47,600	47,600
		AHUJA/IPAA/MANO HARAN		58,959	58,959
		AHUJA/IPAA/PAND RANKI		15,020	15,020
		AHUJA/IPAA/ROGE RS		26,098	26,098
		BARNES/IPAA/DAS		14,847	14,847
		BARNES/IPAA/FELIER		16,688	16,688
		BARNES/IPAA/PATEL		55,756	55,756
		BARNES/IPAA/SPRI NGER		14,080	14,080
		BLOCK/IPAA/NAYAK		32,286	32,286
		BLOCK/IPAA/SHAN MUGAS		27,779	27,779
		BOLLINGER/IPAA/C ORTE		27,915	27,915
		BOLLINGER/IPAA/E LIZO		56	56
		BOLLINGER/IPAA/G ELLE		855	855
		BOLLINGER/IPAA/J ONES		2,042	2,042
		BOLLINGER/IPAA/M ADER		31,208	31,208
		BOLLINGER/IPAA/M OORE		666	666
		BOLLINGER/IPAA/N OEL		1,015	1,015
		C55003		(382)	(382)
		CHATTERJEE/IPA/JI ANG		50,930	50,930
		CHATTERJEE/IPAA/ PARK		26,214	26,214
		CHATTERJEE/IPAA/ SONG		41,178	41,178
		CHEN/IPAA/DAI		64,568	64,568
		CHEN/IPAA/DEAN		31,825	31,825
		CHEN/IPAA/ZHONG		40,313	40,313
		CLARK/IPAA/CHAN DU		34,776	34,776
		CLARK/IPAA/MUIR		1,493	1,493
		CLARK/IPAA/SHEN		5,556	5,556
		DAWES/IPAA/CARRI ZALE		25,461	25,461
		ESPINOZA/IPAA/CO NDE		53,470	53,470
		ESPINOZA/IPAA/LI		13,338	13,338

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Veteran Affairs (continued)					
		ESPINOZA/IPAA/MA CCAR		66,203	66,203
		ESPINOZA/IPAA/MA CCARTHY		14,004	14,004
		ESPINOZA/IPAA/MO RIS		59,065	59,065
		ESPINOZA/IPAA/W ANG		48,863	48,863
		FANTI/IPAA/VELAG APUD		36,963	36,963
		FINLEY/IPAA/HARO		12,187	12,187
		FINLEY/IPAA/MADER		2,211	2,211
		FINLEY/IPAA/NOEL		20,306	20,306
		FOX/IPAA/FRANKLIN		29,637	29,637
		FOX/IPAA/LANCAST ER		5,875	5,875
		FOX/IPAA/RAMAGE		37,997	37,997
		FOX/IPAA/RODRIGU EZ		2,475	2,475
		FOX/IPAA/SALINAS		36,452	36,452
		FOX/IPAA/WOOLSEY		10,501	10,501
		FRAZER/IPAA/ARRO YO		35,884	35,884
		FRAZER/IPAA/BENM ANSO		30,757	30,757
		FRAZER/IPAA/CARR ENO		55,538	55,538
		FREEMAN/IPAA/ZH AO		82,915	82,915
		FY2015-4973		162,136	162,136
		GALVAN/IPAA/DER OSA		19,781	19,781
		GALVAN/IPAA/HUS SONG		60,321	60,321
		HABIB/IPAA/LIANG		49,983	49,983
		HABIB/IPAA/MOHAN		9,653	9,653
		HABIB/IPAA/ZHAO		36,928	36,928
		HART/IPAA/CAO		64,462	64,462
		HART/IPAA/CLARK		1,536	1,536
		HART/IPAA/GALAL ELDEE		983	983
		HART/IPAA/HOLLO WAY		67,293	67,293
		HORNSBY/IPAA/GA LEANO		25,081	25,081
		IKENO/IPAA/FLORES		42,347	42,347
		KAMAT/IPAA/SHI		57,997	57,997
		KAMAT/IPAA/SHU		40,485	40,485
		KAMAT/IPAA/XUE		15,013	15,013
		KASINATH/IPAA/LEE		2,756	2,756
		LEYKUM/IPAA/CRA BTREE		7,365	7,365

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Veteran Affairs (continued)					
		LEYKUM/IPAA/HIB NER		51,731	51,731
		LI/IPAA/BHATTACH ARJE		3,972	3,972
		LI/IPAA/CHEN		40,153	40,153
		LI/IPAA/LIU		(425)	(425)
		LI/IPAA/ZHAO		4,062	4,062
		LI/IPAA/ZHAO,QIN GWEI		10,067	10,067
		M1500395		1,056	1,056
		M1501533		15,972	15,972
		M1600272		6,656	6,656
		M1600632		5,795	5,795
		M1600634		2,100	2,100
		M1600635		2,481	2,481
		M1601638		54,333	54,333
		M1601639		11,167	11,167
		M1602596		13,571	13,571
		MUSI/IPAA/HARTM AN		25,467	25,467
		MUSI/IPAA/ORSAK		16,371	16,371
		PETERSON/IPAA/AG UILE		4,100	4,100
		PETERSON/IPAA/BI RA		10,335	10,335
		PETERSON/IPAA/BR ACKI		2,432	2,432
		PETERSON/IPAA/BR ILLIOTT		11,395	11,395
		PETERSON/IPAA/BR UNDI		72,904	72,904
		PETERSON/IPAA/BU EL		96,410	96,410
		PETERSON/IPAA/CH AVEZ		3,435	3,435
		PETERSON/IPAA/CH EN		9,591	9,591
		PETERSON/IPAA/CO BOS		9,851	9,851
		PETERSON/IPAA/CR UZ		(67)	(67)
		PETERSON/IPAA/DO NDAN		2,270	2,270
		PETERSON/IPAA/FA CUND		8,284	8,284
		PETERSON/IPAA/GE LFOND		4,287	4,287
		PETERSON/IPAA/GR UENW		27,405	27,405
		PETERSON/IPAA/HA MMAC		52,936	52,936
		PETERSON/IPAA/HA NCOC		18,077	18,077
		PETERSON/IPAA/HA RGIT		71,506	71,506
		PETERSON/IPAA/LI		54,646	54,646
		PETERSON/IPAA/LI		30,338	30,338
		PETERSON/IPAA/LO		8,277	8,277

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Veteran Affairs (continued)					
		PEZ-CRUZA			
		PETERSON/IPAA/MC GEAR		63,847	63,847
		PETERSON/IPAA/ME NDOZ		72,556	72,556
		PETERSON/IPAA/MI CHAL		5,095	5,095
		PETERSON/IPAA/MI NTZ		77,544	77,544
		PETERSON/IPAA/M ORING		14,237	14,237
		PETERSON/IPAA/M UENZL		22,478	22,478
		PETERSON/IPAA/M URFF		27,806	27,806
		PETERSON/IPAA/NE GOVE		16,685	16,685
		PETERSON/IPAA/PL EYTE		68,262	68,262
		PETERSON/IPAA/PR UIKS		18,579	18,579
		PETERSON/IPAA/RO ACHE		77,095	77,095
		PETERSON/IPAA/YO UNG-		57,182	57,182
		PETERSON/IPAA/ZH ANG		19,369	19,369
		PLISZKA/IPAA/HEN DRIC		37,872	37,872
		PO # 580-D62027		7,415	7,415
		PO 650D48059		36,463	36,463
		PO CREATE: 580D62099		31,512	31,512
		PUGH/IPAA/BOUCH ER		20,487	20,487
		PUGH/IPAA/ELIZON DO		1,452	1,452
		PUGH/IPAA/FRANK LIN		27,859	27,859
		PUGH/IPAA/JONES		18,836	18,836
		PUGH/IPAA/LANHAM		35,914	35,914
		PUGH/IPAA/MCMIL LAN		40,561	40,561
		PUGH/IPAA/NAHID		46,603	46,603
		PUGH/IPAA/NOEL		55,326	55,326
		PUGH/IPAA/PALMER		12,480	12,480
		PUGH/IPAA/RODRI GUEZ		41,871	41,871
		PUGH/IPAA/SWAN		13,551	13,551
		PUGH/IPAA/WANG		10,180	10,180
		PUGH/IPAA/WELLS		43,090	43,090
		RAN/IPAA/CHEN		34,757	34,757
		RAN/IPAA/NA		57,673	57,673
		RESTREPO/IPAA/RE YES		46,256	46,256
		SANCHEZ/IPAA/GA RZA		25,802	25,802
		SANCHEZ/IPAA/MINER		5,277	5,277

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Veteran Affairs (continued)					
		SANCHEZ- R/IPAA/GARZA		20,672	20,672
		SANCHEZ- REILLY/IPAA/MARTI		3,808	3,808
		STERN/IPAA/MARTI NEZ		2,593	2,593
		STRONG/IPAA/MAR TINEZ		69,177	69,177
		VA245-15-P-0733		39,505	39,505
		VA260-15-P-0286		40,672	40,672
		PO# 663-D54043			
		VA263-16-P-0482 636D63011		9,576	9,576
		VA26815C0041		34,452	34,452
		VA268-15-D-0044	27,992	469,646	497,638
		VA268-15-D-0073		28,060	28,060
		WAGNER/IPAA/DREL		46,912	46,912
		WAGNER/IPAA/LEE		65,537	65,537
		WAGNER/IPAA/SPRI NGER		27,501	27,501
		WAGNER/IPAA/TAN		42,994	42,994
		WEINER/IPAA/URIBE		79,655	79,655
		WEINER/IPAA/WIN		67,071	67,071
		WILLIAMSON/IPAA/ CUEL		75,015	75,015
		YEH/IPAA/DEAN		31,691	31,691
		YEH/IPAA/WANG		34,318	34,318
		ABH-5834 Morissette		7,225	7,225
		108423		12,678	12,678
			27,992	5,765,610	5,793,602
		<i>Pass-Through from Central Texas Veterans Health Care System</i>			
		<i>Pass-Through from Minneapolis VA Health Care System</i>			
		Total - CFDA 64.XXX			
		Veterans Medical Care Benefits	64.009	105,000	105,000
		Veterans State Hospital Care	64.016	4,545	4,545
		Sharing Specialized Medical Resources	64.018	100,589	100,589
		Veterans State Adult Day Health Care	64.026	27,791	27,791
		Total - U.S. Department of Veterans Affairs		27,992	6,003,535
Environmental Protection Agency					
		Environmental Protection Agency	66.XXX		
		<i>Pass-Through from Border Environment Cooperation Commission</i>		51,610	51,610
		<i>Pass-Through from Health Effects Institute</i>		70,940	70,940
		<i>Pass-Through from Health Effects Institute</i>		52,182	52,182
		<i>Pass-Through from Okeanos Technologies, LLC</i>		(77)	(77)
		<i>Pass-Through from Pegasus Technical Services</i>		55	55
		Total - CFDA 66.XXX		0	174,710
		Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	6,334	39,480
		<i>Pass-Through from RTI International</i>		29,730	29,730
		Total - CFDA 66.034		6,334	62,876
				62,876	69,210

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
Environmental Protection Agency (continued)					
National Clean Diesel Emissions Reduction Program	66.039			52	52
Water Pollution Control State, Interstate, and Tribal Program Support	66.419			1,818,835	1,818,835
Water Quality Management Planning	66.454				
<i>Pass-Through from CB&I Federal Services, LLC</i>		201536		39,345	39,345
<i>Pass-Through from Coastal Bend Bays and Estuaries Program</i>		1517;1421;1523;1514;1527		64,533	64,533
Total - CFDA 66.454			0	103,878	103,878
National Estuary Program	66.456			216,528	216,528
Nonpoint Source Implementation Grants	66.460		120,465	2,454,530	2,574,995
<i>Pass-Through from Attain, LLC</i>		EPA-003		263,707	263,707
<i>Pass-Through from INDUS Corporation</i>		SC-TAMUS-10770		521,506	521,506
Total - CFDA 66.460			120,465	3,239,743	3,360,208
Gulf of Mexico Program	66.475			64,890	64,890
Science To Achieve Results (STAR) Research Program	66.509		285,593	2,398,537	2,684,130
<i>Pass-Through from Carnegie Mellon University</i>		1080358-364695		4,487	4,487
<i>Pass-Through from University of Colorado</i>		83560301/ CU#1552329		25,732	25,732
<i>Pass-Through from University of Massachusetts - Amherst</i>		15-008462 E 00 A LOA		136,580	136,580
<i>Pass-Through from University of Massachusetts - Amherst</i>		15-008462 E 00 - ADMIN UNIT		14,206	14,206
<i>Pass-Through from University of Massachusetts - Amherst</i>		15-008462 E 00 C LOA_KATZ		122,030	122,030
<i>Pass-Through from University of Massachusetts - Amherst</i>		15-008462 E 00 D LOA_KIRISITS		201,946	201,946
<i>Pass-Through from University of South Florida</i>		83556901 2104-1198- 00-E		75,300	75,300
Total - CFDA 66.509			285,593	2,978,818	3,264,411
Science To Achieve Results (STAR) Fellowship Program	66.514			11,211	11,211
P3 Award: National Student Design Competition for Sustainability	66.516			14,244	14,244
Performance Partnership Grants	66.605		154,477	437,122	591,599
International Financial Assistance Projects Sponsored by the Office of International and Tribal Affairs	66.931				
<i>Pass-Through from Border Environment Cooperation Commission</i>		TAA15-030		7,743	7,743
<i>Pass-Through from Border Environment Cooperation Commission</i>		TAA16-013		12,045	12,045
<i>Pass-Through from Southwest Border AHEC</i>		BECCS GRANT #4- 00F59501-1		845	845
Total - CFDA 66.931			0	20,633	20,633
Total - Environmental Protection Agency			566,869	9,143,540	9,710,409

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
Nuclear Regulatory Commission					
Nuclear Regulatory Commission	77.XXX	NRC-HQ-60-15-C-0005		168,305	168,305
U. S. Nuclear Regulatory Commission Nuclear Education Grant Program	77.006			211,552	211,552
U.S. Nuclear Regulatory Commission Minority Serving Institutions Program (MSIP)	77.007			221,876	221,876
U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	77.008			259,797	259,797
Total - Nuclear Regulatory Commission			0	861,530	861,530
U.S. Department of Energy					
U.S. Department of Energy	81.XXX	1098775		5	5
		11123-32		87,487	172,681
		1369513		(9,825)	(9,825)
		1370852		64,316	64,316
		1377930		50,525	50,525
		1668213		12,302	12,302
		1681999		70,138	70,138
		1695322		11,029	11,029
		267205		56,913	56,913
		279384		38,997	38,997
		345007		96,382	96,382
		364023		53,604	53,604
		371931		34,731	34,731
		58-5347-4-015		(150)	(150)
		7044197		(267)	(267)
		B616242		55,117	55,117
		B618988		33,201	33,201
		DEAC0206CH11357		7,370	7,370
		DE-EP0000011		129,540	129,540
		DE-NA0001942		200,836	200,836
		PO 1318954		27,445	27,445
		S013464-B	59,544	639,263	698,807
		S013464-B LOA		930,558	930,558
		BENO			
		TOA 274811		26,794	26,794
<i>Pass-Through from Alstom Power, Inc.</i>		A-9 (PO 400738926)		41,574	41,574
<i>Pass-Through from Argonne National Laboratory</i>		2F-32641		6,240	6,240
<i>Pass-Through from Argonne National Laboratory</i>		3F-31101		28,973	28,973
<i>Pass-Through from Argonne National Laboratory</i>		3F-31921		89,907	89,907
<i>Pass-Through from Battelle</i>		00127393	38,987	18,207	57,194
<i>Pass-Through from Battelle</i>		153424		2,025	2,025
<i>Pass-Through from Battelle</i>		166299		42,788	42,788
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		0159577		8,357	8,357
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		173387		12,496	12,496
<i>Pass-Through from Battelle Pacific Northwest Division</i>		261990		11,710	11,710
<i>Pass-Through from Battelle Pacific Northwest Division</i>		290712 & 290712-REVISED		18,892	18,892
<i>Pass-Through from Black Horse Energy, LLC</i>		UTA13-001089		(24,372)	(24,372)
<i>Pass-Through from Brookhaven National Laboratory</i>		229206 PR:DE-AC02-98		107,168	107,168
<i>Pass-Through from Brookhaven National Laboratory</i>		254299 PRIME:DE-AC02		26,364	26,364
<i>Pass-Through from Brookhaven National Laboratory</i>		317172		11,078	11,078
<i>Pass-Through from Brookhaven National Laboratory</i>		DE-AC02-98CH10886		262,737	262,737

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Energy (continued)					
<i>Pass-Through from Brookhaven Science Associates, LLC</i>		264917		58,651	58,651
<i>Pass-Through from Brookhaven Science Associates, LLC</i>		440711-M1402265		430,329	430,329
<i>Pass-Through from Brookhaven Science Associates, LLC</i>		M1502524-443821		69,175	69,175
<i>Pass-Through from Center for Transportation and the Environment</i>		UTA14-000883		111,766	111,766
<i>Pass-Through from Colorado School of Mines</i>		Sub# 400465		58,808	58,808
<i>Pass-Through from Consolidated Nuclear Security, LLC</i>		0000057604		80,132	80,132
<i>Pass-Through from Consolidated Nuclear Security, LLC</i>		45127		5,579	5,579
<i>Pass-Through from Consolidated Nuclear Security, LLC</i>		PO 0000055323		36,462	36,462
<i>Pass-Through from Consolidated Nuclear Security, LLC</i>		PTX01-0000031097		51,918	51,918
<i>Pass-Through from Consolidated Nuclear Security, LLC</i>		PTX01-0000057158		65,937	65,937
<i>Pass-Through from Denbury Resources</i>		DE-FE-0002381 1		46,368	46,368
<i>Pass-Through from Fermi National Accelerator Laboratory</i>		584823		221,111	221,111
<i>Pass-Through from Fermi National Accelerator Laboratory</i>		609991		3,625	3,625
<i>Pass-Through from Fermi National Accelerator Laboratory</i>		613044		56,074	56,074
<i>Pass-Through from Fermi National Accelerator Laboratory</i>		626308		26,376	26,376
<i>Pass-Through from Fermi National Accelerator Laboratory</i>		626430		14,432	14,432
<i>Pass-Through from Fermi National Accelerator Laboratory</i>		PO 618223 (DE-AC02-07CH11359)		2,271	2,271
<i>Pass-Through from Fermi National Accelerator Laboratory</i>		PO 620798		9,723	9,723
<i>Pass-Through from Fermi National Accelerator Laboratory</i>		PO#625652		27,402	27,402
<i>Pass-Through from Fermi Research Alliance, LLC</i>		618990		90,524	90,524
<i>Pass-Through from Heliotrope Technologies</i>		UTA14-000630		63,501	63,501
<i>Pass-Through from Hyper Tech Research, Inc.</i>		1600046H		8,744	8,744
<i>Pass-Through from Idaho National Laboratory</i>		00150706 6		36,457	36,457
<i>Pass-Through from Intelligent Optical Systems, Inc.</i>		IOS #3246 DOE-NOCOS		18,644	18,644
<i>Pass-Through from Iowa State University</i>		1261-4010		86,450	86,450
<i>Pass-Through from Jefferson Science Associates, LLC</i>		JSA-15-C1181; 355823		172,676	172,676
<i>Pass-Through from KeyLogic Systems, Inc.</i>		K6000-697		109,407	109,407
<i>Pass-Through from Kootenai Tribe of Idaho</i>		1988-064-00		6,222	6,222
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		6815130 12 UTA15-000526		75,434	75,434
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		6815130 UTA15-000526		26,313	26,313
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		7000389		124,226	124,226
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		7052152		13,165	13,165
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		7223523		156,107	156,107
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		7277281		1,599	1,599
<i>Pass-Through from Lawrence Livermore National Laboratory</i>		B606081		(579)	(579)
<i>Pass-Through from Lawrence Livermore National Laboratory</i>		B612618		11,717	11,717
<i>Pass-Through from Lawrence Livermore National Laboratory</i>		B617787		39,831	39,831
<i>Pass-Through from Lawrence Livermore National Laboratory</i>		B618518		139,666	139,666
<i>Pass-Through from Los Alamos National Laboratory</i>		357727		28,980	28,980
<i>Pass-Through from Los Alamos National Laboratory</i>		361651		61,621	61,621
<i>Pass-Through from Los Alamos National Laboratory</i>		367690		157,413	157,413
<i>Pass-Through from Los Alamos National Laboratory</i>		378768		23,956	23,956
<i>Pass-Through from Los Alamos National Laboratory</i>		79506-001-10		625,930	625,930
<i>Pass-Through from Los Alamos National Laboratory</i>		PO 291375		1,288	1,288
<i>Pass-Through from Los Alamos National Security, LLC</i>		365210		99,255	99,255
<i>Pass-Through from Massachusetts Institute of Technology</i>		571000-3709		255	255
<i>Pass-Through from National Renewable Energy Laboratory</i>		AFA-5-52027-01		6,208	6,208
<i>Pass-Through from National Renewable Energy Laboratory</i>		AFC-4-42004-01		(4)	(4)
<i>Pass-Through from National Renewable Energy Laboratory</i>		XEJ-3-23232-01		2,212	2,212
<i>Pass-Through from National Renewable Energy Laboratory</i>		XHQ-6-62546-01		24,646	24,646
<i>Pass-Through from National Security Technologies, LLC</i>		158987 2		14,478	14,478
<i>Pass-Through from NVIDIA Corporation</i>		UTA14-001189		216,343	216,343
<i>Pass-Through from Oak Ridge National Laboratory</i>		4000134027		42,317	42,317

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Energy (continued)					
<i>Pass-Through from Omega Optics, Inc.</i>		UTA16-000490		28,269	28,269
<i>Pass-Through from Omega Optics, Inc.</i>		UTA16-000490 LOA		47,177	47,177
<i>Pass-Through from Pacific Northwest Laboratory</i>		223907		(1,506)	(1,506)
<i>Pass-Through from Pacific Northwest Laboratory</i>		223907 3 Increment		35,781	35,781
<i>Pass-Through from Pacific Northwest Laboratory</i>		232973		75,133	75,133
<i>Pass-Through from Pacific Northwest Laboratory</i>		249181		2,993	2,993
<i>Pass-Through from Pacific Northwest Laboratory</i>		249181 3		9,091	9,091
<i>Pass-Through from Pacific Northwest Laboratory</i>		265082		72,625	72,625
<i>Pass-Through from Pacific Northwest Laboratory</i>		286927		74,254	74,254
<i>Pass-Through from Pantex Medical</i>		PTX01-0000043311		43,367	43,367
<i>Pass-Through from Radiabeam Technologies, LLC</i>		DE-SCOOO11826		59,669	59,669
<i>Pass-Through from RadiaSoft, LLC</i>		15212-TAMU-01		13,222	13,222
<i>Pass-Through from Regents of the University of California</i>		7284284		22,697	22,697
<i>Pass-Through from Research Partnership to Secure Energy for America</i>		11122-56	9,716	1	9,717
<i>Pass-Through from Research Partnership to Secure Energy for America</i>		11122-56 LOA		5,742	5,742
<i>Pass-Through from Research Partnership to Secure Energy for America</i>		OMELON			
<i>Pass-Through from Research Partnership to Secure Energy for America</i>		12122-52		258,433	258,433
<i>Pass-Through from Research Partnership to Secure Energy for America</i>		12122-52 LOA		134,721	134,721
<i>Pass-Through from Sandia National Laboratories</i>		HAYMAN			
<i>Pass-Through from Sandia National Laboratories</i>		1174449		347,091	347,091
<i>Pass-Through from Sandia National Laboratories</i>		1271025, REV. 1		(388)	(388)
<i>Pass-Through from Sandia National Laboratories</i>		1307455 REV 3		30,654	30,654
<i>Pass-Through from Sandia National Laboratories</i>		1315794		43,600	43,600
<i>Pass-Through from Sandia National Laboratories</i>		1427597		100,320	100,320
<i>Pass-Through from Sandia National Laboratories</i>		1439100		10,622	10,622
<i>Pass-Through from Sandia National Laboratories</i>		1439100 Rev 4 CREDIT		191,696	191,696
<i>Pass-Through from Sandia National Laboratories</i>		1509532		15	15
<i>Pass-Through from Sandia National Laboratories</i>		1524251		15,619	15,619
<i>Pass-Through from Sandia National Laboratories</i>		1529274		753	753
<i>Pass-Through from Sandia National Laboratories</i>		1531197		6,709	6,709
<i>Pass-Through from Sandia National Laboratories</i>		1541069		39,094	39,094
<i>Pass-Through from Sandia National Laboratories</i>		1573619		20,860	20,860
<i>Pass-Through from Sandia National Laboratories</i>		1578668-2		83,840	83,840
<i>Pass-Through from Sandia National Laboratories</i>		1648371		64,742	64,742
<i>Pass-Through from Sandia National Laboratories</i>		1649012		59,298	59,298
<i>Pass-Through from Sandia National Laboratories</i>		1650116		57,366	57,366
<i>Pass-Through from Sandia National Laboratories</i>		1650878		74,823	74,823
<i>Pass-Through from Sandia National Laboratories</i>		1651007		33,925	33,925
<i>Pass-Through from Sandia National Laboratories</i>		1651970		34,917	34,917
<i>Pass-Through from Sandia National Laboratories</i>		1655809		41,623	41,623
<i>Pass-Through from Sandia National Laboratories</i>		1663195		12,981	12,981
<i>Pass-Through from Sandia National Laboratories</i>		1679489		40,910	40,910
<i>Pass-Through from Sandia National Laboratories</i>		1694910		49,761	49,761
<i>Pass-Through from Sandia National Laboratories</i>		743358		(50)	(50)
<i>Pass-Through from Sandia National Laboratories</i>		PO 1386784		60,220	60,220
<i>Pass-Through from Sandia National Laboratories</i>		PO 1529354		63,000	63,000
<i>Pass-Through from Sandia National Laboratories</i>		PO 1667965		18,882	18,882
<i>Pass-Through from Sandia National Laboratories</i>		PO1452528		182,241	182,241
<i>Pass-Through from Savannah River Nuclear Solutions, LLC</i>		0000158190		30,279	30,279
<i>Pass-Through from Stanford University SLAC National Accelerator Laboratory</i>		120903		52,093	52,093
<i>Pass-Through from Stanford University SLAC National Accelerator Laboratory</i>		165110		19,710	19,710
<i>Pass-Through from UChicago Argonne, LLC</i>		4F-31901		4,514	4,514
<i>Pass-Through from UChicago Argonne, LLC</i>		4F-32043		22,931	22,931
<i>Pass-Through from UChicago Argonne, LLC</i>		5F-32481		64,423	64,423

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Energy (continued)					
<i>Pass-Through from Universities Space Research Association</i>		06600.41-01		36,267	36,267
<i>Pass-Through from University Chicago Argonne, LLC</i>		6F-31782		7,287	7,287
<i>Pass-Through from University of Wisconsin - Madison</i>		353K312		(3,947)	(3,947)
<i>Pass-Through from URS</i>		244799US/40819273/1 087477		118,325	118,325
<i>Pass-Through from UT - Battelle, LLC</i>		4000122526 4		50,684	50,684
<i>Pass-Through from UT - Battelle, LLC</i>		4000122526 5 PI SIMMONS C		74,886	74,886
<i>Pass-Through from UT - Battelle, LLC</i>		4000136442 Increment		106,077	106,077
<i>Pass-Through from UT - Battelle, LLC</i>		4000144878		34,478	34,478
<i>Pass-Through from UT - Battelle, LLC</i>		4000145754 1st Increment		27,070	27,070
<i>Pass-Through from UT - Battelle, LLC</i>		4000145759		37,366	37,366
<i>Pass-Through from UT - Battelle, LLC</i>		M1602134		9,445	9,445
Total - CFDA 81.XXX			195,734	10,397,984	10,593,718
Inventions and Innovations	81.036			19,315	19,315
State Energy Program	81.041		117,138	24,689	141,827
<i>Pass-Through from State of Louisiana</i>		2031-14-01		17,689	17,689
Total - CFDA 81.041			117,138	42,378	159,516
Office of Science Financial Assistance Program	81.049		1,123,333	28,100,305	29,223,638
<i>Pass-Through from Amethyst Research, Inc.</i>		UTA15-001196		4,393	4,393
<i>Pass-Through from Anasys Instruments</i>		UTA15-00564		98,772	98,772
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		00095441		6,507	6,507
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		00119754	47,552	6,965	54,517
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		00120553		89,175	89,175
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		00121203		154,858	154,858
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		00121602	349,092	27,388	376,480
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		00128976	114,848	42,292	157,140
<i>Pass-Through from Calnetix</i>		12-13857		(2,598)	(2,598)
<i>Pass-Through from Femto Scale, Inc.</i>		DE-SC0013154		16,052	16,052
<i>Pass-Through from HJ Science & Technology, Inc.</i>		DE-SC0009553-1		72,608	72,608
<i>Pass-Through from Iowa State University</i>		DESC0008484		(6,819)	(6,819)
<i>Pass-Through from ITN Energy Systems, Inc.</i>		DE-SC001015		49,755	49,755
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		7115062		17,570	17,570
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		7238955		19,538	19,538
<i>Pass-Through from Lawrence Livermore National Security, LLC</i>		B599687		135,878	135,878
<i>Pass-Through from Los Alamos National Security, LLC</i>		228868		13,357	13,357
<i>Pass-Through from Los Alamos National Security, LLC</i>		311770		43,785	43,785
<i>Pass-Through from Massachusetts Institute of Technology</i>		5710003381		(351,006)	(351,006)
<i>Pass-Through from Massachusetts Institute of Technology</i>		5710003744		495,759	495,759
<i>Pass-Through from Materials and Electrochemical Research Corporation</i>		GN0007240		46,830	46,830
<i>Pass-Through from Materials and Electrochemical Research Corporation</i>		GN0007264		66,962	66,962
<i>Pass-Through from Mesa Photonics, LLC</i>		20150217		38,451	38,451
<i>Pass-Through from Mesa Photonics, LLC</i>		UTA16-000259		8,650	8,650
<i>Pass-Through from Oak Ridge National Laboratory</i>		4000089499		2,088	2,088
<i>Pass-Through from Omega Optics, Inc.</i>		UTA15-000286		5,553	5,553
<i>Pass-Through from Penn State University</i>		5020-UTA-SU-105B		35,413	35,413
<i>Pass-Through from Regents of the University of California</i>		7062952; WBS 1.5.4.3		22,150	22,150
<i>Pass-Through from Regents of the University of California</i>		7079435		9,173	9,173
<i>Pass-Through from Research Foundation of Stony Brook</i>		68856-1119493-3		57,627	57,627

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Energy (continued)					
<i>Pass-Through from Research Partnership to Secure Energy for America</i>		10122-42	299,320	295,260	594,580
<i>Pass-Through from Research Partnership to Secure Energy for America</i>		11122-07		311,987	311,987
<i>Pass-Through from Shear Form, Inc.</i>		12-0094		511	511
<i>Pass-Through from Silicon Audio Labs</i>		UTA15-000759		64,174	64,174
<i>Pass-Through from Stony Brook University</i>		72115		11,443	11,443
<i>Pass-Through from UChicago Argonne, LLC</i>		1F-32303		76,115	76,115
<i>Pass-Through from University of California - Berkeley</i>		00008632		287,522	287,522
<i>Pass-Through from University of California - Riverside</i>		S-000687		170,902	170,902
<i>Pass-Through from University of California - Riverside</i>		S-000687 LOA #1 Li		213,928	213,928
<i>Pass-Through from University of Illinois - Champaign</i>		2014-03595-01		127,671	127,671
<i>Pass-Through from University of Illinois - Champaign</i>		2014-03595-02		196,569	196,569
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		2013-04789-01		151,184	151,184
<i>Pass-Through from University of Michigan</i>		3001346237		154,759	154,759
<i>Pass-Through from University of Tennessee</i>		A16-0384- S002/8500050608		15,232	15,232
<i>Pass-Through from University of Tennessee - Knoxville</i>		A12-0153-S001		103,167	103,167
<i>Pass-Through from University of Wisconsin</i>		455K674		261,270	261,270
<i>Pass-Through from University of Wisconsin - Madison</i>		475K860		9,760	9,760
<i>Pass-Through from Westinghouse Electric Company</i>		4500654380		9,310	9,310
Total - CFDA 81.049			1,934,145	31,788,195	33,722,340
University Coal Research	81.057		41,145	163,560	204,705
<i>Pass-Through from University of Washington</i>		125794-G003504		23,231	23,231
Total - CFDA 81.057			41,145	186,791	227,936
Regional Biomass Energy Programs	81.079				
<i>Pass-Through from South Dakota State University</i>		3TA153 DE-FC36- 06G085041/3TG148- 05G85041		4,720	4,720
<i>Pass-Through from South Dakota State University</i>		3TC676-01		17,967	17,967
<i>Pass-Through from South Dakota State University</i>		3TC676-02		3,184	3,184
<i>Pass-Through from South Dakota State University</i>		3TF148 (PRIME#DE- FC36-05GO85041		14,173	14,173
<i>Pass-Through from South Dakota State University</i>		3TQ676		13,288	13,288
Total - CFDA 81.079			0	53,332	53,332
Conservation Research and Development	81.086		1,249,642	1,028,570	2,278,212
<i>Pass-Through from Austin Energy</i>		DE-EE0006078		1	1
<i>Pass-Through from GMZ Energy, Inc.</i>		DOE-EE-0004840		(519)	(519)
<i>Pass-Through from Penn State University</i>		4944-UTA-DOE-6447		255,145	255,145
Total - CFDA 81.086			1,249,642	1,283,197	2,532,839
Renewable Energy Research and Development	81.087		509,648	2,836,717	3,346,365
<i>Pass-Through from ABB Corporate Research Center</i>		C5120		232,704	232,704
<i>Pass-Through from Arizona State University</i>		13-185		62,774	62,774
<i>Pass-Through from Arizona State University</i>		13-185 03 ADD FUNDS		27,720	27,720
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		127468	2,046	(32,796)	(30,750)
<i>Pass-Through from Board of Trustees of the Leland Stanford Junior University</i>		60964986-51007		5,783	5,783
<i>Pass-Through from Center for Transportation and the Environment</i>		UTA15-000935		103,136	103,136
<i>Pass-Through from Los Alamos National Security, LLC</i>		282767		41,102	41,102

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Energy (continued)					
<i>Pass-Through from Los Alamos National Security, LLC</i>		285123		25,047	25,047
<i>Pass-Through from National Renewable Energy Laboratory</i>		8000002242		115,593	115,593
<i>Pass-Through from National Renewable Energy Laboratory</i>		8000002481		192,384	192,384
<i>Pass-Through from National Renewable Energy Laboratory</i>		8000002489		9,379	9,379
<i>Pass-Through from National Renewable Energy Laboratory</i>		XGJ-6-62183-01		21,812	21,812
<i>Pass-Through from Omnetric Group</i>		NCS-5-42326-01		130,284	130,284
<i>Pass-Through from Pennsylvania State University</i>		5105-UTA-DOE-6761		(4,867)	(4,867)
<i>Pass-Through from Stanford University</i>		60217589-60257757- 51077-M		84,222	84,222
<i>Pass-Through from Stanford University</i>		60962303-51077		22,918	22,918
<i>Pass-Through from Stanford University</i>		Agr 60516997-51077 Req 342506		73,134	73,134
<i>Pass-Through from University of Arizona</i>		143187		352,211	352,211
<i>Pass-Through from University of Central Florida</i>		DE-EE0007327		76,913	76,913
<i>Pass-Through from University of Florida</i>		UFDAP00011013		19,446	19,446
<i>Pass-Through from University of Illinois</i>		DE-EE0005956		48,895	48,895
<i>Pass-Through from UT - Battelle, LLC</i>		4000147738		32,276	32,276
<i>Pass-Through from Vaisala, Inc.</i>		DOE-WFIP2-TTU-		53,741	53,741
Total - CFDA 81.087			511,694	4,530,528	5,042,222
Fossil Energy Research and Development	81.089		1,275,436	10,633,662	11,909,098
<i>Pass-Through from Battelle</i>		US001-0000509245		1,836	1,836
<i>Pass-Through from Clearview Subsea, LLC</i>		10002-03		165,600	165,600
<i>Pass-Through from CSI Technologies, LLC</i>		11122-42		121,714	121,714
<i>Pass-Through from Electric Power Research Institute</i>		10005035		53,906	53,906
<i>Pass-Through from Florida International University</i>		800005248-01		24,983	24,983
<i>Pass-Through from Gas Technology Institute</i>		S582		34,023	34,023
<i>Pass-Through from Gas Technology Institute</i>		S582 1		208,791	208,791
<i>Pass-Through from Gas Technology Institute</i>		S592		29,998	29,998
<i>Pass-Through from Gas Technology Institute</i>		S592 email dtd 21916		81,521	81,521
<i>Pass-Through from Gas Technology Institute</i>		UTA09-000924 PO# S00000132		85	85
<i>Pass-Through from GSI Environmental, Inc.</i>		SC3875-006		361,603	361,603
<i>Pass-Through from Houston Advanced Research Center</i>		280430		4,826	4,826
<i>Pass-Through from Houston Advanced Research Center</i>		EFDTIP-TIP204		55,052	55,052
<i>Pass-Through from Intelligent Optical Systems, Inc.</i>		IOS #3239 DOE-RICO III		123,292	123,292
<i>Pass-Through from Membrane Technology and Research, Inc.</i>		373-DOE-FE-13118- UTEXAS		397,026	397,026
<i>Pass-Through from Research Partnership to Secure Energy for America</i>		10121-4501-01		202,421	202,421
<i>Pass-Through from Southern States Energy Board</i>		SSEB-SECARB3-973- T13BEG-TI-2008-019	25,335	393,097	418,432
<i>Pass-Through from University of Illinois - Champaign</i>		2005-05060-37-00 DE- FC26-05NT42588		79,998	79,998
Total - CFDA 81.089			1,300,771	12,973,434	14,274,205
Epidemiology and Other Health Studies Financial Assistance Program	81.108				
<i>Pass-Through from Drexel University</i>		23-1352630		118,614	118,614
Stewardship Science Grant Program	81.112			2,542,126	2,542,126
<i>Pass-Through from Stanford University</i>		60300258-107109-A		76,486	76,486
<i>Pass-Through from University of Michigan</i>		3003781662		32,646	32,646
Total - CFDA 81.112			0	2,651,258	2,651,258

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Energy (continued)					
Defense Nuclear Nonproliferation Research	81.113			176,366	176,366
<i>Pass-Through from Battelle Pacific Northwest Division</i>		268657		32,226	32,226
<i>Pass-Through from Lawrence Livermore National Security, LLC</i>		B571336		(1,262)	(1,262)
<i>Pass-Through from University of California - Berkeley</i>		BB00154662/00008127		89,838	89,838
Total - CFDA 81.113			0	297,168	297,168
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117		104,674	393,756	498,430
<i>Pass-Through from Thurgood Marshall Scholarship Fund</i>		MSI-Visiting Prof- PVAMU-Bellam 2012		13,151	13,151
Total - CFDA 81.117			104,674	406,907	511,581
Nuclear Energy Research, Development and Demonstration	81.121		329,284	2,921,338	3,250,622
<i>Pass-Through from Areva Federal Services, LLC</i>		15C3011928		449,131	449,131
<i>Pass-Through from Areva Federal Services, LLC</i>		15C3012763		385,183	385,183
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		00127086		204,449	204,449
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		00138966		(1,803)	(1,803)
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		00152846		39,736	39,736
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		128931	111,341	24,356	135,697
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		154381		30,237	30,237
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		156135		145,476	145,476
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		157406		20,042	20,042
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		162345		42,449	42,449
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		162742		63,733	63,733
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		164318		75,970	75,970
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		164379		48,266	48,266
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		166508		40,661	40,661
<i>Pass-Through from Battelle Energy Alliance, LLC</i>		171587		2,018	2,018
<i>Pass-Through from Boise State University</i>		6298-C		57,332	57,332
<i>Pass-Through from Consolidated Nuclear Security, LLC</i>		PTX01-0000052754		161,660	161,660
<i>Pass-Through from Georgia Institute of Technology</i>		RF764-G3		15,706	15,706
<i>Pass-Through from Georgia Institute of Technology</i>		RF764-G4		134,226	134,226
<i>Pass-Through from Lawrence Livermore National Laboratory</i>		B613258		157,098	157,098
<i>Pass-Through from Lawrence Livermore National Security, LLC</i>		B602391		22,150	22,150
<i>Pass-Through from Los Alamos National Security, LLC</i>		208873-1		18,777	18,777
<i>Pass-Through from Los Alamos National Security, LLC</i>		240292-1		15,849	15,849
<i>Pass-Through from Los Alamos National Security, LLC</i>		345255		50,119	50,119
<i>Pass-Through from Massachusetts Institute of Technology</i>		5710003981		22,173	22,173
<i>Pass-Through from Oak Ridge National Laboratory</i>		4000105055		145,402	145,402
<i>Pass-Through from Stony Brook University</i>		DE-NE0000747		85,510	85,510
<i>Pass-Through from Syracuse University</i>		27383-03825-S01		2,315	2,315
<i>Pass-Through from UChicago Argonne, LLC</i>		3F-30782		4,192	4,192
<i>Pass-Through from UChicago Argonne, LLC</i>		4F-31621		672	672
<i>Pass-Through from UChicago Argonne, LLC</i>		5F-32301		256,149	256,149
<i>Pass-Through from UChicago Argonne, LLC</i>		5F-32562		46,368	46,368
<i>Pass-Through from University of Arkansas</i>		SA1510070		91,041	91,041
<i>Pass-Through from University of Nebraska - Lincoln</i>		25-1217-0014-004		85,216	85,216
Total - CFDA 81.121			440,625	5,863,197	6,303,822
Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122				
<i>Pass-Through from University of Chicago - Argonne National Laboratory</i>		4F-30201		23,189	23,189
<i>Pass-Through from University of Illinois - Champaign - Urbana</i>		2015-06608-03		123,790	123,790
Total - CFDA 81.122			0	146,979	146,979

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Energy (continued)					
National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.123			159,296	159,296
<i>Pass-Through from Florida Agricultural and Mechanical University</i>		004655 C-4534		31,065	31,065
<i>Pass-Through from Florida Agricultural and Mechanical University</i>		C-4342		172,064	172,064
Total - CFDA 81.123			0	362,425	362,425
Predictive Science Academic Alliance Program	81.124		171,387	2,151,434	2,322,821
<i>Pass-Through from Stanford University</i>		60544212-107908		78,012	78,012
Total - CFDA 81.124			171,387	2,229,446	2,400,833
ARRA - Expand and Extend Clean Coal Power Initiative	81.131				
<i>Pass-Through from Petra Nova Parish Holdings, LLC</i>		UTA15-000294 PO 4501616882		508,341	508,341
Advanced Research Projects Agency - Energy	81.135		1,959,290	1,833,836	3,793,126
<i>Pass-Through from Ceramtec, Inc.</i>		UTA14-000129		328,815	328,815
<i>Pass-Through from Chromatin, Inc.</i>		DOE DE-AR0000208		171,562	171,562
<i>Pass-Through from Donald Danforth Plant Science Center</i>		22815-T		40,467	40,467
<i>Pass-Through from Georgia Institute of Technology</i>		RD735-G1		22,991	22,991
<i>Pass-Through from Metropia, Inc.</i>		M1601675		5,471	5,471
<i>Pass-Through from Physical Sciences, Inc.</i>		SC67187-1867		104,497	104,497
<i>Pass-Through from SHARP Laboratories of America, Inc.</i>		UTA13-000404		164,203	164,203
<i>Pass-Through from Superpower, Inc.</i>		107379		11,239	11,239
<i>Pass-Through from Tai - Yang Research Co.</i>		DE-AR0000337		152,815	152,815
<i>Pass-Through from University of California - Los Angeles</i>		GN0005968		86	86
<i>Pass-Through from University of Cincinnati</i>		009725-007		53,855	53,855
<i>Pass-Through from University of Maryland - College Park</i>		Z713201		813	813
<i>Pass-Through from University of Nevada - Las Vegas</i>		13-738Q-A-00		108,970	108,970
<i>Pass-Through from University of South Carolina</i>		15-2798 PO 2000010216		189,805	189,805
<i>Pass-Through from UT - Battelle, LLC</i>		4000123096		504,703	504,703
<i>Pass-Through from UT - Battelle, LLC</i>		4000139515		223	223
Total - CFDA 81.135			1,959,290	3,694,351	5,653,641
Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis	81.214			30,631	30,631
Total - U.S. Department of Energy			8,026,245	77,584,471	85,610,716
U.S. Department of Education					
U.S. Department of Education	84.XXX				
<i>Pass-Through from Los Alamos National Laboratory</i>		318613		40,019	40,019
<i>Pass-Through from Los Alamos National Laboratory</i>		318613 001		84,625	84,625
<i>Pass-Through from University of Wisconsin - Milwaukee</i>		H133G140222		2,639	2,639
Total - CFDA 84.XXX			0	127,283	127,283
Adult Education - Basic Grants to States	84.002			336,362	336,362
Overseas Programs - Doctoral Dissertation Research Abroad	84.022			5,794	5,794
Higher Education Institutional Aid	84.031			1,786,600	1,786,600
Career and Technical Education -- Basic Grants to States	84.048			92,198	92,198

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Education (continued)					
Fund for the Improvement of Postsecondary Education <i>Pass-Through from University System of Maryland</i>	84.116	P116F150201-2016-6	(20,810)	905,577 34,741	884,767 34,741
Total - CFDA 84.116			(20,810)	940,318	919,508
Minority Science and Engineering Improvement	84.120		51,974	354,706	406,680
National Institute on Disability and Rehabilitation Research <i>Pass-Through from Baylor College of Medicine</i> <i>Pass-Through from Baylor Research Institute</i> <i>Pass-Through from Baylor Research Institute</i> <i>Pass-Through from Langston University</i> <i>Pass-Through from TIRR Memorial Hermann</i>	84.133	101748025-2 90DP0042-02-00 H133A120098-14 H133B130023 H133A110027/ SWADA-UTHSCH-15	(8,783)	(18,472) 2,191 43,377 40 22,811 5,380	(27,255) 2,191 43,377 40 22,811 5,380
<i>Pass-Through from TIRR Memorial Hermann</i> <i>Pass-Through from University of Wisconsin - Madison</i>		H133A12008 282K763		4,131 5,748	4,131 5,748
Total - CFDA 84.133			(8,783)	65,206	56,423
Migrant Education_High School Equivalency Program	84.141			103,837	103,837
Graduate Assistance in Areas of National Need <i>Pass-Through from American Institutes for Research</i>	84.200	R305C120008		473,582	473,582
Fund for the Improvement of Education	84.215		732,523	3,463,317	4,195,840
TRIO_McNair Post-Baccalaureate Achievement	84.217			672,389	672,389
Centers for International Business Education	84.220			221,905	221,905
Education Research, Development and Dissemination <i>Pass-Through from American Institutes for Research</i> <i>Pass-Through from Georgia State University</i> <i>Pass-Through from Harvard University</i> <i>Pass-Through from Harvard University</i> <i>Pass-Through from Teachers College - Columbia University</i> <i>Pass-Through from University of Leuven</i> <i>Pass-Through from University of Michigan</i> <i>Pass-Through from University of Michigan</i>	84.305	R305A150587 SP00010952 108129-5076576 135998-5098513 511135 R305D150007-01 3002533698 3003216145	2,138,836	8,994,754 91,310 51,226 15,831 9,550 22,624 77,667 18,881 85,777	11,133,590 91,310 51,226 15,831 9,550 22,624 77,667 18,881 85,777
Total - CFDA 84.305			2,138,836	9,367,620	11,506,456
Research in Special Education <i>Pass-Through from San Francisco State University</i> <i>Pass-Through from The Curators of The University of Missouri</i> <i>Pass-Through from University of California - Davis</i> <i>Pass-Through from University of Kansas Center for Research, Inc.</i> <i>Pass-Through from University of Kansas Center for Research, Inc.</i> <i>Pass-Through from University of North Carolina - Chapel Hill</i>	84.324	S15-0003 R324A120027 # 201500254-01 FY2014-044 FY2014-045-M2 5039281 3	420,685	2,082,298 78,326 23,936 408,488 102 87,579 32,508	2,502,983 78,326 23,936 408,488 102 87,579 32,508
Total - CFDA 84.324			420,685	2,713,237	3,133,922
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities <i>Pass-Through from University of Florida</i>	84.325	UFDSP00010565 3 W/EXT	15,172	766,299 61,602	781,471 61,602
Total - CFDA 84.325			15,172	827,901	843,073
Special Education_Technical Assistance and Dissemination to	84.326		132,810	437,000	569,810

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Education (continued)					
Improve Services and Results for Children with Disabilities <i>Pass-Through from California State University - Northridge</i>		F-11-2963-3 UTA		459,397	459,397
Total - CFDA 84.326			132,810	896,397	1,029,207
Transition to Teaching	84.350				
<i>Pass-Through from University of Louisiana - Monroe</i>		SVK010-TAMUK-00		310,611	310,611
English Language Acquisition State Grants	84.365			698,088	698,088
Mathematics and Science Partnerships	84.366			185,172	185,172
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367			720,043	720,043
Competitive Grants for State Assessments (formerly Grants for Enhanced Assessment Instruments)	84.368			1,366,414	1,366,414
School Improvement Grants	84.377				
<i>Pass-Through from San Antonio Independent School District</i>		EDU-5619-Lab School Crockett ES		244,329	244,329
<i>Pass-Through from San Antonio Independent School District</i>		EDU-5635 Lab School Douglass ES		235,730	235,730
Total - CFDA 84.377			0	480,059	480,059
ARRA - Centers for Independent Living, Recovery Act. <i>Pass-Through from TIRR Memorial Hermann</i>	84.400	H400B100003 / 1596-15		660	660
Investing in Innovation (i3) Fund	84.411		404,341	2,558,379	2,962,720
Race to the Top 6 Early Learning Challenge <i>Pass-Through from University of Kentucky</i>	84.412	3210000074-16-068		10,000	10,000
Graduate Research Opportunities for Minority Students (Minorities and Retirement Security Program)	84.414			131,495	131,495
Total - U.S. Department of Education			3,866,748	28,909,573	32,776,321
U.S. Department of Health and Human Services					
U.S. Department of Health and Human Services	93.XXX	1-15-TS-20		416,593	416,593
		1R21AI123753-01		85,283	85,283
		200-2009-32594		686,970	686,970
		200-2011-39475		(79,891)	(79,891)
		200-2011-41271		285,477	285,477
		200-2014-M-59937		5,405	5,405
		2014-CY-BX-0023 Prim		31,329	31,329
		5P30AG012300-21		(3,034)	(3,034)
		5R01AI079110-05		19,548	19,548
		5U01HL12033802		20,952	20,952
		5U01NS081041-02		358,978	358,978
		5UM1AI11427-02		1,484	1,484
		7R01GM085575-07		337,579	337,579
		BIQSFP-AALL1131		410,620	410,620
		11XS			
		GUIDE-IT 2-2 Echo		95,925	95,925
		HHN2712011000061		16,783	16,783
		HHSF223201110109A		25,104	25,104
		HSH234200737001C04		(525)	(525)
		HSH250201000011C00		3,945,394	3,945,394
		HHSN261201000032I		1	1

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
		HHSN261201200034I		846,964	846,964
		HHSN261201500018I		4,445	4,445
		HHSN263201000044I03		30,408	30,408
		HHSN263201600013I		228,103	228,103
		HHSN268200900039C04	39,750	275,981	315,731
		HHSN268200900046C		30,672	30,672
		HHSN268201000036C	465,584	53,088	518,672
		HHSN268201000037C		11,328	11,328
		HHSN268201100036C		694,505	694,505
		HHSN268201200019C		42,256	42,256
		HHSN268201500021CP		231,313	231,313
		HHSN268201500021CQ		(1,588)	(1,588)
		HHSN271201100006I		(1,289)	(1,289)
		HHSN272201000038I	270,707	691,490	962,197
		HHSN272201000040I		280,614	280,614
		HHSN272201000040I		2,859,775	2,859,775
		HHSN272201100018I		214,681	214,681
		HHSN27220150000TC		30,083	30,083
		HHSN275201300018I		17,003	17,003
		HHSN276201000694P		738	738
		HHSN276201100007C		91,751	91,751
		HHSN276201500585P		92,338	92,338
		K08DE025090		37,618	37,618
		N01 CM-2011-00039 01		289,729	289,729
		N01 CM-62202 09		(12,609)	(12,609)
		N01-CN-035159 07		3,188	3,188
		N01DA-13-8908		579,459	579,459
		NBS #3937452 DUNS #800771594		20,548	20,548
		P400369		157	157
		PO: D52014		5,816	5,816
		U10CA98543		121,281	121,281
		W81XWH-13C-0196		(1,495)	(1,495)
		W81XWH-16-1-0145		28,410	28,410
		44321/HHSA2902010000		8,703	8,703
		APAD-NCI-261201		40,166	40,166
		1205.03029.002		102,956	102,956
		SUB # 0260002103		288,740	288,740
		201005160002		481,334	481,334
		HHSN272201600013C		158	158
		HHSO1002014000013C		4,550	4,550
		HHSA- 290201500002C		188,583	188,583
		N01-AI-80002		18,104	18,104
		NONE90DP0045-02-01		183,284	183,284
		5UM1A1068636-10		128,067	128,067
		W81XWH15C0148		6,250	6,250
		HHSN261201300076C		101,175	101,175
		UTA15-000973		105,698	105,698
		HHSN272200800006C		(7,432)	(7,432)
		UTA10-001284		8,898	8,898
		5926-01 CEMPRA		2,002	2,002
		SOLI PHANE 2/3			
		HHSN- 275201000003I		2,667	2,667

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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>		HHSN275201000031		17,689	17,689
<i>Pass-Through from Duke University Medical Center</i>		HHSN272200900023C		499,160	499,160
<i>Pass-Through from Duke University Medical Center</i>		N01-AI-05419 04		(3,854)	(3,854)
<i>Pass-Through from EMMES Corporation</i>		HHSN263201200001C		277,639	277,639
<i>Pass-Through from EvoRx Technologies, Inc.</i>		HHSN26120130065		1,710	1,710
<i>Pass-Through from EvoRx Technologies, Inc.</i>		HHSN2612015000072C		96,534	96,534
<i>Pass-Through from Genalyte, Inc.</i>		HHSN26120130081C-2		11,004	11,004
<i>Pass-Through from Houston Academy of Medicine - Texas Medical Center Library</i>		HHSN276201100007C		1,677	1,677
<i>Pass-Through from Houston Academy of Medicine - Texas Medical Center Library</i>		HHSN-276-2011- 00007C		8,451	8,451
<i>Pass-Through from Inhibikase Therapeutics, Inc.</i>		HDTRA112C0051		17,673	17,673
<i>Pass-Through from J. Craig Venter Institute</i>		HHSN272201400028C		26,771	26,771
<i>Pass-Through from Kansas State University</i>		S13205		49,891	49,891
<i>Pass-Through from Leidos Biomedical Research, Inc.</i>		13XS034-T03		(785)	(785)
<i>Pass-Through from Leidos Biomedical Research, Inc.</i>		14X082ST1		17	17
<i>Pass-Through from Leidos Biomedical Research, Inc.</i>		14X082T2		2,596,754	2,596,754
<i>Pass-Through from Leidos Biomedical Research, Inc.</i>		15X073		79,906	79,906
<i>Pass-Through from Leidos Biomedical Research, Inc.</i>		BOA#14X082 Q3		343,146	343,146
<i>Pass-Through from Leidos Biomedical Research, Inc.</i>		HHSN261200800001E		92,009	92,009
<i>Pass-Through from Leidos, Inc.</i>		15X219		142,124	142,124
<i>Pass-Through from Massachusetts General Hospital</i>		HHSN2612007440C 05		(5)	(5)
<i>Pass-Through from North American Association of Central Cancer Registries</i>		2014-07-01		44,546	44,546
<i>Pass-Through from Northwestern University</i>		HHSN272201200026C		2	2
<i>Pass-Through from Omega Optics, Inc.</i>		HHSN261201200043C		(69)	(69)
<i>Pass-Through from Omega Optics, Inc.</i>		UTA15-001043		20,000	20,000
<i>Pass-Through from Omega Optics, Inc.</i>		UTA16-000610		20,226	20,226
<i>Pass-Through from Physical Sciences, Inc.</i>		HHSN26120140006		14,168	14,168
<i>Pass-Through from Radix BioSolutions, Ltd.</i>		HHSN272201500031C		41,527	41,527
<i>Pass-Through from RTI International</i>		60-312-0210637-52607L		143,269	143,269
<i>Pass-Through from SAIC - Frederick, Inc.</i>		13XS034-T02		(2,419)	(2,419)
<i>Pass-Through from SAIC - Frederick, Inc.</i>		13XS034-T04		(205)	(205)
<i>Pass-Through from SAIC - Frederick, Inc.</i>		13XS034-TO1		702	702
<i>Pass-Through from SAIC - Frederick, Inc.</i>		13XS071		24	24
<i>Pass-Through from SAIC - Frederick, Inc.</i>		SAIC 29XS143 03		(8,521)	(8,521)
<i>Pass-Through from Social & Scientific Systems, Inc.</i>		1 N01 ES045525 01		(25)	(25)
<i>Pass-Through from Social & Scientific Systems, Inc.</i>		CRB-SSS-S-12-002253		7,301	7,301
<i>Pass-Through from Social & Scientific Systems, Inc.</i>		HHSN2612014000101		200,705	200,705
<i>Pass-Through from St. Jude Children's Research Hospital</i>		HHSN272201400006C		3,006	3,006
<i>Pass-Through from St. Jude Children's Research Hospital</i>		PO 112262020-7698326		170,050	170,050
<i>Pass-Through from Stasys Medical Corporation</i>		PROTOCOL DVP- 0514 AA-DRAFT		10,005	10,005
<i>Pass-Through from SWOG Clinical Trials, LLC</i>		5 U10 CA105409		(289)	(289)
<i>Pass-Through from Takeda Vaccines, Inc.</i>		HHSN272201000034C		63,582	63,582
<i>Pass-Through from TASC, Inc.</i>		FA865014D6519		106,844	106,844
<i>Pass-Through from Tulane University Medical Center</i>		HHSN272200900049C		64	64
<i>Pass-Through from University of California - San Diego</i>		HHSN271201000036C		41,243	41,243
<i>Pass-Through from University of Minnesota</i>		P005296401		24,711	24,711
<i>Pass-Through from University of New Mexico</i>		136442		18,725	18,725
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5100322		537	537
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5102905		13,281	13,281

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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</i>		5 N01 CN-53300 02		6,970	6,970
<i>Pass-Through from University of Puerto Rico - Medical Sciences Campus</i>		2P400OD012217-29		17,224	17,224
<i>Pass-Through from University of South Alabama</i>		HDTRA11400023		205,517	205,517
<i>Pass-Through from University of South Florida</i>		18677		13,975	13,975
<i>Pass-Through from University of Wisconsin</i>		MSN186215		42,943	42,943
<i>Pass-Through from University of Wisconsin - Madison</i>		N01AI90052		(154,924)	(154,924)
<i>Pass-Through from Utah State University</i>		HHSN272201100019I		86,811	86,811
<i>Pass-Through from Veterans Medical Research Foundation</i>		15FED1511233-0002-0001	330,963	330,939	661,902
<i>Pass-Through from Veterans Medical Research Foundation</i>		V688P-2994		(32,219)	(32,219)
<i>Pass-Through from Wyle Laboratories</i>		NCC95860		25,403	25,403
ARRA - U.S. Department of Health and Human Services		HHSN261201000032I01		(50,280)	(50,280)
Total - CFDA 93.XXX			1,107,004	21,803,499	22,910,503
Innovations in Applied Public Health Research	93.061			10,589	10,589
Laboratory Training, Evaluation, and Quality Assurance Programs	93.064			146,933	146,933
Global AIDS	93.067				
<i>Pass-Through from University of Washington</i>		5U2GPS00204705		43,496	43,496
Public Health Emergency Preparedness	93.069			266,914	266,914
Medicare Enrollment Assistance Program	93.071			207,710	207,710
Birth Defects and Developmental Disabilities - Prevention and Surveillance	93.073			208,157	208,157
<i>Pass-Through from Massachusetts Department of Public Health</i>		INTF3122J25W40138034 3		7,446	7,446
Total - CFDA 93.073			0	215,603	215,603
Family Smoking Prevention and Tobacco Control Act Regulatory Research	93.077		242,091	4,469,073	4,711,164
<i>Pass-Through from University of Minnesota</i>		5 U54 DA031659 05		706,761	706,761
<i>Pass-Through from University of Pittsburgh</i>		3U54DA031659-03		(75)	(75)
Total - CFDA 93.077			242,091	5,175,759	5,417,850
Blood Disorder Program: Prevention, Surveillance, and	93.080			24,708	24,708
Prevention of Disease, Disability, and Death by Infectious Diseases	93.084			14,098	14,098
<i>Pass-Through from Lynntech, Inc.</i>		M1600192		10,896	10,896
Total - CFDA 93.084			0	24,994	24,994
Healthy Marriage Promotion and Responsible Fatherhood	93.086		110,818	744,794	855,612
<i>Pass-Through from University of Central Florida</i>		14246012		19,538	19,538
Total - CFDA 93.086			110,818	764,332	875,150

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
Advancing System Improvements for Key Issues in Women's Health	93.088			365,989	365,989
<i>Pass-Through from University of Miami</i>		AC 69434	8,498	22,824	31,322
Total - CFDA 93.088			8,498	388,813	397,311
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092		137,219	60,186	197,405
<i>Pass-Through from BCFS Health and Human Services</i>		90AK0023-01-00		3,690	3,690
<i>Pass-Through from Change Happens</i>		110118		36,667	36,667
<i>Pass-Through from Change Happens</i>		90AK0022		2,067	2,067
<i>Pass-Through from Inter Tribal Council of Arizona, Inc.</i>		UTSPH-16-00		48,103	48,103
		90AT0013-05			
<i>Pass-Through from Inter Tribal Council of Arizona, Inc.</i>		UTSPH-16-01		6,080	6,080
		90AT0013-05-00			
Total - CFDA 93.092			137,219	156,793	294,012
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093			42,302	42,302
<i>Pass-Through from Community Action Project of Tulsa County, Inc.</i>		UTA16-000027			
Food and Drug Administration Research	93.103		13,399	1,948,879	1,962,278
<i>Pass-Through from Rochal Industries</i>		2R44GM10870-02		5,211	5,211
Total - CFDA 93.103			13,399	1,954,090	1,967,489
Area Health Education Centers	93.107			19,925	19,925
Maternal and Child Health Federal Consolidated Programs	93.110		55,280	1,136,215	1,191,495
Environmental Health	93.113		1,262,273	9,637,197	10,899,470
<i>Pass-Through from Alafair Biosciences, Inc.</i>		UTA14-000830		2,930	2,930
<i>Pass-Through from Baylor College of Medicine</i>		5R01ES01968905		5,442	5,442
<i>Pass-Through from BioTex, Inc.</i>		M1601559		72,179	72,179
<i>Pass-Through from Icahn School of Medicine - Mount Sinai</i>		5R01ES01776705		9,720	9,720
<i>Pass-Through from Icahn School of Medicine - Mount Sinai</i>		5R01ES02145204		245,350	245,350
<i>Pass-Through from Indiana University</i>		BL-4645504-UTEP		9,565	9,565
<i>Pass-Through from Michigan State University</i>		5 R01 ES017777 03		8,171	8,171
<i>Pass-Through from Omega Optics, Inc.</i>		UTA13-000912		15,136	15,136
<i>Pass-Through from Tulane University</i>		5U19ES020677-05		34,289	34,289
<i>Pass-Through from University of Alabama - Birmingham</i>		000350461-004/SU01ES		23,266	23,266
<i>Pass-Through from University of Arkansas for Medical Sciences</i>		5R21ES02304602		17,023	17,023
<i>Pass-Through from University of New Mexico</i>		3RT23		1,917	1,917
<i>Pass-Through from University of North Carolina</i>		5034647		101,286	101,286
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5031826		32,224	32,224
<i>Pass-Through from Winthrop University</i>		5R01ES02311603		7,534	7,534
Total - CFDA 93.113			1,262,273	10,223,229	11,485,502
Oral Diseases and Disorders Research	93.121		1,871,757	13,631,683	15,503,440
<i>Pass-Through from Aquilus Pharmaceuticals, Inc.</i>		AQ- 1362/1R43DE022207		321	321
<i>Pass-Through from Harvard School of Dental Medicine</i>		5R01DE023061-03		55,214	55,214
<i>Pass-Through from Loma Linda University</i>		1R01DE02585201		13,335	13,335
<i>Pass-Through from Meharry Medical College</i>		110630HX142		3,878	3,878
<i>Pass-Through from President and Fellows of Harvard College</i>		5R01DE021051-05		80,507	80,507
<i>Pass-Through from Primus Consulting</i>		1301110		18,362	18,362
<i>Pass-Through from Research Foundation of Suny</i>		1073219-150810		2,175	2,175

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Trustees of Dartmouth College</i>		5 R01 DE022772 04		247,198	247,198
<i>Pass-Through from University of Alabama - Birmingham</i>		000412838-005/1U19DE		564,393	564,393
<i>Pass-Through from University of California - Davis</i>		5R01DE015038-09		87,112	87,112
<i>Pass-Through from University of California - Los Angeles</i>		5 U01 DE017593 09		55,210	55,210
<i>Pass-Through from University of California - San Francisco</i>		1UH2DE025504-01REV		4,411	4,411
<i>Pass-Through from University of California - San Francisco</i>		5R01DE023061-03		3,194	3,194
<i>Pass-Through from University of Massachusetts - Lowell</i>		R01DE021084		31	31
<i>Pass-Through from University of Massachusetts - Lowell</i>		S51110000022697		103,280	103,280
<i>Pass-Through from University of Michigan</i>		1 K23 DE020197 01		(34)	(34)
<i>Pass-Through from University of New Mexico</i>		3R01DE023222-03S1		47,767	47,767
<i>Pass-Through from University of Utah</i>		R01 DE023414 02		73,695	73,695
<i>Pass-Through from William Marsh Rice University</i>		1R34DE025593-01		4,368	4,368
Total - CFDA 93.121			1,871,757	14,996,100	16,867,857
Emergency Medical Services for Children	93.127			347,849	347,849
<i>Pass-Through from Baylor College of Medicine</i>		5H34MC26199-03		30,710	30,710
<i>Pass-Through from Medical College of Wisconsin</i>		5H34MC26201-03-00		12,167	12,167
Total - CFDA 93.127			0	390,726	390,726
Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135		817,422	369,659	1,187,081
<i>Pass-Through from Emory University</i>		5U48DP001909-05		(1,961)	(1,961)
<i>Pass-Through from University of Arizona</i>		U48DP005002 238879		106,648	106,648
<i>Pass-Through from University of North Carolina</i>		5100248		70,707	70,707
Total - CFDA 93.135			817,422	545,053	1,362,475
Injury Prevention and Control Research and State and Community Based Programs	93.136			456,356	456,356
<i>Pass-Through from University of Illinois</i>		2016-00506-02		24,997	24,997
<i>Pass-Through from University of Utah</i>		10037451-01 / 5U01CE022188-04		240,787	240,787
Total - CFDA 93.136			0	722,140	722,140
NIEHS Hazardous Waste Worker Health and Safety Training	93.142		170,141	202,570	372,711
NIEHS Superfund Hazardous Substances_Basic Research and Education	93.143				
<i>Pass-Through from Michigan State University</i>		RC103776AM		83,845	83,845
<i>Pass-Through from University of North Carolina</i>		5100277		214,812	214,812
Total - CFDA 93.143			0	298,657	298,657
HIV-Related Training and Technical Assistance	93.145			158,263	158,263
<i>Pass-Through from Dallas County Hospital District</i>		OTHER-7446		17,419	17,419
Total - CFDA 93.145			0	175,682	175,682
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153			311,019	311,019
<i>Pass-Through from Resource Group</i>		16UTV00RWD		21,846	21,846
Total - CFDA 93.153			0	332,865	332,865

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
Centers of Excellence	93.157			13,700	13,700
Human Genome Research	93.172		49,891	280,912	330,803
<i>Pass-Through from Baylor College of Medicine</i>		1UM1HG008898-01		190,043	190,043
<i>Pass-Through from Baylor College of Medicine</i>		5U54HG003273-12		222,162	222,162
<i>Pass-Through from Baylor College of Medicine</i>		5U54HG003273-12S2		52,677	52,677
<i>Pass-Through from Baylor College of Medicine</i>		SHOPPING CART 102170834		40,166	40,166
<i>Pass-Through from Brigham and Women's Hospital</i>		5 U41 HG007497 03		97,391	97,391
<i>Pass-Through from Johns Hopkins University</i>		2001505187//5U54HG 006542-04		128,357	128,357
<i>Pass-Through from Johns Hopkins University</i>		2UM1HG006542-05		55,706	55,706
<i>Pass-Through from Stanford University</i>		5 R01 HG005855 06		59,559	59,559
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		4U01HG007416-04		239,898	239,898
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5U01HG007416-03		41,676	41,676
<i>Pass-Through from University of Southern California</i>		159433/2R01HG006015		205,257	205,257
<i>Pass-Through from University of Washington</i>		UWSC6544		12,844	12,844
<i>Pass-Through from Vanderbilt University</i>		R01 HG006844/40635		31,774	31,774
<i>Pass-Through from Xigen, LLC</i>		PA-11-335		(8,708)	(8,708)
Total - CFDA 93.172			49,891	1,649,714	1,699,605
Research Related to Deafness and Communication Disorders	93.173		274,633	4,824,362	5,098,995
<i>Pass-Through from Baylor College of Medicine</i>		1R01DC01500401		22,593	22,593
<i>Pass-Through from Case Western Reserve University</i>		5 R01 DC010816-02		19	19
<i>Pass-Through from Duke University</i>		1U24DC012206		84	84
<i>Pass-Through from MGH Institute of Health Professions</i>		1R01DC013547-01		126,965	126,965
<i>Pass-Through from Nationwide Children's Hospital</i>		719115		12,634	12,634
<i>Pass-Through from Northwestern University</i>		R33DC013115		6,101	6,101
<i>Pass-Through from Ohio University</i>		R01DC010883		56,269	56,269
<i>Pass-Through from Silicon Audio Labs</i>		UTA14-000283		43	43
<i>Pass-Through from Silicon Audio Labs</i>		UTA15-000768		193,634	193,634
<i>Pass-Through from Stanford University</i>		60992239-111916		226,124	226,124
<i>Pass-Through from Stanford University</i>		60992240-116269		9,411	9,411
<i>Pass-Through from University of Oklahoma</i>		1R01DC011585-01		31,574	31,574
<i>Pass-Through from University of Southern California</i>		2R01DC004797-11A1		(40,428)	(40,428)
<i>Pass-Through from University of Southern California</i>		5R01DC004797-13	901	147,686	148,587
<i>Pass-Through from University of Wisconsin - Madison</i>		R01DC000496		3,086	3,086
<i>Pass-Through from Vanderbilt University Medical Center</i>		5T35DC008763-09		269	269
<i>Pass-Through from Washington University - St. Louis</i>		1R01DC012778-01A1		64,664	64,664
<i>Pass-Through from Wayne State University</i>		1R03DC015329-01		2,592	2,592
Total - CFDA 93.173			275,534	5,687,682	5,963,216
Disabilities Prevention	93.184			595,414	595,414
Research and Training in Complementary and Integrative	93.213		273,851	3,309,473	3,583,324
<i>Pass-Through from Mount Sinai School of Medicine</i>		0254-3811-4609		119,249	119,249
<i>Pass-Through from Nationwide Children's Hospital</i>		R01AT006552		1,866	1,866
<i>Pass-Through from Ohio State University</i>		R01AT006552		79,017	79,017
ARRA - Research and Training in Complementary and Integrative Health				(8)	(8)
Total - CFDA 93.213			273,851	3,509,597	3,783,448
Development and Coordination of Rural Health Services	93.223			149,507	149,507
Research on Healthcare Costs, Quality and Outcomes	93.226		549,474	3,324,778	3,874,252
<i>Pass-Through from Baylor College of Medicine</i>		1R01HS022087-03		31,015	31,015

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Baylor College of Medicine</i>		1R21HS023602-02		22,032	22,032
<i>Pass-Through from Michael E. DeBakey Veterans Affairs Medical Center</i>		IIR 12-115		40,729	40,729
<i>Pass-Through from National Marrow Donor Program</i>		HSH250201200018C	90,522	(978)	89,544
<i>Pass-Through from Northwestern University</i>		4 R01 HS020263 05		111,689	111,689
<i>Pass-Through from Oregon Health Sciences University</i>		5R01HS023940-02		158,722	158,722
<i>Pass-Through from RAND Corporation</i>		R03HS022944		6,889	6,889
<i>Pass-Through from University of California - Berkeley</i>		000088565R01HS0220 98-02PO BB00597065		31,598	31,598
<i>Pass-Through from University of Washington</i>		5R01HS021233-03		61,607	61,607
<i>Pass-Through from Veterans Medical Research Foundation</i>		08512004-315353		29,714	29,714
<i>Pass-Through from Veterans Medical Research Foundation</i>		08512-309442		(5)	(5)
Total - CFDA 93.226			639,996	3,817,790	4,457,786
National Center on Sleep Disorders Research	93.233			1,573,155	1,573,155
Affordable Care Act (ACA) Abstinence Education Program	93.235			4,293	4,293
Policy Research and Evaluation Grants	93.239				
<i>Pass-Through from University of California - Davis</i>		201120402-14		(387)	(387)
Mental Health Research Grants	93.242		1,747,075	23,590,675	25,337,750
<i>Pass-Through from American Psychological Association</i>		R25MH83635		4,284	4,284
<i>Pass-Through from Baylor College of Medicine</i>		5R01MH053932-14		(2,349)	(2,349)
<i>Pass-Through from Biomedical Development Corporation</i>		STTR/R42MH091997		215,749	215,749
<i>Pass-Through from Children's Hospital of Philadelphia</i>		5R01MH09253501		616	616
<i>Pass-Through from Cold Spring Harbor Laboratory</i>		1R01MH102616-01		159,691	159,691
<i>Pass-Through from Johns Hopkins University</i>		5R01MH093665-03		16,650	16,650
<i>Pass-Through from Johns Hopkins University</i>		7R01MH084021-07		94,773	94,773
<i>Pass-Through from MicroBrightField, Inc.</i>		R44MH105091		37,397	37,397
<i>Pass-Through from MicroTransponder, Inc.</i>		1R43MH105014-01A1		15,458	15,458
<i>Pass-Through from New York University</i>		F6909-02 PO# IB00001334		76,483	76,483
<i>Pass-Through from Oregon Health Sciences University</i>		1002650_TEXHOU		24,336	24,336
<i>Pass-Through from Oregon Research Institute</i>		R01MH097720		141,069	141,069
<i>Pass-Through from Palo Alto Veterans Institute for Research</i>		WIS0001- 04/R01MH1065		4,941	4,941
<i>Pass-Through from Pennington Biomedical Research Center</i>		1R01MH094448S04		13,612	13,612
<i>Pass-Through from Progenitec, Inc.</i>		R41MH106303		2,234	2,234
<i>Pass-Through from Psyctech, Ltd.</i>		2014-01		1,465	1,465
<i>Pass-Through from Purdue University</i>		1R21MH096927-02		14,584	14,584
<i>Pass-Through from Research Foundation of Suny</i>		47509/3R01MH080050-0		(3,483)	(3,483)
<i>Pass-Through from Trinity University</i>		26- 1342512/R01MH0944		10,733	10,733
<i>Pass-Through from University of Arizona</i>		182986		44	44
<i>Pass-Through from University of California - San Diego</i>		57306453		60,020	60,020
<i>Pass-Through from University of California - San Diego</i>		5R01MH10734502		52,580	52,580
<i>Pass-Through from University of California - San Francisco</i>		5R01MH096690-04		104,846	104,846
<i>Pass-Through from University of California - San Francisco</i>		5R01MH102171-03 REVISED		71,780	71,780
<i>Pass-Through from University of Iowa</i>		1R01MH104363-01		162,177	162,177
<i>Pass-Through from University of Iowa</i>		W000692218		126,515	126,515
<i>Pass-Through from University of Miami</i>		5R01MH093432		198,004	198,004
<i>Pass-Through from University of Missouri</i>		C00040362-1		299,885	299,885
<i>Pass-Through from University of Nevada - Las Vegas</i>		5R01MH101054-03		16,056	16,056
<i>Pass-Through from University of Pennsylvania</i>		5R01MH10413403		41,113	41,113
<i>Pass-Through from University of Washington</i>		3UH3MH10633802S1		2,992	2,992

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Vanderbilt University School of Medicine</i>		58041		36,099	36,099
<i>Pass-Through from Virginia Commonwealth University</i>		5R01MH101054-02		(2,201)	(2,201)
<i>Pass-Through from Virginia Commonwealth University</i>		PT108765-SC104624		(673)	(673)
<i>Pass-Through from Virginia Polytechnic Institute and State University</i>		7 R01 MH087692-03		(3,559)	(3,559)
<i>Pass-Through from Yale University</i>		8000002369		4,156	4,156
<i>Pass-Through from Yale University</i>		M13A11613 (A09173)		260,116	260,116
<i>Pass-Through from Yale University</i>		M16A12403 (A10187)		56,406	56,406
Total - CFDA 93.242			1,747,075	25,905,274	27,652,349
Substance Abuse and Mental Health Services_ Projects of Regional and National Significance	93.243		414,684	3,055,893	3,470,577
<i>Pass-Through from Center for Health Care Services</i>		1H79SP021252-01		18,417	18,417
<i>Pass-Through from Dallas County - Criminal Justice Department</i>		1H79TI026072-01		19,003	19,003
<i>Pass-Through from Research Foundation - City University of New York - Hunter College</i>		7F044-F		8,197	8,197
Total - CFDA 93.243			414,684	3,101,510	3,516,194
Advanced Nursing Education Grant Program	93.247			225,489	225,489
Occupational Safety and Health Program	93.262		863,833	1,963,318	2,827,151
<i>Pass-Through from Colorado State University</i>		5U54OH008085-12		82,694	82,694
<i>Pass-Through from Research Foundation of Suny</i>		PTAEO		5,820	5,820
		1120872/2/69530			
<i>Pass-Through from Stony Brook University</i>		1125385-2-71637		60,271	60,271
<i>Pass-Through from University at Buffalo - Suny</i>		5R03OH010547-02		40,795	40,795
<i>Pass-Through from University of Iowa</i>		W000775933		2,181	2,181
<i>Pass-Through from Virginia Tech University</i>		451115-19892		(256)	(256)
Total - CFDA 93.262			863,833	2,154,823	3,018,656
Alcohol Research Programs	93.273		542,187	11,700,689	12,242,876
<i>Pass-Through from Arizona State University</i>		14-401		41,814	41,814
<i>Pass-Through from Medications Discovery Texas, Inc.</i>		R24AA022049-02		58,013	58,013
<i>Pass-Through from Oregon Health and Science University</i>		R01AA023658		38,616	38,616
<i>Pass-Through from Pacific Institute for Research Evaluation</i>		765		26,944	26,944
<i>Pass-Through from Research Foundation for the State University of New York</i>		100-1009189-72372		133,472	133,472
<i>Pass-Through from San Diego State University Research Foundation</i>		53253L P1660 7806		154	154
		211 4			
<i>Pass-Through from San Diego State University Research Foundation</i>		53253M P1660 7806		30,900	30,900
		211 6 CF			
<i>Pass-Through from Stanford University</i>		8038314-52262-A		61,405	61,405
<i>Pass-Through from State University of New York at Buffalo</i>		R990832		30,843	30,843
<i>Pass-Through from The Scripps Research Institute</i>		PO 5-52438		34,303	34,303
<i>Pass-Through from University of California - San Diego</i>		4129938-001		51,994	51,994
<i>Pass-Through from University of California - San Francisco</i>		8051sc		9,751	9,751
<i>Pass-Through from University of California - San Francisco</i>		8051sc 03		196,950	196,950
<i>Pass-Through from University of California - San Francisco</i>		8051SC NIH GRANT		(51)	(51)
		P50 AA017072			
<i>Pass-Through from University of California - San Francisco</i>		9128-SC		36,445	36,445
<i>Pass-Through from University of North Carolina</i>		5100058 (5U01-AA021908-02)		(116)	(116)
<i>Pass-Through from University of North Carolina</i>		5100058 (5U01-AA021908-03)		125,785	125,785
<i>Pass-Through from University of North Carolina</i>		5104592		5,650	5,650
		(4U01AA021908-04)			

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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 Sciences Center</i>		RS20131943-05/R01AA012207		198,753	198,753
<i>Pass-Through from University of Virginia</i>		5 R01AA019720 05		133,725	133,725
<i>Pass-Through from University of Washington</i>		UWSC6895		18,356	18,356
<i>Pass-Through from Wayne State University</i>		WSU15081 - 1R21AA024055		131,011	131,011
Total - CFDA 93.273			542,187	13,065,406	13,607,593
Drug Abuse and Addiction Research Programs	93.279		1,822,278	16,680,634	18,502,912
<i>Pass-Through from Baylor College of Medicine</i>		102183510		32,787	32,787
<i>Pass-Through from Baylor College of Medicine</i>		525DA028976-05/102072211		91,911	91,911
<i>Pass-Through from Baylor Research Institute</i>		2-UG1-DA020024-12		2,087	2,087
<i>Pass-Through from Butler Hospital</i>		9155-8308		34,652	34,652
<i>Pass-Through from Children's Hospital of Philadelphia</i>		2-UG1-DA020024-12		6,854	6,854
<i>Pass-Through from Columbia University</i>		1R21DA03682601A1		138	138
<i>Pass-Through from Columbia University</i>		5R01DA02746005		39,996	39,996
<i>Pass-Through from Emory University</i>		T372392		66,522	66,522
<i>Pass-Through from Fordham University</i>		5R25DA031608		1,698	1,698
<i>Pass-Through from Fordham University</i>		FORD0005		50,410	50,410
<i>Pass-Through from Medical College of Wisconsin</i>		5R01DA020350-10		29,300	29,300
<i>Pass-Through from Mount Sinai School of Medicine</i>		1H34MC19347-00		23,819	23,819
<i>Pass-Through from National Space Biomedical Research Institute</i>		41896-A		25,348	25,348
<i>Pass-Through from Radiant Creative Group, LLC</i>		1 R41 DA035012 01		2	2
<i>Pass-Through from Radiant Creative Group, LLC</i>		2R42DA035012-02		66,657	66,657
<i>Pass-Through from Stanford University</i>		T32DA031115		8,419	8,419
<i>Pass-Through from Syracuse University</i>		27294-03137-S01		15,653	15,653
<i>Pass-Through from Temple University of the Commonwealth System</i>		R01DA035926		57,717	57,717
<i>Pass-Through from University of California - San Diego</i>		5R01DA026452		25,776	25,776
<i>Pass-Through from University of California - San Diego</i>		5R01DA026452-08		12,177	12,177
<i>Pass-Through from University of Chicago</i>		FP054395-A		36,032	36,032
<i>Pass-Through from University of Chicago</i>		FP059270-C		106,939	106,939
<i>Pass-Through from University of Connecticut</i>		119001		17,420	17,420
<i>Pass-Through from University of Connecticut</i>		90024		70,977	70,977
<i>Pass-Through from University of Florida</i>		UFDSP00010828/R01 DA0		12,521	12,521
<i>Pass-Through from University of Georgia</i>		RR376-417/4945346		15,471	15,471
<i>Pass-Through from University of Minnesota</i>		N001676201		137,075	137,075
<i>Pass-Through from University of Pennsylvania</i>		5 U01 CA020830 10		(5,515)	(5,515)
<i>Pass-Through from University of Pittsburgh</i>		50836		54,833	54,833
<i>Pass-Through from Virginia Commonwealth University</i>		5U54DA03899902		189,447	189,447
<i>Pass-Through from Wayne State University</i>		WSU14136-A2		56,773	56,773
<i>Pass-Through from Western University of Health Sciences</i>		20111-1397		77,834	77,834
<i>Pass-Through from Yale University</i>		M15A12169 A08051		29,567	29,567
Total - CFDA 93.279			1,822,278	18,071,931	19,894,209
Mental Health National Research Service Awards for Research Training	93.282			329,708	329,708
<i>Pass-Through from Miami University</i>		G60363		10,702	10,702
Total - CFDA 93.282			0	340,410	340,410
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283		8,254	(8,082)	172
<i>Pass-Through from American Thrombosis and Hemostasis Network</i>		5U01DD000761-02		337	337

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Positive Motion, LLC</i>		1400207		28,287	28,287
<i>Pass-Through from University of South Carolina</i>		16-2957 11520-FB44		66,514	66,514
Total - CFDA 93.283			8,254	87,056	95,310
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		304,703	5,274,716	5,579,419
<i>Pass-Through from Bionic Eye Technologies, Inc.</i>		1U01EB018873-01		53,212	53,212
<i>Pass-Through from Burke Cornell Medical Research Institute</i>		1R21EB020316-01A1		18,746	18,746
<i>Pass-Through from Dep Shape Memory Therapeutics, Inc.</i>		M1600368		56,546	56,546
<i>Pass-Through from Georgia Institute of Technology</i>		5R01EB008101-08		60,777	60,777
<i>Pass-Through from Johns Hopkins University</i>		130585		7,360	7,360
<i>Pass-Through from Johns Hopkins University</i>		131751		49,963	49,963
<i>Pass-Through from Kitware, Inc.</i>		K000688-00-S05		16,283	16,283
<i>Pass-Through from Massachusetts Institute of Technology</i>		5710004091		540	540
<i>Pass-Through from Pennsylvania State University</i>		4873-UTA-DHHS-2575		116,609	116,609
<i>Pass-Through from Rice Institute, Inc.</i>		R22363		(17)	(17)
<i>Pass-Through from Tel Aviv Sourasky Medical Center</i>		1 R01 EB017206 01		38,954	38,954
<i>Pass-Through from University of Nebraska Medical Center</i>		1R21EB019175-01A1		81,549	81,549
<i>Pass-Through from University of Washington</i>		UWSC8694 PO# BPO9355		65,450	65,450
<i>Pass-Through from William Marsh Rice University</i>		1 R21 EB015022 01		2,564	2,564
<i>Pass-Through from William Marsh Rice University</i>		R21 EB017384		40,974	40,974
<i>Pass-Through from William Marsh Rice University</i>		R21CA187316		135,168	135,168
<i>Pass-Through from William Marsh Rice University</i>		R22621		15,460	15,460
<i>Pass-Through from William Marsh Rice University</i>		T15 LM007093-23		60,510	60,510
<i>Pass-Through from William Marsh Rice University</i>		T15 LM007093-24		10,310	10,310
Total - CFDA 93.286			304,703	6,105,674	6,410,377
Teenage Pregnancy Prevention Program	93.297		762,460	1,146,309	1,908,769
Minority Health and Health Disparities Research	93.307		313,161	10,192,594	10,505,755
<i>Pass-Through from Bayou Clinic</i>		1U54MD008602- P03TAM		19,455	19,455
<i>Pass-Through from Hampton University</i>		5U54MD00862102		8,172	8,172
<i>Pass-Through from Loma Linda University</i>		2110075-4-UTEP		18,033	18,033
<i>Pass-Through from Meharry Medical College</i>		080807VMR156 S1		1,490	1,490
<i>Pass-Through from Morehouse School of Medicine</i>		U54MDOOB149		2,040	2,040
<i>Pass-Through from University of Alabama - Birmingham</i>		5 U24 MD006970 06		74,606	74,606
<i>Pass-Through from University of Hawaii</i>		KA15004		4,000	4,000
<i>Pass-Through from University of Minnesota</i>		5 P60 MD003422 02		(4,510)	(4,510)
<i>Pass-Through from William Marsh Rice University</i>		R01 MD010362		2,667	2,667
Total - CFDA 93.307			332,616	10,299,092	10,631,708
Trans-NIH Research Support	93.310		256,186	8,524,451	8,780,637
<i>Pass-Through from Baylor College of Medicine</i>		4UH2TR000961-02		10,277	10,277
<i>Pass-Through from Baylor College of Medicine</i>		U54 HG06348		90,564	90,564
<i>Pass-Through from Columbia University</i>		GG011896-08		68,306	68,306
<i>Pass-Through from Georgetown University</i>		4220076		50,777	50,777
<i>Pass-Through from Lynntech, Inc.</i>		M1600938		51,020	51,020
<i>Pass-Through from Mayo Clinic</i>		5R01GM102282-02S1		(680)	(680)
<i>Pass-Through from Oregon Health and Science University</i>		1 U54 HG008100 02		94,853	94,853
<i>Pass-Through from Profusa, Inc.</i>		TEES TRA 10102012		231,037	231,037
<i>Pass-Through from Temple University</i>		1U01HG008468-01		102,832	102,832
<i>Pass-Through from United Way of Tarrant County</i>		PPHF-2015; 90FP0019-01-00		53,052	53,052

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Weill Cornell Medicine</i>		14101467 4 PO# 4100268068		(233)	(233)
<i>Pass-Through from Weill Cornell Medicine</i>		15101599 05		105,450	105,450
Total - CFDA 93.310			256,186	9,381,706	9,637,892
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		26,967	26,967
Emerging Infections Programs	93.317			12,313	12,313
Protecting and Improving Health Globally: Building and Strengthening Public Health Impact, Systems, Capacity and Security	93.318			56,942	56,942
National Center for Advancing Translational Sciences	93.350		83,980	18,907,157	18,991,137
<i>Pass-Through from University of California - Irvine</i>		2015-3262		30,878	30,878
<i>Pass-Through from University of California - Irvine</i>		2015-3262 01		32,398	32,398
Total - CFDA 93.350			83,980	18,970,433	19,054,413
Research Infrastructure Programs	93.351		25,721	6,774,520	6,800,241
<i>Pass-Through from Louisiana State University</i>		1 R24 OD018553 01A1		75,778	75,778
<i>Pass-Through from Texas Biomedical Research Institute</i>		14-03500.170		19,239	19,239
<i>Pass-Through from Texas Biomedical Research Institute</i>		16-03508-009		27,384	27,384
<i>Pass-Through from Texas Biomedical Research Institute</i>		16-03508-075/2P51OD011133		2,508	2,508
<i>Pass-Through from University of Colorado - Denver</i>		FY16.745.002/R24OD01		7,267	7,267
<i>Pass-Through from University of Oregon</i>		8000001721		19,342	19,342
<i>Pass-Through from University of Oregon</i>		8000002227		232,725	232,725
<i>Pass-Through from University of Puerto Rico - Medical Sciences Campus</i>		2016-001538		14,935	14,935
<i>Pass-Through from University of Southern California</i>		65693816 PO 10368704		8,819	8,819
Total - CFDA 93.351			25,721	7,182,517	7,208,238
Nurse Education, Practice Quality and Retention Grants	93.359			(1,901)	(1,901)
Biomedical Advanced Research and Development Authority (BARDA), Biodefense Medical Countermeasure Development	93.360		(1,145,113)	20,581,325	19,436,212
Nursing Research	93.361		202,628	2,253,474	2,456,102
<i>Pass-Through from Baylor College of Medicine</i>		56010897791R21NR01 4149-01A1 REV		25,289	25,289
<i>Pass-Through from Baylor College of Medicine</i>		5R01NR01479204		154,257	154,257
<i>Pass-Through from Baylor College of Medicine</i>		SC #102131029		123,229	123,229
<i>Pass-Through from Florida International University</i>		1R01NR013378-04/800001173-02		9,009	9,009
<i>Pass-Through from Kent State University</i>		GF443169-UNT		(12,674)	(12,674)
<i>Pass-Through from University of Pittsburgh</i>		5R01NR013170-04		7,136	7,136
Total - CFDA 93.361			202,628	2,559,720	2,762,348
ACL Independent Living State Grants	93.369				
<i>Pass-Through from TIRR Memorial Hermann</i>		90IT0001		15,648	15,648
National Center for Research Resources	93.389		127,190	869,429	996,619
Academic Research Enhancement Award	93.390			7,714	7,714

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
Cancer Cause and Prevention Research	93.393		2,239,764	24,527,182	26,766,946
Pass-Through from Baylor College of Medicine		5 R01 CA138836 03		368	368
Pass-Through from Baylor College of Medicine		5 R01 CA139020 06		(7,087)	(7,087)
Pass-Through from Baylor College of Medicine		5 R01 CA172511 04		133,618	133,618
Pass-Through from Baylor College of Medicine		5 R01 CA172880		40,685	40,685
Pass-Through from Beckman Research Institute		7 R01 CA140245 06		5,022	5,022
Pass-Through from Cleveland Clinic Lerner College of Medicine		7R01CA138688-07		1,309	1,309
Pass-Through from Dana-Farber Cancer Institute		5 R01 CA174206-03		50,016	50,016
Pass-Through from Digital Science Tech		5 R42 CA123932 04		(5,492)	(5,492)
Pass-Through from Digital Science Tech		5 R42 CA139822 04		20	20
Pass-Through from Emory University		5U01CA154282-05		67,859	67,859
Pass-Through from Fred Hutchinson Cancer Research Center		1 R01 CA172415 03		43,983	43,983
Pass-Through from Fred Hutchinson Cancer Research Center		1 R01 CA192402 02		64,718	64,718
Pass-Through from Fred Hutchinson Cancer Research Center		2 R01 CA54498-21A		3	3
Pass-Through from Fred Hutchinson Cancer Research Center		788261/R01CA183570		9,425	9,425
Pass-Through from Fred Hutchinson Cancer Research Center		811789		15,756	15,756
Pass-Through from Fred Hutchinson Cancer Research Center		827568		890	890
Pass-Through from Fred Hutchinson Cancer Research Center		844679		142,440	142,440
Pass-Through from Georgetown University Medical Center		1 U01 CA199218 01		179,939	179,939
Pass-Through from Georgetown University Medical Center		3 U01 CA152958 05		145,548	145,548
Pass-Through from Georgetown University Medical Center		5 U01 CA152958 05		(2,568)	(2,568)
Pass-Through from Group Health Research Institute		4R01CA121125-09		42,924	42,924
Pass-Through from Indiana University		7 R01 CA157823 04		4,761	4,761
Pass-Through from Kaiser Foundation Research Institute		5 R01 CA140377 05		20,489	20,489
Pass-Through from Korea Cancer Center Hospital		KIRAMS 50906-2013		5,914	5,914
Pass-Through from Lawrence Berkeley National Laboratory		5P01CA092584-14		62,709	62,709
Pass-Through from Mayo Clinic		1U01CA195568-01		330,015	330,015
Pass-Through from Mayo Clinic		5 R01 CA154537 04		114,115	114,115
Pass-Through from Mayo Clinic		5 U01 CA118444 09		7,881	7,881
Pass-Through from Mayo Clinic - Arizona		5 P01 CA077839 14		45,415	45,415
Pass-Through from Mayo Clinic - Arizona		THE-179918-04		8,134	8,134
Pass-Through from Medical College of Wisconsin		5 R01 CA134682 06		(121)	(121)
Pass-Through from Memorial Sloan Kettering Cancer Center		5 R01 CA129639 05		20,937	20,937
Pass-Through from Memorial Sloan Kettering Cancer Center		5 R01 CA151899 05		49,227	49,227
Pass-Through from Memorial Sloan Kettering Cancer Center		BD517035/R01CA179115		157,593	157,593
Pass-Through from Ohio State University		60044765/R01CA193244		15,617	15,617
Pass-Through from Ohio State University		R21CA178227-02		15,312	15,312
Pass-Through from Radiant Creative Group, LLC		1 R41 CA168107 01		23	23
Pass-Through from Regents of the University of California		1 U10 CA187945 01		56,469	56,469
Pass-Through from St. Jude Children's Research Hospital		5 R01 CA157838 05		19,446	19,446
Pass-Through from St. Jude Children's Research Hospital		5 U01 GM092666 05		746	746
Pass-Through from Stanford University		5R01CA172145-03 REV		69,997	69,997
Pass-Through from University North Carolina - Chapel Hill		5 R01 CA098286 13		96,472	96,472
Pass-Through from University of Alabama - Birmingham		5 R01 CA131653 04		7,523	7,523
Pass-Through from University of Arizona		1 R01 CA151708 01 A		3	3
Pass-Through from University of Arizona		5R01CA127387-08A1		11,736	11,736
Pass-Through from University of Arizona		5R01CA186700-02		98,882	98,882
Pass-Through from University of California - San Diego		5R01CA177996-02		93,401	93,401
Pass-Through from University of California - San Francisco		8983SC		58,239	58,239
Pass-Through from University of California - Santa Barbara		1R21CA191133-01		107,704	107,704
Pass-Through from University of Chicago		5R03CA184986-02		6,986	6,986
Pass-Through from University of Iowa		5 R01 CA140933 05		(17)	(17)
Pass-Through from University of Louisville		61-1014882		9,109	9,109
Pass-Through from University of Miami		66971E/R01CA155388		37,126	37,126
Pass-Through from University of Michigan		1 R01 CA152192 05		20,353	20,353
Pass-Through from University of Minnesota		5 R01 CA157458 03		20,320	20,320

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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</i>		7 R01CA172786-02		216,244	216,244
<i>Pass-Through from University of Oklahoma Health Sciences Center</i>		RS20160790-01		8,718	8,718
<i>Pass-Through from University of Oklahoma Health Sciences Center</i>		RS2040385-05		21,607	21,607
<i>Pass-Through from University of Pennsylvania</i>		5 U01 CA164947 04		8,391	8,391
<i>Pass-Through from University of Rochester</i>		5 R01 CA152093 05		25,441	25,441
<i>Pass-Through from University of Rochester</i>		5 R01 CA157823 03		715	715
<i>Pass-Through from University of Southern California</i>		5R01CA157577-04		22,067	22,067
<i>Pass-Through from University of Southern California</i>		72583189		41,074	41,074
<i>Pass-Through from University of Utah</i>		1 R01 CA164138 01		39,315	39,315
<i>Pass-Through from Vanderbilt University</i>		VUMC 40571		38,294	38,294
<i>Pass-Through from William Marsh Rice University</i>		1 R01 CA190329 02 A1		25,105	25,105
<i>Pass-Through from William Marsh Rice University</i>		5 R01 CA138640 03		(2,972)	(2,972)
<i>Pass-Through from William Marsh Rice University</i>		5 U01 CA097431 05		(1,957)	(1,957)
ARRA - Cancer Cause and Prevention Research				(6,628)	(6,628)
Total - CFDA 93.393			2,239,764	27,464,488	29,704,252
Cancer Detection and Diagnosis Research	93.394		3,638,202	9,675,360	13,313,562
<i>Pass-Through from American College of Radiology</i>		KRAMER-ACRIN PROTOCOL 6690		5,463	5,463
<i>Pass-Through from Arizona State University</i>		1 R33 CA191110 01		30,921	30,921
<i>Pass-Through from Baylor College of Medicine</i>		1 R01 CA193776 01		34,997	34,997
<i>Pass-Through from Baylor College of Medicine</i>		1R01CA190776-01		61,848	61,848
<i>Pass-Through from Baylor College of Medicine</i>		3R01CA166749-03S1		38,400	38,400
<i>Pass-Through from Baylor College of Medicine</i>		5 R01 CA163103 05		30,296	30,296
<i>Pass-Through from Baylor College of Medicine</i>		5R01CA166749-03		142,172	142,172
<i>Pass-Through from Baylor College of Medicine</i>		R01 CA164024 3		30,639	30,639
<i>Pass-Through from Brookdale Hospital and Medical Center</i>		P01 CA082710 13		16,823	16,823
<i>Pass-Through from Brookdale Hospital and Medical Center</i>		P01CA082710		21,294	21,294
<i>Pass-Through from Brookdale Hospital and Medical Center</i>		P01-CA82710-11		(10,338)	(10,338)
<i>Pass-Through from Brookdale University Hospital - Medical Center</i>		P01CA82710-13		77,749	77,749
<i>Pass-Through from C4 Imaging, LLC</i>		1R44CA199905-01		190,932	190,932
<i>Pass-Through from Children's Hospital of Philadelphia</i>		1R01CA19377-01		33,078	33,078
<i>Pass-Through from Cleveland Clinic Lerner College of Medicine</i>		R01CA187415		51,888	51,888
<i>Pass-Through from Columbia University</i>		1R21CA195110-01A1		15,769	15,769
<i>Pass-Through from ECOG - ACRIN Cancer Research Group</i>		4490/5U01CA080098-10		4,719	4,719
<i>Pass-Through from ECOG - ACRIN Medical Research Foundation, Inc.</i>		5 U24 CA196172 02		1,815,735	1,815,735
<i>Pass-Through from ECOG - ACRIN Medical Research Foundation, Inc.</i>		U24CA114737-08S1		388	388
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		0000815763/UM1CA1828		50,253	50,253
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		0000832933/UM1CA1828		8,066	8,066
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		2 U24 CA086368 16		16,723	16,723
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		5 U01 CA152746 05		13,974	13,974
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		5 U24 CA086368 15		56,280	56,280
<i>Pass-Through from Georgia Institute of Technology</i>		5R01CA158598-04		147	147
<i>Pass-Through from Institute for Systems Biology</i>		5 U24 CA143835 05		(62,964)	(62,964)
<i>Pass-Through from Massachusetts General Hospital</i>		5 R01 CA169200 04		187,328	187,328
<i>Pass-Through from Mayo Clinic</i>		1 R01 CA197120 01		14,241	14,241
<i>Pass-Through from Mayo Clinic</i>		5U01CA180940-03 / PO 64783965		22,356	22,356
<i>Pass-Through from Methodist Hospital Research Institute</i>		1 U10 CA189240 01		148,893	148,893
<i>Pass-Through from Methodist Hospital Research Institute</i>		5 R01 CA180083 04		205,144	205,144
<i>Pass-Through from Methodist Hospital Research Institute</i>		7 R33 CA122864 05		(1,900)	(1,900)

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Nanospectra Biosciences, Inc.</i>		5 R01 CA151372 03		6,486	6,486
<i>Pass-Through from Seattle Children's Hospital</i>		10969SUB, MODIFICATION 1		18,709	18,709
<i>Pass-Through from Seattle Children's Hospital</i>		10969SUB/11392SUB		2,754	2,754
<i>Pass-Through from Silbiotech, Inc.</i>		26-0570686		19,750	19,750
<i>Pass-Through from Stanford University</i>		5 R01 CA152923 04		40,681	40,681
<i>Pass-Through from Stanford University</i>		61185939-114828		18,976	18,976
<i>Pass-Through from The Research Institute at Nationwide Children's Hospital</i>		1 U2 CA196175		9,087	9,087
<i>Pass-Through from TomoWave Laboratories, Inc.</i>		5 R01 CA167446 03		79,881	79,881
<i>Pass-Through from University of Alabama - Birmingham</i>		1 R21 CA161633 01 A1		253,279	253,279
<i>Pass-Through from University of California - Irvine</i>		R01CA142989-05		16,328	16,328
<i>Pass-Through from University of California - San Diego</i>		3R01CA166749-03S1		24,587	24,587
<i>Pass-Through from University of California - San Diego</i>		5R01CA166749-03		93,158	93,158
<i>Pass-Through from University of California - San Francisco</i>		5U24CA126477		(29)	(29)
<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		(28,359)	(28,359)
<i>Pass-Through from University of Michigan</i>		5 U01 CA086400 14		66,826	66,826
<i>Pass-Through from University of Michigan</i>		5 R01 CA160254 04		26,230	26,230
<i>Pass-Through from University of Michigan</i>		P01CA085878 03		85,213	85,213
<i>Pass-Through from University of Pittsburgh</i>		1R01CA196286-01A1		62,049	62,049
<i>Pass-Through from University of Washington</i>		1 R01 CA180949 02		35,791	35,791
<i>Pass-Through from Vanderbilt University</i>		VUMC 58558		32,742	32,742
<i>Pass-Through from Vanderbilt University Medical Center</i>		5 U01 CA114771 06		(12,112)	(12,112)
<i>Pass-Through from Washington University - St. Louis</i>		7R01CA159471-05		10,117	10,117
<i>Pass-Through from William Marsh Rice University</i>		1 R01 CA185207 02		196,420	196,420
<i>Pass-Through from William Marsh Rice University</i>		5 U01 CA151886 04		26,151	26,151
<i>Pass-Through from William Marsh Rice University</i>		5 R01 CA103830 10		141,340	141,340
<i>Pass-Through from William Marsh Rice University</i>		5 R01 CA186132 02		61,782	61,782
<i>Pass-Through from William Marsh Rice University</i>		R01CA185207-02		71,764	71,764
<i>Pass-Through from William Marsh Rice University</i>		R22512		50,629	50,629
<i>Pass-Through from Yale University</i>		5R01CA155196-05		132,215	132,215
Total - CFDA 93.394			3,638,202	14,450,940	18,089,142
Cancer Treatment Research	93.395		4,380,135	31,133,131	35,513,266
<i>Pass-Through from Alliance for Clinical Trials in Oncology</i>		5 U10 CA076001 17		1,009	1,009
<i>Pass-Through from Alliance for Clinical Trials in Oncology</i>		7U10CA076001 16		611	611
<i>Pass-Through from Alliance for Clinical Trials in Oncology</i>		CA076001		(6,441)	(6,441)
<i>Pass-Through from American College of Radiology</i>		1 U24 CA180803 03-IR		2,293,996	2,293,996
<i>Pass-Through from American College of Radiology</i>		3U10CA037422-26S1 Re		89,668	89,668
<i>Pass-Through from American College of Radiology</i>		5 U10 CA021661 27		1,514	1,514
<i>Pass-Through from American College of Radiology</i>		5 U10CA21661 - 36		(1,255)	(1,255)
<i>Pass-Through from American College of Radiology</i>		U10CA180868		48,067	48,067
<i>Pass-Through from Baylor College of Medicine</i>		5 R01 CA187202 02		55,815	55,815
<i>Pass-Through from Beckman Research Institute</i>		1R01CA201496-01A		49,134	49,134
<i>Pass-Through from BioTex, Inc.</i>		2 R44 CA096227 02 A		(1,130)	(1,130)
<i>Pass-Through from Brigham and Women's Hospital</i>		1U10CA180821-01		302,248	302,248
<i>Pass-Through from Brigham and Women's Hospital</i>		5 U10 CA076001 17		4,604	4,604
<i>Pass-Through from Brigham and Women's Hospital</i>		5 U10 CA180821 02		239,956	239,956
<i>Pass-Through from Brigham and Women's Hospital</i>		7 U10 CA076001 16		7,854	7,854
<i>Pass-Through from CBS Therapeutics, Inc.</i>		1R41CA18628801		14,580	14,580
<i>Pass-Through from Cerrx, Inc.</i>		R44CA183316		9,643	9,643
<i>Pass-Through from Children's Hospital of Philadelphia</i>		U10CA180886		415,039	415,039
<i>Pass-Through from Children's Hospital of Philadelphia</i>		U10CA180886 YEAR 3		3,230	3,230

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Children's Hospital of Philadelphia</i>		U10CA180886-YEAR 3		727	727
<i>Pass-Through from Children's Hospital of Philadelphia</i>		1 U10 CA180886 01		8,449	8,449
<i>Pass-Through from Children's Hospital of Philadelphia</i>		1U10CA180886-01		17,850	17,850
<i>Pass-Through from Children's Hospital of Philadelphia</i>		9500080215-12C/U10CA		6,647	6,647
<i>Pass-Through from Children's Hospital of Philadelphia</i>		9500080216- XX/U10CA1		24,070	24,070
<i>Pass-Through from Children's Hospital of Philadelphia</i>		960358/U10CA098543		(59)	(59)
<i>Pass-Through from Children's Hospital of Philadelphia</i>		U10CA180886		11,069	11,069
<i>Pass-Through from Christiana Care Health Services</i>		7R01CA138986 03		118,210	118,210
<i>Pass-Through from Cold Spring Harbor Laboratory</i>		1 U10 CA180944 03		18,991	18,991
<i>Pass-Through from Duke Clinical Research Institute</i>		5U10CA07600115		937	937
<i>Pass-Through from Duke University Medical Center</i>		3 U10 CA076001 15 S		(343)	(343)
<i>Pass-Through from Duquesne University</i>		G1100079/R01CA1428 68		83,500	83,500
<i>Pass-Through from ECOG - ACRIN Medical Research Foundation, Inc.</i>		1 U10 CA180820 03		25,366	25,366
<i>Pass-Through from ECOG - ACRIN Medical Research Foundation, Inc.</i>		U10 CA180820 02		25,366	25,366
<i>Pass-Through from ECOG - ACRIN Medical Research Foundation, Inc.</i>		U10 CA180820 03- MDA3		106,147	106,147
<i>Pass-Through from ECOG - ACRIN Medical Research Foundation, Inc.</i>		U10CA180820-02S1		82,886	82,886
<i>Pass-Through from EMMES Corporation</i>		2 U01 CA121947 04		7,655	7,655
<i>Pass-Through from Frontier Science & Technology Research Foundation</i>		3 U10 CA086802 13 S		1,146	1,146
<i>Pass-Through from Frontier Science & Technology Research Foundation</i>		5 U10 CA021115 39		1,075	1,075
<i>Pass-Through from Frontier Science & Technology Research Foundation</i>		ECOG U10CA021115		7,143	7,143
<i>Pass-Through from Frontier Science & Technology Research Foundation</i>		U10CA021115-39		354,607	354,607
<i>Pass-Through from Gynecologic Oncology Group Foundation, Inc.</i>		5 U10 CA027469 33		(646)	(646)
<i>Pass-Through from Gynecologic Oncology Group Foundation, Inc.</i>		5U10CA027469 23		(24,025)	(24,025)
<i>Pass-Through from Kiromic, LLC</i>		R41CA180773		31,913	31,913
<i>Pass-Through from Louisiana State University</i>		5 R01 RCA124758A02		(7,636)	(7,636)
<i>Pass-Through from Louisiana State University</i>		5 R21 CA164408 02		(15,078)	(15,078)
<i>Pass-Through from Massachusetts General Hospital</i>		1R01CA193970-01A1		2,231	2,231
<i>Pass-Through from Massachusetts General Hospital</i>		4 P01 CA163222 04		10,759	10,759
<i>Pass-Through from Massachusetts General Hospital</i>		5 P01 CA021239 33		(26,384)	(26,384)
<i>Pass-Through from Massachusetts General Hospital</i>		5 P01 CA163222 03		178,576	178,576
<i>Pass-Through from Massachusetts General Hospital</i>		5U19CA021239-36		1,975,472	1,975,472
<i>Pass-Through from Mayo Clinic</i>		5 UG1 CA189823 02		99,036	99,036
<i>Pass-Through from Medical College of Wisconsin</i>		5 R01 CA184798 02		10,290	10,290
<i>Pass-Through from Memorial Sloan Kettering Cancer Center</i>		HHSN26120100006		(1,625)	(1,625)
<i>Pass-Through from Mirna Therapeutics, Inc.</i>		R43CA165450		2,763	2,763
<i>Pass-Through from National Childhood Cancer Foundation</i>		5 U10 CA098543 09		3,483	3,483
<i>Pass-Through from NRG Oncology Foundation, Inc.</i>		1 U10 CA180868 03		13,693	13,693
<i>Pass-Through from NRG Oncology Foundation, Inc.</i>		3U10CA180868-01S1		71,306	71,306
<i>Pass-Through from NRG Oncology Foundation, Inc.</i>		5 U10 CA180868 02		4,799	4,799
<i>Pass-Through from NRG Oncology Foundation, Inc.</i>		5U10CA180868-02		5,479	5,479
<i>Pass-Through from NRG Oncology Foundation, Inc.</i>		5U10CA180868-03		6,425	6,425
<i>Pass-Through from NRG Oncology Foundation, Inc.</i>		GOG237		16	16
<i>Pass-Through from NRG Oncology Foundation, Inc.</i>		NRG8N001		23	23
<i>Pass-Through from NRG Oncology Foundation, Inc.</i>		NRGCC001		42	42
<i>Pass-Through from NRG Oncology Foundation, Inc.</i>		RTOG0924		45	45
<i>Pass-Through from NRG Oncology Foundation, Inc.</i>		RTOG-0924		12,150	12,150

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from NRG Oncology Foundation, Inc.</i>		RTOG1071		2,261	2,261
<i>Pass-Through from NSABP</i>		5 U10 CA012027 38		334	334
<i>Pass-Through from Ocean Nanotech, LLC</i>		1R44CA196025-01		260,745	260,745
<i>Pass-Through from Oregon Health and Science University</i>		13035474		15,944	15,944
<i>Pass-Through from Oregon Health and Science University</i>		5 U10 CA180888 02		8,215	8,215
<i>Pass-Through from Oregon Health and Science University</i>		5 U10 CA180888 03		16,112	16,112
<i>Pass-Through from Oregon Health and Science University</i>		5U10CA180888-03		170,290	170,290
<i>Pass-Through from Oregon Health and Science University</i>		7 U10 CA032102 35		(1,178)	(1,178)
<i>Pass-Through from Oregon Health and Science University</i>		7 U10 CA037429 29		7,443	7,443
<i>Pass-Through from Oregon Health and Science University</i>		7 U10 CA32102 35		1	1
<i>Pass-Through from Oregon Health and Science University</i>		U10CA180888-35		74,001	74,001
<i>Pass-Through from Oregon Health and Science University</i>		UG1CA189974-02		8,299	8,299
<i>Pass-Through from Oregon Health Sciences University</i>		9009627_UTXHSCSA		54,770	54,770
<i>Pass-Through from Oregon Health Sciences University</i>		SWOG PSA		168,057	168,057
<i>Pass-Through from Radiation Oncology Dept.</i>		5 U10 CA021661 34		(6)	(6)
<i>Pass-Through from Radiation Oncology Dept.</i>		RTOG 0525 01		(5,280)	(5,280)
<i>Pass-Through from Radiation Oncology Dept.</i>		RTOG0920 01		(14,808)	(14,808)
<i>Pass-Through from Radiation Therapy Oncology Group</i>		RTOG1308		9,975	9,975
<i>Pass-Through from Rochester University School of Medicine</i>		5-28483		27,819	27,819
<i>Pass-Through from St. Jude Children's Research Hospital</i>		2 U24 CA55727 19		530	530
<i>Pass-Through from St. Jude Children's Research Hospital</i>		4 U24 CA055727 22		442,100	442,100
<i>Pass-Through from St. Jude Children's Research Hospital</i>		5 R01 CA129384 05		(1,703)	(1,703)
<i>Pass-Through from Standard Imaging, Inc.</i>		5 R44 CA153824 03		63,781	63,781
<i>Pass-Through from Stanford University</i>		1R01CA188298-01A1		15,183	15,183
<i>Pass-Through from SWOG Clinical Trials, LLC</i>		2 U10 CA105409 08		15,114	15,114
<i>Pass-Through from SWOG Clinical Trials, LLC</i>		5 U10 CA105409 10		15,160	15,160
<i>Pass-Through from Targazyme, Inc.</i>		1R44CA192601-01A1		184,063	184,063
<i>Pass-Through from University of Arizona</i>		5 P01 CA017094 32		(6,990)	(6,990)
<i>Pass-Through from University of Arizona</i>		5 R01 CA138702 05		(14,520)	(14,520)
<i>Pass-Through from University of California - Irvine</i>		5R01CA158383-02		(9)	(9)
<i>Pass-Through from University of California - San Diego</i>		2 P01 CA081534 15		413,549	413,549
<i>Pass-Through from University of California - San Diego</i>		5 P01 CA081534 06 S		(21,858)	(21,858)
<i>Pass-Through from University of Maryland - Baltimore</i>		1R01CA187416-01A		100,199	100,199
<i>Pass-Through from University of Michigan</i>		2 U10 CA032102 34		(112)	(112)
<i>Pass-Through from University of Michigan</i>		R01CA166033R		8,238	8,238
<i>Pass-Through from University of Michigan</i>		SG/7U10CA32102-29		(4,162)	(4,162)
<i>Pass-Through from University of Michigan</i>		U10 CA0321034		(617)	(617)
<i>Pass-Through from University of Oklahoma</i>		5 R01 CA157481 04		63,474	63,474
<i>Pass-Through from University of Oklahoma Health Sciences Center</i>		20141429		7,344	7,344
<i>Pass-Through from University of Rochester</i>		5 R01 CA159013 03		110,648	110,648
<i>Pass-Through from University of Virginia</i>		1 R01 CA168712 02		251,321	251,321
<i>Pass-Through from Wake Forest University Health Sciences</i>		R01 CA074145 01		92,258	92,258
Total - CFDA 93.395			4,380,135	40,451,804	44,831,939
Cancer Biology Research	93.396		1,781,863	22,406,337	24,188,200
<i>Pass-Through from Baylor College of Medicine</i>		102179308		39,039	39,039
<i>Pass-Through from Baylor College of Medicine</i>		1R01CA19346601A1		23,979	23,979
<i>Pass-Through from Baylor College of Medicine</i>		5 R01 CA181808 02		70,753	70,753
<i>Pass-Through from Baylor College of Medicine</i>		5R01CA183252-02		8,995	8,995
<i>Pass-Through from Cleveland Clinic Foundation</i>		467SUB/R01CA172443		7,579	7,579
<i>Pass-Through from Georgia Institute of Technology</i>		R01 CA163481		631	631
<i>Pass-Through from H. Lee Moffitt Cancer Center & Research Institute</i>		5U01CA151924-05		166,347	166,347
<i>Pass-Through from Karolinska Institute</i>		H2126003		9,849	9,849
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		1R01CA112093-10		19,468	19,468
<i>Pass-Through from Methodist Hospital Research Institute</i>		7 R01 CA193213 02		9,008	9,008
<i>Pass-Through from Northshore University Healthsystem</i>		EH14-243-S1		58,173	58,173

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Northshore University Healthsystem</i>		EH14-243-S1 CARRYFORWARD		49,282	49,282
<i>Pass-Through from Ohio State University</i>		60039839/R21CA175875		4,979	4,979
<i>Pass-Through from Radiation Oncology Dept</i>		RTOG1306		9,648	9,648
<i>Pass-Through from The Scripps Research Institute</i>		2 R01 CA117638 11		79,117	79,117
<i>Pass-Through from University of Alabama - Birmingham</i>		000511425-001/7R21CA		2,347	2,347
<i>Pass-Through from University of Connecticut Health Center</i>		5R01CA188025-02		35,713	35,713
<i>Pass-Through from University of Louisville</i>		61-1014882		10,322	10,322
<i>Pass-Through from University of Minnesota</i>		5 R01 CA154998 03		4,922	4,922
<i>Pass-Through from University of Oklahoma Health Sciences Center</i>		1R01CA203108-01		46,892	46,892
<i>Pass-Through from University of Pennsylvania</i>		5 R01 CA089202 15		20,123	20,123
<i>Pass-Through from University of Utah</i>		2R01CA121118-06A1		10,667	10,667
<i>Pass-Through from University of Washington</i>		1 R0 CA178383 02		9,189	9,189
<i>Pass-Through from University of Washington</i>		5 U01 CA141539 05		(31)	(31)
<i>Pass-Through from William Marsh Rice University</i>		1 R01 CA180279 01		178,588	178,588
<i>Pass-Through from William Marsh Rice University</i>		1 UH2 CA189910 02		55,309	55,309
<i>Pass-Through from William Marsh Rice University</i>		R21 CA147912		(39)	(39)
<i>Pass-Through from William Marsh Rice University</i>		R22532 R01CA180279		7,878	7,878
<i>Pass-Through from William Marsh Rice University</i>		UH-2CA189910		6,887	6,887
Total - CFDA 93.396			1,781,863	23,351,951	25,133,814
Cancer Centers Support Grants	93.397		2,047,437	30,417,827	32,465,264
<i>Pass-Through from Columbia University</i>		1GG010188-01		37,918	37,918
<i>Pass-Through from Columbia University</i>		1GG010188-09		3,982	3,982
<i>Pass-Through from Duke University Medical Center</i>		3 P30 CA014236 35 S		39,804	39,804
<i>Pass-Through from Health Research, Inc.</i>		5P50CA159981-02		81,683	81,683
<i>Pass-Through from Johns Hopkins University</i>		3 P50 DE019032 14		89,296	89,296
<i>Pass-Through from Lawrence Berkeley National Laboratory</i>		5 U54 CA112970 07		2,427	2,427
<i>Pass-Through from Methodist Hospital Research Institute</i>		5 U54 CA143837 07		16,553	16,553
<i>Pass-Through from Methodist Hospital Research Institute</i>		5 U54 CA143837-05		1	1
<i>Pass-Through from Methodist Hospital Research Institute</i>		7 U54 CA143837 05		883	883
<i>Pass-Through from Methodist Hospital Research Institute</i>		U54CA143837		(432)	(432)
<i>Pass-Through from Methodist Hospital Research Institute</i>		U54CA143837-05		(1,407)	(1,407)
<i>Pass-Through from Methodist Hospital Research Institute</i>		U54CA149196		(807)	(807)
<i>Pass-Through from Ohio State University</i>		5 P50 CA168505 03		219,487	219,487
<i>Pass-Through from Ohio State University</i>		5 P50 CA168505 03 Re		293,379	293,379
<i>Pass-Through from Oregon Health and Science University</i>		7 U54 CA112970 08		324	324
<i>Pass-Through from Sarcoma Alliance for Research through Collaboration</i>		1 U54 CA168512-01		141	141
<i>Pass-Through from Sarcoma Alliance for Research through Collaboration</i>		5U54CA168512-03		32	32
<i>Pass-Through from Sarcoma Alliance for Research through Collaboration</i>		5U54CA168512-04		8,700	8,700
<i>Pass-Through from University of New Mexico</i>		3RF82		29,045	29,045
<i>Pass-Through from Washington University - St. Louis</i>		5 P50 CA134254 03		(71)	(71)
Total - CFDA 93.397			2,047,437	31,238,765	33,286,202
Cancer Research Manpower	93.398		736,264	8,163,520	8,899,784
<i>Pass-Through from Baylor College of Medicine</i>		5 K23 CA158148 04		887	887
<i>Pass-Through from Baylor College of Medicine</i>		5 R25 CA160078 04		35,128	35,128
<i>Pass-Through from Oregon Health Sciences University</i>		1002074/R25CA158571		76,232	76,232
<i>Pass-Through from University of Puerto Rico</i>		1 K22 CA166226 01A1		(391)	(391)
<i>Pass-Through from University of Puerto Rico</i>		1 K22 CA166226 01A1		(3,258)	(3,258)
Total - CFDA 93.398			736,264	8,272,118	9,008,382

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
Cancer Control	93.399		21,087	1,029,489	1,050,576
<i>Pass-Through from Black Hills Center for American Indian Health</i>		1 P50 CA148110 03		(9,572)	(9,572)
<i>Pass-Through from Cincinnati Children's Hospital Medical Center</i>		31-0833936		15,829	15,829
<i>Pass-Through from Eastern Cooperative Oncology Group</i>		5 MDA520SH05-00		29	29
<i>Pass-Through from Frontier Science & Technology Research Foundation</i>		3U10CA037403-28S1		(101)	(101)
<i>Pass-Through from Mayo Clinic</i>		5 U01 CA114609 05		(3,695)	(3,695)
<i>Pass-Through from Mayo Clinic</i>		5 U10 CA149950 03		21	21
<i>Pass-Through from Mayo Clinic</i>		5 U10 CA149950 03		(18,912)	(18,912)
<i>Pass-Through from Mayo Clinic</i>		5U10CA149950-03		(1,627)	(1,627)
<i>Pass-Through from NSABP</i>		5 U10 CA037377 22		13,156	13,156
<i>Pass-Through from University of Michigan</i>		5 U10 CA037429 27		(1,340)	(1,340)
<i>Pass-Through from Washington University - St. Louis</i>		P50CA094056-15		222,707	222,707
Total - CFDA 93.399			21,087	1,245,984	1,267,071
ACL Centers for Independent Living	93.432			41,250	41,250
<i>Pass-Through from TIRR Memorial Hermann</i>		90TT001		41,250	41,250
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433		10,691	770,453	781,144
<i>Pass-Through from Baylor Research Institute</i>		90IF0106-01-00		7,838	7,838
<i>Pass-Through from TIRR Memorial Hermann</i>		90DP0026 H133A120008		46,349	46,349
<i>Pass-Through from TIRR Memorial Hermann</i>		90DP0075-01-00		10,320	10,320
<i>Pass-Through from University of Wisconsin - Milwaukee</i>		90IF0083-02-00		29,029	29,029
Total - CFDA 93.433			10,691	863,989	874,680
Indian Self-Determination	93.441			19,120	19,120
<i>Pass-Through from Northwest Portland Area Indian Health Board</i>		248-96-0011		19,120	19,120
Food Safety and Security Monitoring Project	93.448			7,505	7,505
<i>Pass-Through from University of Pittsburgh Medical Center</i>		8000002212		7,505	7,505
Ruminant Feed Ban Support Project	93.449			85,810	85,810
ACL Assistive Technology	93.464		93,953	717,098	811,051
Affordable Care Act (ACA) Primary Care Residency Expansion Program	93.510			4,304	4,304
Centers for Disease Control and Prevention - Affordable Care Act (ACA) - Communities Putting Prevention to Work	93.520			10,431	10,431
<i>Pass-Through from Association for Institutional Research</i>		8000002529		10,431	10,431
PPHF - Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - financed solely by Prevention and Public Health Funds	93.531			(9,980)	(9,980)
<i>Pass-Through from City of Austin</i>		CTG-ILA- UNI/N130000005		(9,980)	(9,980)
Affordable Care Act (ACA) Childhood Obesity Research Demonstration	93.535		457,859	665,516	1,123,375
Health Promotion and Disease Prevention Research Centers: PPHF - Affordable Care Act Projects	93.542			8,347	8,347
Transitional Living for Homeless Youth	93.550			49,453	49,453
<i>Pass-Through from University of Illinois</i>		2014-00721-03-00		49,453	49,453

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
Community Services Block Grant <i>Pass-Through from City of San Antonio</i>	93.569	4600014588		764	764
Child Care and Development Block Grant <i>Pass-Through from University of Arizona</i>	93.575	320227		2,164	2,164
Health Care Innovation Awards (HCIA) <i>Pass-Through from Center for Health Care Services</i>	93.610	UTA12-000922		372,214 195,140	372,214 195,140
Total - CFDA 93.610			0	567,354	567,354
Developmental Disabilities Basic Support and Advocacy	93.630		34,800	464,497	499,297
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632		10,000	489,534	499,534
Children's Justice Grants to States <i>Pass-Through from Children's Advocacy Centers of Texas, Inc.</i> <i>Pass-Through from Children's Justice Act Program - Texas</i> <i>Pass-Through from Children's Justice Act Program - Texas</i>	93.643	UTA15-001167 CJA-15-03A CJA-15-04/G- 1401TXCJA1	3,958	262,953 (230) 37,921	266,911 (230) 37,921
Total - CFDA 93.643			3,958	300,644	304,602
Social Services Research and Demonstration <i>Pass-Through from Northwestern University</i>	93.647	SP0029295- PROJ0008248		3,260	3,260
Trans-NIH Recovery Act Research Support <i>Pass-Through from American College of Radiology</i> <i>Pass-Through from John Wayne Cancer Institute</i> <i>Pass-Through from National Childhood Cancer Foundation</i> <i>Pass-Through from Texas Biomedical Research Institute</i>	93.701	5 RC2 CA148190 02 5 P01 CA029605 29 ARRA - 19225 ARRA3R01HD049501 05S1		966,557 (29,552) 719 (10,385) 109	966,557 (29,552) 719 (10,385) 109
ARRA - Trans-NIH Recovery Act Research Support				(45,475)	(45,475)
Total - CFDA 93.701			0	881,973	881,973
ARRA - Recovery Act 6 Comparative Effectiveness Research - AHRQ	93.715			(322)	(322)
ARRA - Health Information Technology Professionals in Health Care	93.721			25,749	25,749
Total - CFDA 93.721			15,645	236,277	251,922
Total - CFDA 93.721			15,645	262,026	277,671
Mental and Behavioral Health Education and Training Grants	93.732			11,666	11,666
Elder Abuse Prevention Interventions Program	93.747			109,966	109,966
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757			83,810	83,810
Children's Health Insurance Program <i>Pass-Through from University of Alabama - Birmingham</i>	93.767	000508280-001 / C50119074		25,490	25,490
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779		58,725	147,799	206,524
Partner Support for Heart Disease and Stroke Prevention <i>Pass-Through from American Heart Association</i>	93.814	P79152		9,261	9,261

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
Cardiovascular Diseases Research	93.837		8,618,027	29,728,800	38,346,827
<i>Pass-Through from Adient Medical, Inc.</i>		1R44HL127734-01		65,700	65,700
<i>Pass-Through from Augusta University</i>		27616-3		10,659	10,659
<i>Pass-Through from Augusta University</i>		2R25HL106365-06		18,330	18,330
<i>Pass-Through from Baylor College of Medicine</i>		0102043818		30,391	30,391
<i>Pass-Through from Baylor College of Medicine</i>		101548679; 5600716203	12,826	87,065	99,891
<i>Pass-Through from Baylor College of Medicine</i>		101828048		110,565	110,565
<i>Pass-Through from Baylor College of Medicine</i>		7000000136		12,598	12,598
<i>Pass-Through from Baylor College of Medicine</i>		HHSN268201100006C		281,607	281,607
<i>Pass-Through from Baylor College of Medicine</i>		R21HL121630		9,035	9,035
<i>Pass-Through from Brigham and Women's Hospital</i>		5R01HL117713-02		(1,555)	(1,555)
<i>Pass-Through from Children's Hospital of Philadelphia</i>		5U01HL098153		(705)	(705)
<i>Pass-Through from Cleveland Clinic Lerner College of Medicine</i>		5 R01 HL103552 04		4,440	4,440
<i>Pass-Through from George Washington University</i>		14-S13 GW 35569/1CCLS20916F		35,436	35,436
<i>Pass-Through from George Washington University</i>		7 R01 HL105502 03		1,870	1,870
<i>Pass-Through from Georgia Institute of Technology</i>		1R01HL124417		45,623	45,623
<i>Pass-Through from Georgia Institute of Technology</i>		RE121-G1		(73)	(73)
<i>Pass-Through from Georgia Tech Research Corporation</i>		201601277		60,414	60,414
<i>Pass-Through from Indiana University</i>		IN4688149TAMU		6,673	6,673
<i>Pass-Through from Integris Baptist Medical Center, Inc.</i>		1R21HL115601-01		17,473	17,473
<i>Pass-Through from Johns Hopkins University</i>		5R01HL086694-06 2001380853		(2,224)	(2,224)
<i>Pass-Through from Kaiser Foundation Research Institute</i>		1R56HL125423-01A1		70,532	70,532
<i>Pass-Through from Kaiser Foundation Research Institute</i>		R01HL122658 / 200103-07		26,512	26,512
<i>Pass-Through from Massachusetts General Hospital</i>		5U01HL123336-03 A5332 / 3		526	526
<i>Pass-Through from Methodist Hospital Research Institute</i>		1R01HL132155-01		7,741	7,741
<i>Pass-Through from National Development and Research Institutes, Inc.</i>		R34HL125790 / PROJECT# 651A		43,417	43,417
<i>Pass-Through from New England Research Institutes</i>		U01 HL68270		8,846	8,846
<i>Pass-Through from New England Research Institutes</i>		U01HL107407		14,174	14,174
<i>Pass-Through from New England Research Institutes</i>		U10HL068270 03		(453)	(453)
<i>Pass-Through from Northwestern University</i>		R01HL120725		2,995	2,995
<i>Pass-Through from Ohio State University</i>		60045505		94,502	94,502
<i>Pass-Through from Oregon Health Sciences University</i>		1002681_UTA 2 w/Ext		29,275	29,275
<i>Pass-Through from Oregon Health Sciences University</i>		1002681_UTA 3 w/Ext		19,767	19,767
<i>Pass-Through from Radikal Therapeutics Incorporated</i>		M1401042-NIH 2R44HL108370-02		152,109	152,109
<i>Pass-Through from RTI International</i>		5-3120212746-50717L		50,968	50,968
<i>Pass-Through from RTI International</i>		5U10HL11999104		26,331	26,331
<i>Pass-Through from Small Molecule PPI Mimics, LLC</i>		R41HL126346-TAMU		7,284	7,284
<i>Pass-Through from Southern Methodist University</i>		G001255-7500		26,743	26,743
<i>Pass-Through from Tufts University</i>		HH4023 / 5R01HL085710-09		130,277	130,277
<i>Pass-Through from University of Alabama</i>		5U01HI12033802		32,191	32,191
<i>Pass-Through from University of Alabama - Birmingham</i>		000506044 SP004-001		4,136	4,136
<i>Pass-Through from University of Alabama - Birmingham</i>		1U01HL120338-01A1		86,909	86,909
<i>Pass-Through from University of Alabama - Birmingham</i>		5U01HL120338-02		28,460	28,460
<i>Pass-Through from University of California - San Diego</i>		4 R00 HL118215 02		43,819	43,819
<i>Pass-Through from University of California - San Diego</i>		53851096		3,903	3,903
<i>Pass-Through from University of Florida</i>		UFDSP00010195		9,684	9,684
<i>Pass-Through from University of Florida</i>		UFDSP00010197 00094853		13,483	13,483
<i>Pass-Through from University of Florida</i>		UFDSP00010350		5,738	5,738

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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>		1001462796/R18HL1162		26,892	26,892
<i>Pass-Through from University of Iowa</i>		R18HL116259		30,428	30,428
<i>Pass-Through from University of Michigan</i>		3002038921/U01HL0943		644	644
<i>Pass-Through from University of Michigan</i>		5R01HL122684-02		97,883	97,883
<i>Pass-Through from University of Minnesota</i>		R01HL116720		106,685	106,685
<i>Pass-Through from University of Missouri</i>		C00048330-1		2,938	2,938
<i>Pass-Through from University of Nevada - Reno</i>		UNR-16- 20/R01HL12277		12,017	12,017
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		7R01HL11706304		4,349	4,349
<i>Pass-Through from University of Pennsylvania</i>		5UM1HL116886-03		230,791	230,791
<i>Pass-Through from University of Rochester</i>		1R01HL123346		294,624	294,624
<i>Pass-Through from University of Rochester</i>		R01HL098332		2,355	2,355
<i>Pass-Through from University of Rochester</i>		R01HL098332 UR #: 5-29746		21,901	21,901
<i>Pass-Through from University of Virginia</i>		1R01HL123627-01		50,962	50,962
<i>Pass-Through from University of Washington</i>		2R01HL105756-04 BPO4399		37,553	37,553
<i>Pass-Through from University of Washington</i>		5R01HL103612-04 UWSC6253		104,294	104,294
<i>Pass-Through from University of Washington</i>		5R01HL105756-05		25,312	25,312
<i>Pass-Through from University of Washington</i>		5R01HL120393-03 UWSC8671		6,598	6,598
<i>Pass-Through from University of Washington</i>		5R01HL120393-03/UWSC7568		31,185	31,185
<i>Pass-Through from University of Washington</i>		5U01HL077863-11		5,604,188	5,604,188
<i>Pass-Through from University of Washington</i>		R01HL07888-08		53,973	53,973
<i>Pass-Through from University of Washington</i>		UWSC7365 BPO 10368		421,084	421,084
<i>Pass-Through from University of Washington</i>		UWSC7567 PO# BPO4421		26,689	26,689
<i>Pass-Through from Wake Forest University Health Sciences</i>		R01HL111362 WFUHS 116846		194,530	194,530
<i>Pass-Through from Washington State University</i>		WU-14-211MOD-1		33,561	33,561
<i>Pass-Through from Washington University</i>		5R01HL111249-04		236,953	236,953
<i>Pass-Through from Washington University</i>		5R01HL118305-03		151,081	151,081
<i>Pass-Through from William Marsh Rice University</i>		1 R01 HL127260 01		249,006	249,006
<i>Pass-Through from William Marsh Rice University</i>		R22641		135,674	135,674
<i>Pass-Through from Windmill Cardiovascular Systems, Inc.</i>		4R42HL117446-02		163,163	163,163
<i>Pass-Through from Windmill Cardiovascular Systems, Inc.</i>		UTA15-000462		56,206	56,206
<i>Pass-Through from Windmill Cardiovascular Systems, Inc.</i>		UTA16-000571		42,456	42,456
Total - CFDA 93.837			8,630,853	39,917,966	48,548,819
Lung Diseases Research	93.838		843,978	5,482,022	6,326,000
<i>Pass-Through from Columbus NanoWorks, Inc.</i>		M1503569		90,135	90,135
<i>Pass-Through from Duke Clinical Research Institute</i>		1U10HL08041301		450	450
<i>Pass-Through from George Washington University</i>		U01HL098354		2,650	2,650
<i>Pass-Through from National Jewish Health</i>		20072510/R01HL089897		23,056	23,056
<i>Pass-Through from Pulmotect, Inc.</i>		2 R44 HL115903 02		39,276	39,276
<i>Pass-Through from University North Carolina - Chapel Hill</i>		5 R01 HL097000 04		(3,921)	(3,921)
<i>Pass-Through from University of California</i>		R01HL089901-05R		(1)	(1)
<i>Pass-Through from University of Florida</i>		UFDSP00010180 00097563		57,890	57,890
<i>Pass-Through from University of Pennsylvania</i>		5R01HL113988-04		81,090	81,090
<i>Pass-Through from Vanderbilt University</i>		VUMC40492/R01HL111		12,119	12,119
Total - CFDA 93.838			843,978	5,784,766	6,628,744

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
Blood Diseases and Resources Research	93.839			3,055,082	3,055,082
<i>Pass-Through from Augusta University</i>		2R01HL069234-10		61,943	61,943
<i>Pass-Through from Baylor College of Medicine</i>		5600860138/10175498 1		6,041	6,041
<i>Pass-Through from Baylor College of Medicine</i>		7000000060		69,778	69,778
<i>Pass-Through from Brown University</i>		627		105,756	105,756
<i>Pass-Through from Cincinnati Children's Hospital Medical Center</i>		1R01HL095647-05		636	636
<i>Pass-Through from Cincinnati Children's Hospital Medical Center</i>		136444 R01HL095647		94,083	94,083
<i>Pass-Through from Halcyon Biomedical, Inc.</i>		HB-UH-002		37,258	37,258
<i>Pass-Through from New Health Sciences, Inc.</i>		HHSN268201300045C		50,436	50,436
<i>Pass-Through from University of Alabama - Birmingham</i>		HHSN268201300025C		127,608	127,608
<i>Pass-Through from Virginia Commonwealth University</i>		5P01HL10715205		490,877	490,877
Total - CFDA 93.839			0	4,099,498	4,099,498
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		1,645,219	4,741,552	6,386,771
<i>Pass-Through from Baylor College of Medicine</i>		5R01AR062056-05		30,704	30,704
<i>Pass-Through from BioChemAnalysis Corporation</i>		5R44AR05499303		(631)	(631)
<i>Pass-Through from Duke University</i>		HHSN272201100025C SITE 123		1,816	1,816
<i>Pass-Through from Exemplar Genetics LLC</i>		DMD-04.2015.2		23,118	23,118
<i>Pass-Through from Florida Atlantic University</i>		CRK08/5R01AR06379 5-0		50,423	50,423
<i>Pass-Through from Johns Hopkins University</i>		1R01AR064066/JHSPH		393	393
<i>Pass-Through from Regents of the University of California - San Francisco</i>		UH2AR067688		8,191	8,191
<i>Pass-Through from University of California - San Francisco</i>		5UH2AR067688-02		193	193
<i>Pass-Through from University of Florida</i>		UFDSP00010965		14,055	14,055
<i>Pass-Through from University of Pennsylvania</i>		R01AR069062		7,537	7,537
Total - CFDA 93.846			1,645,219	4,877,351	6,522,570
Diabetes, Digestive, and Kidney Diseases Extramural	93.847		3,231,763	55,147,097	58,378,860
<i>Pass-Through from Arizona State University</i>		5R01DK096488-04		34,297	34,297
<i>Pass-Through from Arizona State University</i>		5R01DK09648805		9,242	9,242
<i>Pass-Through from Augusta University</i>		25034-76		25,254	25,254
<i>Pass-Through from Augusta University</i>		29073-1/5R01NS088058		82,666	82,666
<i>Pass-Through from Baylor College of Medicine</i>		5P30DK056338-14		139,015	139,015
<i>Pass-Through from Baylor College of Medicine</i>		5U24DK097748-02		865	865
<i>Pass-Through from Case Western Reserve University</i>		1DP3DK104438		9,493	9,493
<i>Pass-Through from Case Western Reserve University</i>		5U01DK094157-05		19,036	19,036
<i>Pass-Through from Case Western Reserve University</i>		5U01DX094157-04		14,238	14,238
<i>Pass-Through from Children's Hospital of Philadelphia</i>		5U01DK66174-14 961815RSUB		57,443	57,443
<i>Pass-Through from Cincinnati Children's Hospital Medical Center</i>		5 R01 DK102759 03		9,941	9,941
<i>Pass-Through from Crinetics Pharmaceuticals, Inc.</i>		2R44DK088501-02A1		136,269	136,269
<i>Pass-Through from George Washington University</i>		12-D15		2,057	2,057
<i>Pass-Through from George Washington University</i>		13-D12		176,110	176,110
<i>Pass-Through from George Washington University</i>		GWU/SUBAWARD		16,372	16,372
<i>Pass-Through from George Washington University</i>		S-GRD1516-AC34		62,883	62,883
<i>Pass-Through from George Washington University</i>		S-GRD1516- MW33/U01DK		362,314	362,314
<i>Pass-Through from Icahn School of Medicine - Mount Sinai</i>		2U54DK08390906		196,968	196,968
<i>Pass-Through from J. David Gladstone Institutes</i>		R02240-A		1,120	1,120
<i>Pass-Through from Joslin Diabetes Center</i>		1987203-17		99,635	99,635

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Joslin Diabetes Center</i>		1UC4DK101108 01 REVI		9,244	9,244
<i>Pass-Through from Maine Medical Center</i>		2R24DK092759		36,814	36,814
<i>Pass-Through from Massachusetts General Hospital</i>		2U01DK078616-08		64,488	64,488
<i>Pass-Through from Northwestern University Medical School</i>		60040283 TAMU		11,539	11,539
<i>Pass-Through from Palo Alto Veterans Institute for Research</i>		PAO0008- 01/R01DK103758		9,979	9,979
<i>Pass-Through from Pennington Biomedical Research Center</i>		DK092587-50338-S01		7,385	7,385
<i>Pass-Through from Pennsylvania State University</i>		4R01DK095078- 04/UTXDK095078		13,668	13,668
<i>Pass-Through from Pennsylvania State University</i>		UTXSADK082183/SU 01DK08218		2,836	2,836
<i>Pass-Through from StemMed, Ltd.</i>		1R42DK104494-01A1		60,752	60,752
<i>Pass-Through from Texas Biomedical Research Institute</i>		.10-4116.002		(7,829)	(7,829)
<i>Pass-Through from Tulane University</i>		5R01DK104375-02		28,823	28,823
<i>Pass-Through from Tulane University</i>		TUL-HSC-553789- 15/16		75,627	75,627
<i>Pass-Through from Twinstar Medical</i>		5R44DK085810-04		9,407	9,407
<i>Pass-Through from University of Alabama - Birmingham</i>		R01 DK082548		8,089	8,089
<i>Pass-Through from University of California - Davis</i>		5 R01 DK056839 10		(1,454)	(1,454)
<i>Pass-Through from University of California - Davis</i>		5 R01 DK091823 04		15,913	15,913
<i>Pass-Through from University of Missouri</i>		C00034110-1		2,432	2,432
<i>Pass-Through from University of Pennsylvania</i>		U01DK103225-02		28,869	28,869
<i>Pass-Through from University of Rochester</i>		1 R01 DK100163 02		4,678	4,678
<i>Pass-Through from University of Utah</i>		1 R01 DK091374 04		9,732	9,732
<i>Pass-Through from University of Utah</i>		5 R01 DK090046 04		28,321	28,321
<i>Pass-Through from University of Utah</i>		5R01DK097007-03		33,184	33,184
<i>Pass-Through from Vanderbilt University Medical Center</i>		5U01DK07247308		1,033	1,033
<i>Pass-Through from VitalQuan, LLC</i>		4R44DK105619-02		6,608	6,608
<i>Pass-Through from Washington University - St. Louis</i>		WU-11-54-MOD-3		(635)	(635)
<i>Pass-Through from Xeris Pharmaceuticals</i>		R44DK085809		(34,683)	(34,683)
Total - CFDA 93.847			3,231,763	57,027,135	60,258,898
Digestive Diseases and Nutrition Research	93.848			(5,124)	(5,124)
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		1,396,286	41,454,874	42,851,160
<i>Pass-Through from Albert Einstein College of Medicine</i>		5R21NS085772-02		147	147
<i>Pass-Through from Ampriion, Inc.</i>		5R42NS079060-03		100,982	100,982
<i>Pass-Through from Astrocyte Pharmaceuticals Inc.</i>		R41 NS093756-01		128,085	128,085
<i>Pass-Through from Athersys, Inc.</i>		5U44NS077511-03		205,802	205,802
<i>Pass-Through from Augusta University</i>		23497-1/R01NS050730		1,240	1,240
<i>Pass-Through from Augusta University</i>		29826-1		15,513	15,513
<i>Pass-Through from Baylor College of Medicine</i>		102040821-PRA DASH		3,845	3,845
<i>Pass-Through from Baylor College of Medicine</i>		102040821-SUMMER OTT		51,178	51,178
<i>Pass-Through from Baylor College of Medicine</i>		1R01NS094535-01		163,411	163,411
<i>Pass-Through from Baylor College of Medicine</i>		1U01NS094368-01		158,353	158,353
<i>Pass-Through from Beth Israel Deaconess Medical Center</i>		U01NS074425		21,976	21,976
<i>Pass-Through from Boston Children's Hospital</i>		5U01NS082320-04		172,656	172,656
<i>Pass-Through from Boston Children's Hospital</i>		5U54NS092090-02 (CRP TSC)		79,725	79,725
<i>Pass-Through from Boston Children's Hospital</i>		5U54NS092090-02 (TRAINING)		85,480	85,480
<i>Pass-Through from Boston Children's Hospital</i>		RSTFD0000624636		7,358	7,358
<i>Pass-Through from Boston University</i>		1I01NS090454-01		220,625	220,625
<i>Pass-Through from Burke Cornell Medical Research Institute</i>		1R03NS091737-01		11,012	11,012

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Burke Cornell Medical Research Institute</i>		5R03NS091737-02		13,265	13,265
<i>Pass-Through from Children's Hospital of Philadelphia</i>		5R01NS03857213		1,816	1,816
<i>Pass-Through from Christopher and Dana Reeve Foundation</i>		CTN7-2015(DC)		58,870	58,870
<i>Pass-Through from Emory University</i>		T059676, 1R21NS081606-01A1		9,994	9,994
<i>Pass-Through from Emory University</i>		T584115		26,620	26,620
<i>Pass-Through from Georgia State University</i>		5 R01 NS073134 05		50,034	50,034
<i>Pass-Through from Johns Hopkins University</i>		1U01NS080824-01A1		82,990	82,990
<i>Pass-Through from Johns Hopkins University</i>		2000725876		36,488	36,488
<i>Pass-Through from Johns Hopkins University</i>		4U01NS080824-04		20,101	20,101
<i>Pass-Through from Johns Hopkins University</i>		R01NS076357		17,289	17,289
<i>Pass-Through from Mayo Clinic</i>		64280383		24,407	24,407
<i>Pass-Through from Medical University of South Carolina</i>		MUSC12-045		16,088	16,088
<i>Pass-Through from Medical University of South Carolina</i>		MUSC15-105 PO 225774		7,022	7,022
<i>Pass-Through from Methodist Hospital Research Institute</i>		1R01NS08864501A1		11,434	11,434
<i>Pass-Through from Neurodx Development</i>		5R44NS067772		(3,317)	(3,317)
<i>Pass-Through from Northwestern University</i>		60035591		238,681	238,681
<i>Pass-Through from Northwestern University</i>		U01NS080818		17,855	17,855
<i>Pass-Through from PharmaReview Corporation</i>		2R42NS090650-02		46,074	46,074
<i>Pass-Through from PharmaReview Corporation</i>		NIH R41NS090650-01		20,760	20,760
<i>Pass-Through from Rice Institute, Inc.</i>		R22261-M		107,966	107,966
<i>Pass-Through from Rutgers University</i>		R01NS38384		10,376	10,376
<i>Pass-Through from Southern Methodist University</i>		7R21NS078771-03		80,094	80,094
<i>Pass-Through from TissueGen, Inc.</i>		1R43NS089341-01A1		36,065	36,065
<i>Pass-Through from University of Alabama - Birmingham</i>		000504190-001		21	21
<i>Pass-Through from University of Alabama - Birmingham</i>		5P20NS080199-03		1,560	1,560
<i>Pass-Through from University of Arizona</i>		R01NS073664		115,960	115,960
<i>Pass-Through from University of British Columbia</i>		SP53-10-10/U01NS0385		8,392	8,392
<i>Pass-Through from University of California - Davis</i>		5R01NS076856-04		9,477	9,477
<i>Pass-Through from University of California - Davis</i>		R21NS087527		155,073	155,073
<i>Pass-Through from University of California - Los Angeles</i>		1640GRB658/R01NS06 57		10,442	10,442
<i>Pass-Through from University of California - San Francisco</i>		7895sc		1,247	1,247
<i>Pass-Through from University of California - San Francisco</i>		7898sc 4		10,340	10,340
<i>Pass-Through from University of California - San Francisco</i>		7898SC NO3		126,069	126,069
<i>Pass-Through from University of California - San Francisco</i>		8149sc 02 w/Ext		72,220	72,220
<i>Pass-Through from University of Cincinnati</i>		006883/1U01NS069763		(824)	(824)
<i>Pass-Through from University of Cincinnati</i>		010085-135177	1,250		1,250
<i>Pass-Through from University of Cincinnati</i>		5R01NS047603-10		152,381	152,381
<i>Pass-Through from University of Cincinnati</i>		SAP#1011436			
<i>Pass-Through from University of Cincinnati</i>		5U01NS069763-05		102,290	102,290
<i>Pass-Through from University of Maryland</i>		5U01NS069208		99,246	99,246
<i>Pass-Through from University of Massachusetts Medical School</i>		5R01NS07699104		71,092	71,092
<i>Pass-Through from University of Miami</i>		665164/5U54NS092091		3,135	3,135
<i>Pass-Through from University of Michigan</i>		1U0NS062778-01		165,380	165,380
<i>Pass-Through from University of Michigan</i>		5R21NS086144-02		15,382	15,382
<i>Pass-Through from University of Michigan</i>		U01NS062091		21,091	21,091
<i>Pass-Through from University of Michigan</i>		U01NS062835		10,860	10,860
<i>Pass-Through from University of Michigan</i>		U01NS069498		24,754	24,754
<i>Pass-Through from University of Michigan</i>		U01NS088034-01		476	476
<i>Pass-Through from University of North Carolina</i>		5-33024		12,992	12,992
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		1R21NS088152-01A1		103,679	103,679
<i>Pass-Through from University of Pennsylvania</i>		565257 1 W/Ext		66,078	66,078
<i>Pass-Through from University of Pittsburgh</i>		1R01NS095884-01		12,219	12,219
<i>Pass-Through from University of Pittsburgh</i>		1R21NS094860-01A1		2,434	2,434
<i>Pass-Through from Washington University - St. Louis</i>		5R01NS06506908		20,109	20,109
<i>Pass-Through from Washington University - St. Louis</i>		5R01NS090934-20		19,413	19,413
<i>Pass-Through from William Marsh Rice University</i>		R01NS081854		90,568	90,568
Total - CFDA 93.853			1,397,536	45,316,790	46,714,326

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
Allergy and Infectious Diseases Research	93.855		7,335,593	78,156,592	85,492,185
<i>Pass-Through from AI Biosciences, Inc.</i>		M1401938		2,104	2,104
<i>Pass-Through from Baylor College of Medicine</i>		1 U01 AI095050 03		23,593	23,593
<i>Pass-Through from Baylor College of Medicine</i>		3 P30 AI036211 20S1		11,722	11,722
<i>Pass-Through from Baylor College of Medicine</i>		3P30AI036211-20S1		121,035	121,035
<i>Pass-Through from Baylor College of Medicine</i>		4R01AI09877505		81,629	81,629
<i>Pass-Through from Baylor College of Medicine</i>		5 P30 AI036211 17		2,075	2,075
<i>Pass-Through from Baylor College of Medicine</i>		5 P30 AI036211 19		(3,146)	(3,146)
<i>Pass-Through from Baylor College of Medicine</i>		5601083843		282,898	282,898
<i>Pass-Through from Baylor College of Medicine</i>		5P30AI036211-18		1,025	1,025
<i>Pass-Through from Baylor College of Medicine</i>		5R01AI091816-04		(854)	(854)
<i>Pass-Through from Baylor College of Medicine</i>		5R01AI09877503		145,586	145,586
<i>Pass-Through from Baylor College of Medicine</i>		SHOPPING CART 102213220		14,224	14,224
<i>Pass-Through from Biologics Resources, LLC</i>		5R01AI10517203		65,777	65,777
<i>Pass-Through from Boston University</i>		5R01AI09615905		96,489	96,489
<i>Pass-Through from Brandeis University</i>		4-01862		40,269	40,269
<i>Pass-Through from Brigham and Women's Hospital</i>		5UM1AI06863609		23,577	23,577
<i>Pass-Through from Brigham and Women's Hospital</i>		5UM1AI068636-10		213,530	213,530
<i>Pass-Through from Brown University</i>		00000747		26,434	26,434
<i>Pass-Through from Case Western Reserve University</i>		5P01AI106705-02		517,891	517,891
<i>Pass-Through from Catholic University of America</i>		1R01AI11153801		120,420	120,420
<i>Pass-Through from Chrysalis Biotechnology, Inc.</i>		2R44AI08613505		90,037	90,037
<i>Pass-Through from Columbia University</i>		1R01AI1213491A1		47,563	47,563
<i>Pass-Through from Cornell University</i>		14040537		42,666	42,666
<i>Pass-Through from Duke University</i>		2034060		204,315	204,315
<i>Pass-Through from Duke University</i>		2034441		284	284
<i>Pass-Through from Duke University</i>		5U19AI056363-10 REV		16,416	16,416
<i>Pass-Through from Duke University</i>		UMI AI104681-04		1,740	1,740
<i>Pass-Through from East Carolina University</i>		1R21AI113014-01A1		8,052	8,052
<i>Pass-Through from Etubics Corporation</i>		5R01AI11136403		233,548	233,548
<i>Pass-Through from Family Health International</i>		UM1AI068619		56,103	56,103
<i>Pass-Through from Florida State University</i>		59-1961248		58,954	58,954
<i>Pass-Through from Foundation for Applied Molecular Evolution</i>		5R21AI10598502		13,937	13,937
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		2UM1AI068614-08		112,764	112,764
<i>Pass-Through from Fundacao de Desenvolvimento da Pesquisa</i>		01/2012/P50AI098507		28,585	28,585
<i>Pass-Through from George Washington University</i>		1R01AI12556201		9,194	9,194
<i>Pass-Through from George Washington University</i>		1R21AI12384001		25,009	25,009
<i>Pass-Through from George Washington University</i>		5UM1AI068619-10		12,041	12,041
<i>Pass-Through from George Washington University</i>		5UM1AI069503- 10/FAIN UM1AI0695		403,331	403,331
<i>Pass-Through from Georgia State University</i>		7U19AI10944504		142,846	142,846
<i>Pass-Through from Georgia State University</i>		7U19AI10966404		276,375	276,375
<i>Pass-Through from Guild Associates, Inc.</i>		UTA14-000545		72,360	72,360
<i>Pass-Through from Harvard Medical School</i>		149855.5070716.0302		746,734	746,734
<i>Pass-Through from Harvard University</i>		109669-5064867		62,453	62,453
<i>Pass-Through from Harvard University</i>		109669-5076477		83,968	83,968
<i>Pass-Through from Harvard University</i>		109708-5064873		118,802	118,802
<i>Pass-Through from Hawaii Biotech Inc.</i>		5R44AI11801702		139,804	139,804
<i>Pass-Through from Icahn School of Medicine - Mount Sinai</i>		1U19AI10966401		409,875	409,875
<i>Pass-Through from Icahn School of Medicine - Mount Sinai</i>		5R01AI105953610		104,243	104,243
<i>Pass-Through from Icahn School of Medicine - Mount Sinai</i>		5U19AI10994502		305,135	305,135
<i>Pass-Through from Icahn School of Medicine - Mount Sinai</i>		5U19AI10994503		114,651	114,651
<i>Pass-Through from Immunetics, Inc.</i>		1R43AI102343		2,611	2,611
<i>Pass-Through from Institute for Clinical Research, Inc.</i>		M06-HO-024-0704-1 U01-AI06864		150	150
<i>Pass-Through from Institute for Clinical Research, Inc.</i>		U01-AI068641		41,552	41,552
<i>Pass-Through from Johns Hopkins University</i>		4R01AI10143105		445,191	445,191

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Johns Hopkins University</i>		R21AI102659		4,670	4,670
<i>Pass-Through from KJ Biosciences, LLC</i>		12012014		74,630	74,630
<i>Pass-Through from La Jolla Institute for Allergy and Immunology</i>		20014-88-312		11,451	11,451
<i>Pass-Through from La Jolla Institute for Allergy and Immunology</i>		20015-88-312		21,802	21,802
<i>Pass-Through from Lankenau Institute for Medical Research</i>		06280-0327		3,568	3,568
<i>Pass-Through from Lucigen Corporation</i>		4R33AI10018204		264,684	264,684
<i>Pass-Through from Lynntech, Inc.</i>		SRS #M1500205		4,915	4,915
<i>Pass-Through from Mapp Biopharmaceutical, Inc.</i>		2R44A108274403		213,402	213,402
<i>Pass-Through from Mapp Biopharmaceutical, Inc.</i>		5R01AI11139103		170,789	170,789
<i>Pass-Through from Mayo Clinic</i>		1 R01 AI0969967 03		452,240	452,240
<i>Pass-Through from Mayo Clinic</i>		4R01 AI096967 05		31,590	31,590
<i>Pass-Through from Methodist Hospital Research Institute</i>		18050021-147		906	906
<i>Pass-Through from Methodist Hospital Research Institute</i>		1R01AI20749-01A1		3,097	3,097
<i>Pass-Through from Northwestern University - Downers Grove Campus</i>		11-1006-7116-5660		789	789
<i>Pass-Through from Molecular Express, Inc.</i>		1R43AI11213201A1		10,932	10,932
<i>Pass-Through from Norwell, Inc.</i>		5R44AI07163405		100,045	100,045
<i>Pass-Through from Oak Crest Institute of Science</i>		5U19AI11304802		277,902	277,902
<i>Pass-Through from Oak Crest Institute of Science</i>		5U19AI11304803		419,405	419,405
<i>Pass-Through from Ohio State University</i>		60039662 PO RF01353794		58,340	58,340
<i>Pass-Through from Penn State University</i>		5 R01 AI090113 04		(828)	(828)
<i>Pass-Through from Penn State University</i>		5264-UTA-DHHS-0560		123,987	123,987
<i>Pass-Through from PharmaReview Corporation</i>		1R41AI117990-01		50,848	50,848
<i>Pass-Through from Pond Life Technologies, LLC</i>		UTA15-000101		17,284	17,284
<i>Pass-Through from Profectus BioSciences Incorporated</i>		5R01AI09881705		322,840	322,840
<i>Pass-Through from Protein Ai</i>		R43AI103983		16,131	16,131
<i>Pass-Through from Protein Ai</i>		R44AI103983		63,668	63,668
<i>Pass-Through from Protein Potential, LLC</i>		5R01AI09888402		109,198	109,198
<i>Pass-Through from Regents of the University of California - UCLA</i>		1R01AI121360-01		10,741	10,741
<i>Pass-Through from Research Foundation of Suny</i>		1 R21 AI111129 01		89,704	89,704
<i>Pass-Through from Rice Institute, Inc.</i>		R22581		30,043	30,043
<i>Pass-Through from Sano Chemicals</i>		1R41AI22441-01A1		55,041	55,041
<i>Pass-Through from Southern Research Institute</i>		HHSN27200009		4,286	4,286
<i>Pass-Through from State University of New York at Buffalo</i>		5R01AI078958		45,821	45,821
<i>Pass-Through from Stellenbosch University</i>		R01AI116039		155,251	155,251
<i>Pass-Through from Texas Biomedical Research Institute</i>		11-4332.002/1R01AI09		978	978
<i>Pass-Through from Texas Biomedical Research Institute</i>		15-04441.005 / R01		25,267	25,267
<i>Pass-Through from Texas Biomedical Research Institute</i>		15-04514.002 / R01		28,761	28,761
<i>Pass-Through from Texas Biomedical Research Institute</i>		16-04441.005 GONG		3,540	3,540
<i>Pass-Through from Texas Biomedical Research Institute</i>		16-04514.002 NANDAMUDI		6,480	6,480
<i>Pass-Through from Texas Biomedical Research Institute</i>		1R01AI123434-01		29,026	29,026
<i>Pass-Through from Texas Biomedical Research Institute</i>		N/A16-04441.005 ADENIJI		7,878	7,878
<i>Pass-Through from The Scripps Research Institute</i>		1U19AI10976201		154	154
<i>Pass-Through from The Scripps Research Institute</i>		5U19AI10976202		235,491	235,491
<i>Pass-Through from The Scripps Research Institute</i>		5U19AI10976203		12,944	12,944
<i>Pass-Through from Trustees of Indiana University</i>		5R01AI11063703		97,417	97,417
<i>Pass-Through from Tufts Medical Center, Inc.</i>		50009674-SERV / R21AI103905-02		79,736	79,736
<i>Pass-Through from Tufts Medical Center, Inc.</i>		R21AI11317-01A1		8,278	8,278
<i>Pass-Through from Tufts University</i>		100970-00001		5,511	5,511
<i>Pass-Through from Tufts University</i>		7R21AI11317-02		18,459	18,459
<i>Pass-Through from Tulane University Medical Center</i>		5R01AI10462103		408,639	408,639
<i>Pass-Through from Tulane University Medical Center</i>		HHSN272200900049C		30,767	30,767

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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 - San Diego</i>		54943859 S9000816		765,743	765,743
<i>Pass-Through from University of Georgia</i>		1R56A11301801A1		72,552	72,552
<i>Pass-Through from University of Georgia</i>		7U19A1I0994503		180,171	180,171
<i>Pass-Through from University of Hawaii - Manoa</i>		1R01A1I1918501		73,278	73,278
<i>Pass-Through from University of Illinois</i>		2015-01658-03		22,885	22,885
<i>Pass-Through from University of Kansas Center for Research, Inc.</i>		1R01A1I23351-01 / FY 2016-106		36,821	36,821
<i>Pass-Through from University of Kentucky Research Foundation</i>		3048111493-15-015		26,204	26,204
<i>Pass-Through from University of North Carolina</i>		5101835		30,027	30,027
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5100614		167,006	167,006
<i>Pass-Through from University of Oklahoma Health Sciences Center</i>		RS20120975-02		62,259	62,259
<i>Pass-Through from University of Pennsylvania</i>		1R01A1I25524-01		1,029	1,029
<i>Pass-Through from University of Pennsylvania</i>		5R33A1I05856-04		5,573	5,573
<i>Pass-Through from University of Pittsburgh</i>		5R01A1I08188602	(11,446)	(11,446)	(11,446)
<i>Pass-Through from University of Pittsburgh</i>		5R01A1I09543605		118,024	118,024
<i>Pass-Through from University of Tennessee</i>		A15-0933-S002		170,170	170,170
<i>Pass-Through from University of Washington</i>		1R01A1I08944105	886	886	886
<i>Pass-Through from University of Washington</i>		5R01A1I09894305		189,625	189,625
<i>Pass-Through from University of Washington</i>		5R01A1I0003703	9,691	9,691	9,691
<i>Pass-Through from University of Washington</i>		5R01A1I1134103		124,544	124,544
<i>Pass-Through from Wayne State University</i>		WSU16040		18,757	18,757
<i>Pass-Through from Yale University</i>		5R01A1I08314606		72,143	72,143
Total - CFDA 93.855			7,335,593	90,728,599	98,064,192
Microbiology and Infectious Diseases Research	93.856				
<i>Pass-Through from Duke University</i>		5R01A1I08952605		111,969	111,969
<i>Pass-Through from Molecular Express, Inc.</i>		ME-127130	(17,925)	(17,925)	(17,925)
<i>Pass-Through from University of Tennessee</i>		1R01AG049696-01		28,963	28,963
Total - CFDA 93.856			0	123,007	123,007
Biomedical Research and Research Training	93.859		3,667,066	61,565,547	65,232,613
<i>Pass-Through from 21st Century Technologies, Inc.</i>		SBIR1401		156,345	156,345
<i>Pass-Through from AM Biotechnologies, LLC</i>		5 R44 GM086937 03		2,309	2,309
<i>Pass-Through from Arcos, Inc.</i>		1R43GM11231401		(887)	(887)
<i>Pass-Through from Baylor College of Medicine</i>		102048029		3,033	3,033
<i>Pass-Through from Baylor College of Medicine</i>		102147235		25,738	25,738
<i>Pass-Through from Baylor College of Medicine</i>		2T32GM00828026		7,105	7,105
<i>Pass-Through from Baylor College of Medicine</i>		5T32GM008280-27 / PO#101973429		23,088	23,088
<i>Pass-Through from Baylor University</i>		32050268-01		62,200	62,200
<i>Pass-Through from Boston University</i>		4500002045		105,660	105,660
<i>Pass-Through from Case Western Reserve University</i>		RESS09568		30,803	30,803
<i>Pass-Through from Columbia University</i>		1GG010211		62,443	62,443
<i>Pass-Through from Cornell University</i>		68964-10332		104,298	104,298
<i>Pass-Through from East Carolina University</i>		A13-0179-S001 212798-ZHU		2,890	2,890
<i>Pass-Through from ECM Technologies, LLC</i>		SRS REF M1501965		1,686	1,686
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		0000851681		160,652	160,652
<i>Pass-Through from Fred Hutchinson Cancer Research Center</i>		5 R01 GM106177 03		4,187	4,187
<i>Pass-Through from Georgia Institute of Technology</i>		RF258-G1	(1,991)	(1,991)	(1,991)
<i>Pass-Through from GFree Bio, LLC</i>		R41GM116300-UTX UTA16-000721		54,939	54,939
<i>Pass-Through from Hunter College</i>		5 R01 GM088530 04	(938)	(938)	(938)
<i>Pass-Through from Iowa State University</i>		4304603A		126,831	126,831
<i>Pass-Through from Johns Hopkins University</i>		2002879980/2R01GM0 50		3,800	3,800

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Johns Hopkins University</i>		5R01GM075305-09		8,990	8,990
<i>Pass-Through from Lynntech, Inc.</i>		1 R43 GM106455-01		(4,877)	(4,877)
<i>Pass-Through from Mayo Clinic</i>		4R01GM102282-04/THE-175999-04		229,738	229,738
<i>Pass-Through from Mayo Clinic</i>		5 UI9 GM061388 15		(371)	(371)
<i>Pass-Through from New York University School of Medicine</i>		7U54GM094598-06		72,133	72,133
<i>Pass-Through from Nimbic Systems, Inc.</i>		5R44GM09500506		65,201	65,201
<i>Pass-Through from Northwestern University</i>		60034749 UTEP		51,629	51,629
<i>Pass-Through from Operational Technologies Corporation</i>		R44 GM101712		142,357	142,357
<i>Pass-Through from Penn State University</i>		5283-UTA-DHHS-3106		47,125	47,125
<i>Pass-Through from Princeton University</i>		00001985		(1,844)	(1,844)
<i>Pass-Through from Probetex, Inc.</i>		R43GM110837-01		11,572	11,572
<i>Pass-Through from Purdue University</i>		5R01GM106016-03		38,907	38,907
<i>Pass-Through from Radikal Therapeutics Incorporated</i>		1R43GM09647501		37	37
<i>Pass-Through from Research Foundation for the State University of New York</i>		1098763-2-59265		13,788	13,788
<i>Pass-Through from Research Foundation for the State University of New York</i>		R926252		28,530	28,530
<i>Pass-Through from Rice Institute, Inc.</i>		R22151		5,949	5,949
<i>Pass-Through from Rice Institute, Inc.</i>		R22791		28,206	28,206
<i>Pass-Through from Rochal Industries</i>		1R43GM114857-01		16,977	16,977
<i>Pass-Through from Rochal Industries</i>		UTA15-000100		21,070	21,070
<i>Pass-Through from Rutgers University</i>		4744		448	448
<i>Pass-Through from Small Molecule PPI Mimics, LLC</i>		1R41GM108153-01A1		74,158	74,158
<i>Pass-Through from St. Jude Children's Research Hospital</i>		1 P50 GM115279 01		109,530	109,530
<i>Pass-Through from Stanford University</i>		60325810-25996-C 2P01GM066275		208,659	208,659
<i>Pass-Through from SunnyBrook Research Institute</i>		2R01GM087285-05A1		57,737	57,737
<i>Pass-Through from The Scripps Research Institute</i>		R01GM118594		24,097	24,097
<i>Pass-Through from Tufts University</i>		HH4008		103,615	103,615
<i>Pass-Through from University North Carolina - Chapel Hill</i>		5032101/2R01GM070335		1,282	1,282
<i>Pass-Through from University of Arizona</i>		235475		72,907	72,907
<i>Pass-Through from University of Colorado</i>		5 R01 GM111902 02		(15,258)	(15,258)
<i>Pass-Through from University of Florida</i>		U01GM074492		12,454	12,454
<i>Pass-Through from University of Georgia</i>		RR722-156/4940486		29,687	29,687
<i>Pass-Through from University of Minnesota</i>		5R01GM05960415		7,755	7,755
<i>Pass-Through from University of Minnesota</i>		5R01GM09551604		6,341	6,341
<i>Pass-Through from University of Notre Dame</i>		202235 02		1	1
<i>Pass-Through from University of Notre Dame</i>		202235UTA 04 w/Ext		76,131	76,131
<i>Pass-Through from University of Oklahoma</i>		1R01GM107490-01A1NIH		152,189	152,189
<i>Pass-Through from University of Pennsylvania</i>		23-1352685		74,157	74,157
<i>Pass-Through from University of Pennsylvania</i>		565220		47,295	47,295
<i>Pass-Through from University of Pittsburgh</i>		R01GM049202		23,696	23,696
<i>Pass-Through from University of Pittsburgh</i>		R01GM114851		182,497	182,497
<i>Pass-Through from University of Utah</i>		10004657-01		193,584	193,584
<i>Pass-Through from University of Utah</i>		5 R01 GM104390 01		143,522	143,522
<i>Pass-Through from University of Washington</i>		5R01GM04272522		141,839	141,839
<i>Pass-Through from Vanderbilt University</i>		R01GM10430603		237,332	237,332
<i>Pass-Through from Vanderbilt University Medical Center</i>		5R01GM103859-02		52,200	52,200
<i>Pass-Through from Vanderbilt University School of Medicine</i>		1R01GM115598-02		72,384	72,384
<i>Pass-Through from Vanderbilt University School of Medicine</i>		5R01GM103859-02		130,409	130,409
<i>Pass-Through from Washington University</i>		1R01DK103901-01A1 WU-16-15		21,370	21,370
<i>Pass-Through from Washington University</i>		WU-13-255 PO 2917374W		136,861	136,861
<i>Pass-Through from William Marsh Rice University</i>		1R01GM106027 01		(1,308)	(1,308)

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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>		M15A119467A10650		95,161	95,161
		YEAR 08W/EXT			
<i>Pass-Through from Yale University</i>		M15A11947 A10307		200,180	200,180
		5U01GM087719-07			
Total - CFDA 93.859			3,667,066	65,947,767	69,614,833
Child Health and Human Development Extramural Research	93.865		2,248,339	23,292,111	25,540,450
<i>Pass-Through from Arkansas Childrens Hospital Research Institute</i>		034589		20,493	20,493
<i>Pass-Through from Auritec Pharmaceuticals, Inc.</i>		2R44HD07563603		341,463	341,463
<i>Pass-Through from Children's Hospital of Philadelphia</i>		P01HD070454		145,678	145,678
<i>Pass-Through from Eastern Virginia Medical School</i>		5R01HD08631302		136,038	136,038
<i>Pass-Through from ETR Associates</i>		1R03HD077153-01A1		17,980	17,980
<i>Pass-Through from George Washington University</i>		13-UHTX-14		(11)	(11)
<i>Pass-Through from George Washington University</i>		15-UHTX-16		47,228	47,228
<i>Pass-Through from George Washington University</i>		U10HD036801/U01- HL098354		232,824	232,824
<i>Pass-Through from George Washington University</i>		U10HD036802		92,230	92,230
<i>Pass-Through from Indiana University</i>		5R01HD074587-03		37,117	37,117
<i>Pass-Through from Magee-Women's Hospital of UPMC</i>		5 P01 HD075795 02		494,859	494,859
<i>Pass-Through from Nano3d Biosciences, Inc.</i>		R41HD081795-01		(4,478)	(4,478)
<i>Pass-Through from Noninvasix Incorporated</i>		1R41HD07656801		34,749	34,749
<i>Pass-Through from Noninvasix Incorporated</i>		1R43HD07555101		21,405	21,405
<i>Pass-Through from Northwestern University</i>		60032241 UTA A04		63,191	63,191
<i>Pass-Through from Oregon Health Sciences University</i>		R01 HD076259		44,109	44,109
<i>Pass-Through from Oregon Research Institute</i>		R01HD071900		26,728	26,728
<i>Pass-Through from Radiant Creative Group, LLC</i>		1R42HD074324- 01/02/03		170,206	170,206
<i>Pass-Through from Regents of the University of Michigan</i>		3003854830		15,000	15,000
<i>Pass-Through from Rhode Island Hospital</i>		4R01HD072693-05		2,772	2,772
<i>Pass-Through from Rhode Island Hospital</i>		R01HD072693		5,440	5,440
<i>Pass-Through from Rice Institute, Inc.</i>		UTA14-001267		25,508	25,508
<i>Pass-Through from RTI International</i>		U01HD021373 RFA- HD-04-010		555,595	555,595
<i>Pass-Through from Seattle Children's Hospital</i>		10885SUB		4,719	4,719
<i>Pass-Through from Stanford University</i>		61048826-117721		1,467	1,467
<i>Pass-Through from University of California - Irvine</i>		1 R21 HD081319 02		92,584	92,584
<i>Pass-Through from University of California - Los Angeles</i>		1215 G TA045		189,138	189,138
<i>Pass-Through from University of California - Santa Barbara</i>		8000002477		7,915	7,915
<i>Pass-Through from University of Colorado - Denver</i>		FY15.745.002/ R01 HD		10,867	10,867
<i>Pass-Through from University of Illinois - Chicago</i>		20120613601001/R01HD		100,337	100,337
<i>Pass-Through from University of Illinois - Chicago</i>		2014-07499		128,567	128,567
<i>Pass-Through from University of Kansas Center for Research, Inc.</i>		FY2014-025, NIH		20,279	20,279
		1R03HD073464-01A1			
<i>Pass-Through from University of Louisiana - Monroe</i>		1R21HD083389-01		12,353	12,353
<i>Pass-Through from University of Michigan</i>		3003597836		12,595	12,595
<i>Pass-Through from University of Nebraska - Lincoln</i>		24-1710-0157-005 / 1R01HD08608		15,936	15,936
<i>Pass-Through from University of Nevada - Reno</i>		SFFA 11-12 ACCT 1320-119-15NF		(5,226)	(5,226)
<i>Pass-Through from University of New Mexico</i>		5 R01 HD064655 03		(2,334)	(2,334)
<i>Pass-Through from University of Utah</i>		R01HD075863		7,696	7,696
<i>Pass-Through from University of Washington</i>		5R01HD07969502		30,875	30,875
<i>Pass-Through from University of Wyoming</i>		1002028A/R01HD0700 96		(2)	(2)

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from University of Wyoming</i>		1002696 - UTHSCSA		6,520	6,520
<i>Pass-Through from Vanderbilt University School of Medicine</i>		5U01HD076733-02		91,894	91,894
<i>Pass-Through from Wayne State University</i>		5U10HD021385 / WSU14063-A3		3,950	3,950
<i>Pass-Through from Weill Cornell Medicine</i>		14101508-02 PO 4100269007 3		7,910	7,910
<i>Pass-Through from Weill Cornell Medicine</i>		15101636-2 004		256,959	256,959
ARRA - Child Health and Human Development Extramural Research			17,139		17,139
Total - CFDA 93.865			2,265,478	26,813,234	29,078,712
Aging Research	93.866		3,297,782	22,943,931	26,241,713
<i>Pass-Through from Albert Einstein College of Medicine</i>		31551H/P01AG017242		(5,488)	(5,488)
<i>Pass-Through from Albert Einstein College of Medicine</i>		31611D/P01AG017242	90,966	434,162	525,128
<i>Pass-Through from Amprion, Inc.</i>		4R42AG049562-02		137,704	137,704
<i>Pass-Through from Boston University</i>		4R01AG033193-07		60,721	60,721
<i>Pass-Through from Brigham and Women's Hospital</i>		5U01AG04827002		249,119	249,119
<i>Pass-Through from Johns Hopkins University</i>		7R01AG042753-03		90,724	90,724
<i>Pass-Through from Kaiser Foundation Research Institute</i>		U01AG012554		8,657	8,657
<i>Pass-Through from Mayo Clinic</i>		UTH-178544-03/ 1		7,610	7,610
<i>Pass-Through from Mayo Clinic</i>		UTX-178544- 03/CORE B		56,285	56,285
<i>Pass-Through from Michigan State University</i>		1R01AG048642-01A1		27,292	27,292
<i>Pass-Through from Michigan State University</i>		RC100741TAMU		25,696	25,696
<i>Pass-Through from Minneapolis Medical Research Foundation</i>		ASPREE/U01AG029824		49,310	49,310
<i>Pass-Through from Minneapolis Medical Research Foundation</i>		PARCHMAN		121,648	121,648
<i>Pass-Through from Minneapolis Medical Research Foundation</i>		U01AG029824		13,040	13,040
<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>		0254-9895-4609 5		42,283	42,283
<i>Pass-Through from Mount Sinai School of Medicine</i>		0254-9927-4609		47,611	47,611
<i>Pass-Through from Ohio State University</i>		60043785		159,143	159,143
<i>Pass-Through from Saint Louis University</i>		1R46AG049503-01A1		(319)	(319)
<i>Pass-Through from Southern Illinois University School of Medicine</i>		520317		172	172
<i>Pass-Through from The Curators of The University of Missouri</i>		0065133/00050841		162,081	162,081
<i>Pass-Through from The Scripps Research Institute</i>		NIH P01AG043376		298,729	298,729
<i>Pass-Through from University of Alabama</i>		5R21AG04572202		29,600	29,600
<i>Pass-Through from University of Kansas Medical Center</i>		ZAC00040/R56AG047590		24,843	24,843
<i>Pass-Through from University of Maryland</i>		1500141		27,016	27,016
<i>Pass-Through from University of Michigan</i>		3003298847	39,023	54,450	93,473
<i>Pass-Through from University of Oklahoma Health Sciences Center</i>		R01AG038747		40,829	40,829
<i>Pass-Through from University of Pittsburgh</i>		5U01AG12533-21		8,482	8,482
<i>Pass-Through from University of Toledo</i>		5R01AG045973-02		(15,492)	(15,492)
<i>Pass-Through from University of Washington</i>		2-U01-AG016976-16		67,853	67,853
<i>Pass-Through from University of Washington</i>		UWSC8609		20,008	20,008
Total - CFDA 93.866			3,427,771	25,186,792	28,614,563
Vision Research	93.867		361,717	19,119,867	19,481,584
<i>Pass-Through from Baylor College of Medicine</i>		102163160		88,659	88,659
<i>Pass-Through from Baylor College of Medicine</i>		5 PN2 EY016525 11		(77,325)	(77,325)
<i>Pass-Through from Children's Hospital of Philadelphia</i>		R21 AG051962		93	93
<i>Pass-Through from Emory University</i>		5-U10-EY013272-12		15	15
<i>Pass-Through from Jaeb Center for Health Research</i>		109510		34,597	34,597
<i>Pass-Through from Jaeb Center for Health Research</i>		U10EY11751		6,339	6,339
<i>Pass-Through from Johns Hopkins University</i>		5R01EY02232204		28,235	28,235
<i>Pass-Through from Mount Sinai School of Medicine</i>		0255-0941-4609		31,628	31,628

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
<i>Pass-Through from Oregon Health and Science University</i>		1001660_UTRGV		56,896	56,896
<i>Pass-Through from Riptide Bioscience, Inc.</i>		RTSA01		67,014	67,014
<i>Pass-Through from Salus University</i>		3U10EY022599-02S1		59,233	59,233
<i>Pass-Through from University of California - San Diego</i>		PO# 90946294-03		1,943	1,943
<i>Pass-Through from University of Utah</i>		4R01EY002576-39		87,690	87,690
Total - CFDA 93.867			361,717	19,504,884	19,866,601
Medical Library Assistance	93.879		167,822	2,146,933	2,314,755
<i>Pass-Through from Brigham and Women's Hospital</i>		5R01LM011966-02		75,188	75,188
<i>Pass-Through from Chemtor, L.P.</i>		8000002251		8,060	8,060
<i>Pass-Through from Chemtor, L.P.</i>		8000002299		19,377	19,377
<i>Pass-Through from University of Pittsburgh</i>		1R01LM012095-01-A1		25,836	25,836
<i>Pass-Through from University of Wisconsin</i>		370K204		192,931	192,931
<i>Pass-Through from Vanderbilt University</i>		1R01LM009989-01A1		214,544	214,544
<i>Pass-Through from William Marsh Rice University</i>		2T15LM007093-21		(449)	(449)
<i>Pass-Through from William Marsh Rice University</i>		5 T15 LM007093 23		(10,792)	(10,792)
Total - CFDA 93.879			167,822	2,671,628	2,839,450
Grants for Primary Care Training and Enhancement	93.884			443,866	443,866
Health Care and Other Facilities	93.887			158,257	158,257
HIV Care Formula Grants	93.917			152,731	152,731
<i>Pass-Through from Resource Group</i>		17UTV00PTB		64,103	64,103
Total - CFDA 93.917			0	216,834	216,834
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918			33,721	33,721
<i>Pass-Through from Houston Regional HIV/AIDS Resource Group, Inc.</i>		205741		17,227	17,227
<i>Pass-Through from Resource Group</i>		14UTP00RWC		(1,646)	(1,646)
<i>Pass-Through from Resource Group</i>		16UTP00RWC		31,089	31,089
<i>Pass-Through from Resource Group</i>		17UTP00RWC		9,082	9,082
Total - CFDA 93.918			0	89,473	89,473
Ryan White HIV/AIDS Dental Reimbursement and Community Based Dental Partnership Grants	93.924			32,339	32,339
Healthy Start Initiative	93.926			712,649	712,649
Special Projects of National Significance	93.928			6,275	6,275
<i>Pass-Through from Special Health Resources for Texas, Inc.</i>		H97HA15147-01-00		6,275	6,275
National Institutes of Health Acquired Immunodeficiency Syndrome Research Loan Repayment Program	93.936			8,546	8,546
<i>Pass-Through from Idaho State University</i>		16-0048-RPHR46		8,546	8,546
HIV Prevention Activities_Health Department Based	93.940			1,484,271	1,484,271
<i>Pass-Through from City of Houston Health and Human Services</i>		U62/CCU606238		341,582	341,582
Total - CFDA 93.940			0	1,825,853	1,825,853
HIV Demonstration, Research, Public and Professional Education Projects	93.941			826,363	826,363
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944		172,381	937,469	1,109,850
Block Grants for Community Mental Health Services	93.958			605,271	605,271

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Department of Health and Human Services (continued)					
Prevention and Public Health Fund (PPHF) Public Health Traineeships	93.964			79,915	79,915
International Research and Research Training	93.989			134,188	134,188
Maternal and Child Health Services Block Grant to the States	93.994			526,200	526,200
Total - U.S. Department of Health and Human Services			62,061,416	764,332,519	826,393,935
Corporation for National and Community Service					
Social Innovation Fund	94.019				
<i>Pass-Through from Methodist Healthcare Ministries of South Texas, Inc.</i>		1451HTX001		456,899	456,899
<i>Pass-Through from Methodist Healthcare Ministries of South Texas, Inc.</i>		14SIHTX001		300,808	300,808
Total - CFDA 94.019			0	757,707	757,707
National Service and Civic Engagement Research Competition	94.026			92,853	92,853
Total - Corporation for National and Community Service			0	850,560	850,560
Executive Office of the President					
Executive Office of the President	95.XXX	UTA16-000641		7,796	7,796
Total - Executive Office of the President			0	7,796	7,796
Social Security Administration					
Social Security Research and Demonstration	96.007				
<i>Pass-Through from University of Illinois - Chicago</i>		2012-05469-03-010411		32,179	32,179
Total - Social Security Administration			0	32,179	32,179
U.S. Department of Homeland Security					
U.S. Department of Homeland Security	97.XXX	M1601460		33,526	33,526
<i>Pass-Through from MRI Global (Midwest Research Institute)</i>		HSHQDC13CB0009		142,052	142,052
<i>Pass-Through from Northeastern University</i>		505035-78056		80,286	80,286
<i>Pass-Through from Signature Science, LLC</i>		5923		54,950	54,950
Total - CFDA 97.XXX			0	310,814	310,814
State and Local Homeland Security National Training Program	97.005		207,617	625,530	833,147
<i>Pass-Through from Louisiana State University</i>		8000002308		24,344	24,344
<i>Pass-Through from Louisiana State University</i>		8000002516		9,609	9,609
<i>Pass-Through from University of Arkansas</i>		18002-2		679	679
Total - CFDA 97.005			207,617	660,162	867,779
Hazard Mitigation Grant	97.039				
<i>Pass-Through from Bastrop County</i>		8000002150		9	9
<i>Pass-Through from Bastrop County</i>		8000002395		77,953	77,953
Total - CFDA 97.039			0	77,962	77,962

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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 Homeland Security (continued)					
National Dam Safety Program	97.041			9,465	9,465
Assistance to Firefighters Grant <i>Pass-Through from CFAI - Risk, Inc.</i>	97.044	CFAI-Risk-16	260,505	249,135 88,151	509,640 88,151
Total - CFDA 97.044			<u>260,505</u>	<u>337,286</u>	<u>597,791</u>
Cooperating Technical Partners	97.045			51,159	51,159
Centers for Homeland Security <i>Pass-Through from Jackson State University</i>	97.061		725,403	4,977,714 243	5,703,117 243
<i>Pass-Through from Modern Technology Solutions, Inc.</i>		2008-ST061-ND0002-06		243	243
<i>Pass-Through from Purdue University</i>		SUBK-DHSP-0002597 4112-57702	48,501	45,007 (802)	93,508 (802)
<i>Pass-Through from Rutgers University</i>		2009-ST061CCI00207		17,479	17,479
<i>Pass-Through from University North Carolina Coastal Hazards Center</i>		5100405		3,412	3,412
<i>Pass-Through from University of Illinois</i>		2015-01722-08	40,000	63,366	103,366
<i>Pass-Through from University of Maryland</i>		27788-29057103		63,292	63,292
<i>Pass-Through from University of Maryland</i>		39565 Z9247102		1,822	1,822
<i>Pass-Through from University of North Carolina</i>		5101656		82,056	82,056
<i>Pass-Through from University of North Carolina - Chapel Hill</i>		5103190		41,791	41,791
<i>Pass-Through from University of Southern California</i>		2010-ST-061-RE0001-06		13,302	13,302
Total - CFDA 97.061			<u>813,904</u>	<u>5,308,682</u>	<u>6,122,586</u>
Scientific Leadership Awards	97.062			214,036	214,036
Homeland Security Advanced Research Projects Agency	97.065			3,745	3,745
Homeland Security Research, Development, Testing, Evaluation, and Demonstration of Technologies Related to Nuclear Threat Detection	97.077		90,830	760,743	851,573
Homeland Security-related Science, Technology, Engineering and Mathematics (HS STEM) Career Development Program	97.104			16,356	16,356
Homeland Security, Research, Testing, Evaluation, and Demonstration of Technologies	97.108		152,130	795,896	948,026
National Cyber Security Awareness	97.128		945,235	702,063	1,647,298
National Nuclear Forensics Expertise Development Program <i>Pass-Through from Medical University of South Carolina</i>	97.130	MUSC13-002		11,115 94,531	11,115 94,531
Total - CFDA 97.130			<u>0</u>	<u>105,646</u>	<u>105,646</u>
Total - U.S. Department of Homeland Security			<u>2,470,221</u>	<u>9,354,015</u>	<u>11,824,236</u>
U. S. Agency for International Development					
U. S. Agency for International Development <i>Pass-Through from International Crops Research Institute for the Semi-Arid Tropics</i>	98.XXX	RESEARCH AGREEMENT		14,055	14,055
<i>Pass-Through from Michigan State University</i>		RC10205-KENYA		154,373	154,373
<i>Pass-Through from Michigan State University</i>		RC102095-LIBERIA		74,493	74,493
<i>Pass-Through from Michigan State University</i>		RC103361		129,392	129,392
<i>Pass-Through from National Academy of Sciences</i>		PGA-2000003542		2,092	2,092
Total - CFDA 98.XXX			<u>0</u>	<u>374,405</u>	<u>374,405</u>

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RESEARCH AND DEVELOPMENT CLUSTER (continued)					
U.S. Agency for International Development (continued)					
USAID Foreign Assistance for Programs Overseas	98.001		2,051,455	4,090,370	6,141,825
<i>Pass-Through from Abt Associates, Inc.</i>		44921		66,748	66,748
<i>Pass-Through from ACDI/VOCA</i>		J0843-BORLAUG-1		78,329	78,329
<i>Pass-Through from Cardno</i>		4726-001-CPFF-001		147,122	147,122
<i>Pass-Through from College of William and Mary</i>		740681-C		129,832	129,832
<i>Pass-Through from Colorado State University</i>		G-96500-49		37,255	37,255
<i>Pass-Through from Development Alternatives, Inc.</i>		AID-OAA-C-14-00185		(38)	(38)
<i>Pass-Through from Development Alternatives, Inc.</i>		CDI-G-012		124,282	124,282
<i>Pass-Through from Kansas State University</i>		S14181	46,121	63,020	109,141
<i>Pass-Through from Kansas State University</i>		S16057	15,129	8,808	23,937
<i>Pass-Through from Mountain Institute</i>		575-2015-0001 2		136,003	136,003
<i>Pass-Through from Mountain Institute</i>		575-2016-0001		3,863	3,863
<i>Pass-Through from National Academy of Sciences</i>		PGA-2000003666	34,610	60,649	95,259
<i>Pass-Through from Purdue University</i>		8000062954		1,523	1,523
<i>Pass-Through from Regents of the University of California</i>		201500789-02		1,141,142	1,141,142
<i>Pass-Through from SEGURA Consulting, LLC</i>		AID-OAA-C-13-		40,354	40,354
<i>Pass-Through from University of California - Davis</i>		016258-110		3,104	3,104
<i>Pass-Through from William Marsh Rice University</i>		AID-OAA-A-13-		3,985	3,985
Total - CFDA 98.001			2,147,315	6,136,351	8,283,666
John Ogonowski Farmer-to-Farmer Program	98.009		132,480	363,271	495,751
USAID Development Partnerships for University Cooperation and Development	98.012				
<i>Pass-Through from National Academy of Sciences</i>		PGA-2000003659		9,886	9,886
<i>Pass-Through from Purdue University</i>		8000069605		9,326	9,326
<i>Pass-Through from Tetra Tech, Inc.</i>		1078-TAMU-001		185,305	185,305
<i>Pass-Through from University of Georgia</i>		RC299-430/4942356	50,374	75,009	125,383
Total - CFDA 98.012			50,374	279,526	329,900
Total - U. S. Agency for International Development			2,330,169	7,153,553	9,483,722
Total Research and Development Cluster			113,633,175	1,454,303,619	1,567,936,794
STUDENT FINANCIAL ASSISTANCE CLUSTER					
U.S. Department of Education					
Federal Supplemental Educational Opportunity Grants	84.007			18,598,474	18,598,474
Federal Work-Study Program	84.033			22,461,812	22,461,812
Federal Perkins Loan Program_Federal Capital Contributions	84.038			158,382,162	158,382,162
Federal Pell Grant Program	84.063			869,929,184	869,929,184
Federal Direct Student Loans	84.268			3,136,445,477	3,136,445,477
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379			5,644,417	5,644,417
Postsecondary Education Scholarships for Veteran's	84.408			10,773	10,773
Total - U.S. Department of Education			0	4,211,472,299	4,211,472,299

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STUDENT FINANCIAL ASSISTANCE CLUSTER (continued)					
U.S. Department of Health and Human Services					
Nurse Faculty Loan Program (NFLP)	93.264			2,277,881	2,277,881
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342			22,484,117	22,484,117
Nursing Student Loans	93.364			4,182,991	4,182,991
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925			4,375,479	4,375,479
Total - U.S. Department of Health and Human Services			<u>0</u>	<u>33,320,468</u>	<u>33,320,468</u>
Total Student Financial Assistance Cluster			<u>0</u>	<u>4,244,792,767</u>	<u>4,244,792,767</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		22,866,907	4,200,187	27,067,094
Special Programs for the Aging_Title III, Part C_Nutrition Services	93.045		36,274,248	2,508,673	38,782,921
Nutrition Services Incentive Program	93.053		<u>10,317,383</u>	<u>1,330,922</u>	<u>11,648,305</u>
Total - U.S. Department of Health and Human Services			<u>69,458,538</u>	<u>8,039,782</u>	<u>77,498,320</u>
Total Aging Cluster			<u>69,458,538</u>	<u>8,039,782</u>	<u>77,498,320</u>
CCDF CLUSTER					
U.S. Department of Health and Human Services					
Child Care and Development Block Grant	93.575		202,061,458	60,235,178	262,296,636
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		221,467,287		221,467,287
Pass-Through from Upper Rio Grande Workforce Development Board		1015CCMC000		4,968	4,968
Pass-Through from Upper Rio Grande Workforce Development Board		1016CCMC00		41,939	41,939
Total - CFDA 93.596			<u>221,467,287</u>	<u>46,907</u>	<u>221,514,194</u>
Total - U.S. Department of Health and Human Services			<u>423,528,745</u>	<u>60,282,085</u>	<u>483,810,830</u>
Total CCDF Cluster			<u>423,528,745</u>	<u>60,282,085</u>	<u>483,810,830</u>

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CDBG - DISASTER RECOVERY GRANTS - PUB. L. NO 113-2 CLUSTER					
U.S. Department of Housing and Urban Development					
Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR)	14.269		200,000	(27,621)	172,379
Total - U.S. Department of Housing and Urban Development			200,000	(27,621)	172,379
Total CDBG - Disaster Recovery Grants - Pub. L. No 113-2 Cluster			200,000	(27,621)	172,379
CDBG ENTITLEMENT GRANTS CLUSTER					
U.S. Department of Housing and Urban Development					
Community Development Block Grants/Entitlement Grants <i>Pass-Through from Bastrop County</i>	14.218	484292	2,875,571	571,797 723,471	3,447,368 723,471
Total - CFDA 14.218			2,875,571	1,295,268	4,170,839
Total - U.S. Department of Housing and Urban Development			2,875,571	1,295,268	4,170,839
Total CDBG Entitlement Grants Cluster			2,875,571	1,295,268	4,170,839
CHILD NUTRITION CLUSTER					
U.S. Department of Agriculture					
School Breakfast Program	10.553		553,867,893	1,140,710	555,008,603
National School Lunch Program	10.555		1,580,075,514	2,175,508	1,582,251,022
Special Milk Program for Children	10.556		18,221		18,221
Summer Food Service Program for Children	10.559		39,356,347	832,313	40,188,660
Total - U.S. Department of Agriculture			2,173,317,975	4,148,531	2,177,466,506
Total Child Nutrition Cluster			2,173,317,975	4,148,531	2,177,466,506
CLEAN WATER STATE REVOLVING FUND CLUSTER					
Environmental Protection Agency					
Capitalization Grants for Clean Water State Revolving Funds	66.458		31,732,321	35,301,357	67,033,678
Total - Environmental Protection Agency			31,732,321	35,301,357	67,033,678
Total Clean Water State Revolving Fund Cluster			31,732,321	35,301,357	67,033,678
DISABILITY INSURANCE/SSI CLUSTER					
Social Security Administration					
Social Security_Disability Insurance	96.001			134,208,072	134,208,072
Total - Social Security Administration			0	134,208,072	134,208,072
Total Disability Insurance/SSI Cluster			0	134,208,072	134,208,072

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DRINKING WATER STATE REVOLVING FUND CLUSTER					
Environmental Protection Agency					
Capitalization Grants for Drinking Water State Revolving Funds 66.468			134,864,399	13,899,981	148,764,380
Total - Environmental Protection Agency			<u>134,864,399</u>	<u>13,899,981</u>	<u>148,764,380</u>
Total Drinking Water State Revolving Fund Cluster			<u>134,864,399</u>	<u>13,899,981</u>	<u>148,764,380</u>
ECONOMIC DEVELOPMENT CLUSTER					
U.S. Department of Commerce					
Investments for Public Works and Economic Development Facilities	11.300			462,832	462,832
Economic Adjustment Assistance	11.307		36,134	108,481	144,615
Total - U.S. Department of Commerce			<u>36,134</u>	<u>571,313</u>	<u>607,447</u>
Total Economic Development Cluster			<u>36,134</u>	<u>571,313</u>	<u>607,447</u>
EMPLOYMENT SERVICE CLUSTER					
U.S. Department of Labor					
Employment Service/Wagner-Peyser Funded Activities	17.207		10,618,723	38,776,476	49,395,199
<i>Pass-Through from BayTech</i>		111396		18,285	18,285
<i>Pass-Through from BayTech</i>		2815WPB000		69,386	69,386
Total - CFDA 17.207			<u>10,618,723</u>	<u>38,864,147</u>	<u>49,482,870</u>
Disabled Veterans' Outreach Program (DVOP)	17.801			9,228,311	9,228,311
Local Veterans' Employment Representative Program	17.804			4,871,120	4,871,120
Total - U.S. Department of Labor			<u>10,618,723</u>	<u>52,963,578</u>	<u>63,582,301</u>
Total Employment Service Cluster			<u>10,618,723</u>	<u>52,963,578</u>	<u>63,582,301</u>
FEDERAL TRANSIT CLUSTER					
U.S. Department of Transportation					
Federal Transit Capital Investment Grants	20.500		881,527		881,527
Bus and Bus Facilities Formula Program	20.526		2,950,020		2,950,020
Total - U.S. Department of Transportation			<u>3,831,547</u>	<u>0</u>	<u>3,831,547</u>
Total Federal Transit Cluster			<u>3,831,547</u>	<u>0</u>	<u>3,831,547</u>

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FISH AND WILDLIFE CLUSTER					
U.S. Department of the Interior					
Sport Fish Restoration	15.605		1,876,168	15,127,902	17,004,070
Wildlife Restoration and Basic Hunter Education <i>Pass-Through from Alaska Department of Fish and Game</i>	15.611	CT160001994	420,184	20,849,585 4,921	21,269,769 4,921
Total - CFDA 15.611			<u>420,184</u>	<u>20,854,506</u>	<u>21,274,690</u>
Total - U.S. Department of the Interior			<u>2,296,352</u>	<u>35,982,408</u>	<u>38,278,760</u>
Total Fish and Wildlife Cluster			<u>2,296,352</u>	<u>35,982,408</u>	<u>38,278,760</u>
FOOD DISTRIBUTION CLUSTER					
U.S. Department of Agriculture					
Commodity Supplemental Food Program	10.565		10,694,879	(682)	10,694,197
Emergency Food Assistance Program (Administrative Costs)	10.568		6,979,204	44,027	7,023,231
Emergency Food Assistance Program (Food Commodities)	10.569		46,731,935		46,731,935
Total - U.S. Department of Agriculture			<u>64,406,018</u>	<u>43,345</u>	<u>64,449,363</u>
Total Food Distribution Cluster			<u>64,406,018</u>	<u>43,345</u>	<u>64,449,363</u>
FOSTER GRANDPARENT/SENIOR COMPANION CLUSTER					
Corporation for National and Community Service					
Foster Grandparent Program	94.011			1,993,949	1,993,949
Total - Corporation for National and Community Service			<u>0</u>	<u>1,993,949</u>	<u>1,993,949</u>
Total Foster Grandparent/Senior Companion Cluster			<u>0</u>	<u>1,993,949</u>	<u>1,993,949</u>
HEALTH CENTERS CLUSTER					
U.S. Department of Health and Human Services					
Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224			2,856,565	2,856,565
Total - U.S. Department of Health and Human Services			<u>0</u>	<u>2,856,565</u>	<u>2,856,565</u>
Total Health Centers Cluster			<u>0</u>	<u>2,856,565</u>	<u>2,856,565</u>

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HIGHWAY PLANNING AND CONSTRUCTION CLUSTER					
U.S. Department of Transportation					
Highway Planning and Construction	20.205		207,705,872	3,570,219,190	3,777,925,062
Recreational Trails Program	20.219		2,671,273	615,398	3,286,671
Total - U.S. Department of Transportation			<u>210,377,145</u>	<u>3,570,834,588</u>	<u>3,781,211,733</u>
Total Highway Planning and Construction Cluster			<u>210,377,145</u>	<u>3,570,834,588</u>	<u>3,781,211,733</u>
HIGHWAY SAFETY CLUSTER					
U.S. Department of Transportation					
State and Community Highway Safety	20.600		13,490,131	3,259,624	16,749,755
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601			18,077	18,077
National Priority Safety Programs	20.616		6,898,743	13,860,270	20,759,013
<i>Pass-Through from Texans Standing Tall</i>		TST201601		3,834	3,834
Total - CFDA 20.616			<u>6,898,743</u>	<u>13,864,104</u>	<u>20,762,847</u>
Total - U.S. Department of Transportation			<u>20,388,874</u>	<u>17,141,805</u>	<u>37,530,679</u>
Total Highway Safety Cluster			<u>20,388,874</u>	<u>17,141,805</u>	<u>37,530,679</u>
HOUSING VOUCHER CLUSTER					
U.S. Department of Housing and Urban Development					
Section 8 Housing Choice Vouchers	14.871			6,317,597	6,317,597
Total - U.S. Department of Housing and Urban Development			<u>0</u>	<u>6,317,597</u>	<u>6,317,597</u>
Total Housing Voucher Cluster			<u>0</u>	<u>6,317,597</u>	<u>6,317,597</u>
MEDICAID CLUSTER					
U.S. Department of Health and Human Services					
State Medicaid Fraud Control Units	93.775			16,167,607	16,167,607
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	93.777			38,282,045	38,282,045
Medical Assistance Program	93.778		29,302,959	22,713,588,126	22,742,891,085
Total - U.S. Department of Health and Human Services			<u>29,302,959</u>	<u>22,768,037,778</u>	<u>22,797,340,737</u>
Total Medicaid Cluster			<u>29,302,959</u>	<u>22,768,037,778</u>	<u>22,797,340,737</u>

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SNAP CLUSTER					
U.S. Department of Agriculture					
Supplemental Nutrition Assistance Program	10.551			5,288,301,022	5,288,301,022
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		29,714,963	171,112,469	200,827,432
Total - U.S. Department of Agriculture			<u>29,714,963</u>	<u>5,459,413,491</u>	<u>5,489,128,454</u>
Total SNAP Cluster			<u>29,714,963</u>	<u>5,459,413,491</u>	<u>5,489,128,454</u>
SPECIAL EDUCATION (IDEA) CLUSTER					
U.S. Department of Education					
Special Education_Grants to States	84.027		948,034,242	44,305,511	992,339,753
<i>Pass-Through from Clear Creek Independent School District</i>		H027A150008		15,490	15,490
<i>Pass-Through from Education Service Center Region 17</i>		H027A150008		111,063	111,063
<i>Pass-Through from Education Service Center Region 17</i>		KACKLEY		100,425	100,425
<i>Pass-Through from Pasadena Independent School District</i>		H027A16008		28,120	28,120
<i>Pass-Through from Pearland Independent School District</i>		H027A150008		15,730	15,730
Total - CFDA 84.027			<u>948,034,242</u>	<u>44,576,339</u>	<u>992,610,581</u>
Special Education_Preschool Grants	84.173		22,147,838	32,368	22,180,206
Total - U.S. Department of Education			<u>970,182,080</u>	<u>44,608,707</u>	<u>1,014,790,787</u>
Total Special Education (IDEA) Cluster			<u>970,182,080</u>	<u>44,608,707</u>	<u>1,014,790,787</u>
TANF CLUSTER					
U.S. Department of Health and Human Services					
Temporary Assistance for Needy Families	93.558		100,390,184	381,361,415	481,751,599
ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	93.714			2,520,027	2,520,027
Total - U.S. Department of Health and Human Services			<u>100,390,184</u>	<u>383,881,442</u>	<u>484,271,626</u>
Total TANF Cluster			<u>100,390,184</u>	<u>383,881,442</u>	<u>484,271,626</u>
TRANSIT SERVICES PROGRAMS CLUSTER					
U.S. Department of Transportation					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		4,784,201	1,985,636	6,769,837
Job Access and Reverse Commute Program	20.516		1,760,842	79,582	1,840,424
New Freedom Program	20.521		841,544	90,884	932,428
Total - U.S. Department of Transportation			<u>7,386,587</u>	<u>2,156,102</u>	<u>9,542,689</u>
Total Transit Services Programs Cluster			<u>7,386,587</u>	<u>2,156,102</u>	<u>9,542,689</u>

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TRIO CLUSTER					
U.S. Department of Education					
TRIO_Student Support Services	84.042			4,939,952	4,939,952
TRIO_Talent Search	84.044			5,471,046	5,471,046
TRIO_Upward Bound	84.047			11,015,568	11,015,568
TRIO_Educational Opportunity Centers	84.066			1,153,195	1,153,195
TRIO_McNair Post-Baccalaureate Achievement	84.217			1,593,727	1,593,727
Total - U.S. Department of Education			<u>0</u>	<u>24,173,488</u>	<u>24,173,488</u>
Total TRIO Cluster			<u>0</u>	<u>24,173,488</u>	<u>24,173,488</u>
WIA / WIOA CLUSTER					
U.S. Department of Labor					
WIA/WIOA Adult Program	17.258		48,561,359	851,145	49,412,504
WIA/WIOA Youth Activities	17.259		53,050,585	5,397,437	58,448,022
WIA/WIOA Dislocated Worker Formula Grants	17.278		58,190,872	2,772,990	60,963,862
Total - U.S. Department of Labor			<u>159,802,816</u>	<u>9,021,572</u>	<u>168,824,388</u>
Total WIA / WIOA Cluster			<u>159,802,816</u>	<u>9,021,572</u>	<u>168,824,388</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 8,537,250,819</u></u>	<u><u>45,875,407,778</u></u>	<u><u>54,412,658,597</u></u>

STATE OF TEXAS

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2016

(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 the audit requirements of Title 2, U.S. Code of Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

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 the OMB Uniform Guidance. The federal activity of the following discrete component units is excluded from the Schedule:

OneStar National Service Commission Inc.
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, 2016. The information in the Schedule is presented in accordance with the requirements of OMB Uniform Guidance.

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. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, or the cost principles contained in Title 2 U.S Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The expenditures in the Student Financial Assistance Cluster that meet the qualification for continuing compliance requirements include the beginning balance of outstanding loans from previous reporting periods, new loans processed in the current reporting period and the administrative cost recovered. Additional information on all loan expenditures can be seen in Note 5.

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).

(e) Indirect Cost Rate

The state has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

STATE OF TEXAS

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2016

(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	\$ 44,283,961,567
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds, Federal Revenue	3,232,786,304
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds, Capital Contributions – Federal	2,053,702
Statement of Changes in Fiduciary Net Position	73,352,023
Total Federal Revenue per Fund Financial Statements	47,592,153,596

Reconciling Items

Non-Cash Federal Commodities/Vaccines/Surplus Property/Other (Note 6)	692,822,412
Various Loans Processed by Universities and Agencies (Note 5)	3,158,987,970
Beginning Balance of Loans as of Sept. 1, 2015 for various loan programs (Note 5)	176,255,811
State Unemployment Funds (Note 4)	3,049,731,662
Programs Not Subject to OMB Uniform Guidance (Note 8)	(173,729,916)
Other *	(9,709,837)
Blended Component Unit not included in the Schedule of Expenditures of Federal Awards (Note 1(a))	(73,853,101)
Expenditures per Schedule of Expenditures of Federal Awards	\$ 54,412,658,597

* This amount includes addition of \$1,362,626 for Smith Lever Foundation Appropriation; addition of \$11,637,914 for Credit Enhancement for Charter School Facilities; deductions of \$1,721,031 for fixed fee contracts; deductions of \$22,584,941 for vendor transactions; additions of \$1,595,572 for other transactions; and \$23 for rounding in the Schedule.

STATE OF TEXAS

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2016

(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 \$3.05 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

<u>CFDA Number</u>	<u>Program Name</u>	<u>Beginning Balance of Loans as of Sept. 1, 2015</u>	<u>Ending Balance of Loans as of Aug. 31, 2016</u>	<u>New Loans Processed</u>
84.032L	Federal Family Education Loan Program (FFELP)	\$ 8,628,894	\$ 6,718,956	
84.038	Federal Perkins Loan Program (Perkins)	137,676,792	133,582,790	\$ 19,426,982
93.108	Health Education Assistance Loan Program (HEAL)	3,879,319	2,861,293	
93.264	Nursing Faculty Loan Program (NFLP)	2,107,265	2,058,387	170,616
93.342	Health Professions Student Loans (HPSL)	19,971,352	19,915,621	2,512,765
93.364	Nursing Student Loans	3,767,619	3,202,379	415,371
93.408	ARRA - Nursing Faculty Loan Program	224,570	223,003	16,758
		<u>\$ 176,255,811</u>	<u>\$ 168,562,429</u>	<u>\$ 22,542,492</u>

Other Student Loan Programs

<u>CFDA Number</u>	<u>Program Name</u>	<u>New Loans Processed</u>
84.268	Federal Direct Student Loans (Direct Loans)	\$ 3,136,445,478
		<u>\$ 3,136,445,478</u>

STATE OF TEXAS

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2016

New student loans processed totaling \$3.2 billion are included in the Schedule and are part of a reconciling item on Note 3.

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.

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 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, 2016, were approximately \$63.8 million and are included in the Schedule. CWSRF outstanding loans, with no continuing audit requirements, at Aug. 31, 2016, 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 below market rate for those applicants financing the origination fee. The maximum repayment period for most DWSRF loans is 30 years from the completion of construction. Capitalization loans processed for DWSRF for the year ended Aug. 31, 2016, were approximately \$134.9 million and are included in the Schedule. DWSRF outstanding loans, with no continuing audit requirements, at Aug. 31, 2016, were approximately \$870.6 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)	\$ 63,785,610
66.468	Drinking Water State Revolving Funds (DWSRF)	134,864,399
	Total New Loans Processed	\$ 198,650,009

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 \$80.6 thousand of interest earned on the federal grant monies drawn down in fiscal 2016 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, 2016, \$5.1 million of the federal grant funds had been allocated to various charter schools.

STATE OF TEXAS

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2016

(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:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Grant Awards</u>
10.555	National School Lunch Program	\$ 172,965,163
10.565	Commodity Supplemental Food Program	8,081,231
10.569	Emergency Food Assistance Program (Food Commodities)	46,731,935
39.003	Donation of Federal Surplus Personal Property	10,845,683
93.268	Immunization Cooperative Agreements	454,198,400
	Total Grant Awards	<u>\$ 692,822,412</u>

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

During fiscal 2016, the state received cash rebates from infant formula manufacturers in the amount of approximately \$208.9 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 Uniform Guidance

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, 2016, the fund financial statements include \$173.7 million of federal funds which are not subject to the continuing compliance requirements of OMB Uniform Guidance, and are not included in the Schedule.

Medicare Part D is not subject to OMB Uniform Guidance. Reimbursements of \$85.1 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 \$88.6 million related to the program.

(9) Disaster Grants – Public Assistance (CFDA 97.036)

After a Presidential-Declared Disaster, FEMA provides a Public Assistance Grant to reimburse eligible costs associated with repair, replacement, or restoration of disaster-damaged facilities. The federal government reimburses in the form of cost-shared grants which requires state matching funds. In 2016, FEMA approved \$2.5 million of eligible expenditures that were incurred in prior years and of this approved amount, FEMA did not deobligate any funding. For the year ended Aug 31, 2016, \$2.5 million of approved eligible expenditures that were incurred in a prior year are included on the Schedule.

Schedule of Findings and Questioned Costs

Federal Portion of
Statewide Single Audit Report

For the Year Ended August 31, 2016

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, 2016* dated February 21, 2017.

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
10.560	State Administrative Expenses for Child Nutrition
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States
93.268	Immunization Cooperative Agreements
93.556	Promoting Safe and Stable Families
93.658	Foster Care – Title IV-E
93.667	Social Services Block Grant
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)
Cluster	Medicaid
Cluster	Special Education (IDEA)
Cluster	Student Financial Assistance
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
16.575	Crime Victim Assistance
20.509	Formula Grants for Rural Areas
84.011	Migrant Education – State Grant Program
84.032L	Federal Family Education Loans
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States
84.371	Striving Readers
93.268	Immunization Cooperative Agreements
93.556	Promoting Safe and Stable Families
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
93.917	HIV Care Formula Grants
93.959	Block Grants for Prevention and Treatment of Substance Abuse
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Cluster	Special Education (IDEA)
Cluster	Student Financial Assistance
Cluster	Medicaid
Cluster	TANF

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

Qualified:

CFDA Number	Name of Federal Program or Cluster
10.560	State Administrative Expenses for Child Nutrition
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
93.556	Promoting Safe and Stable Families
93.917	HIV Care Formula Grants
93.959	Block Grants for Prevention and Treatment of Substance Abuse
Cluster	Medicaid
Cluster	TANF

Unmodified:

CFDA Number	Name of Federal Program or Cluster
16.575	Crime Victim Assistance
20.509	Formula Grants for Rural Areas
84.011	Migrant Education - State Grant Program
84.032L	Federal Family Education Loans (Lenders)
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States
84.371	Striving Readers
93.268	Immunization Cluster
93.568	Low-Income Home Energy Assistance
93.658	Foster Care Title IV-E
93.667	Social Services Block Grant
93.767	Children's Health Insurance Program
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)
97.067	Homeland Security
Cluster	CCDF
Cluster	Special Education (IDEA)
Cluster	Student Financial Assistance

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

- 3. Any audit findings disclosed that are required to be reported in accordance with 2 *CFR* 200.516(a)?
Yes
- 4. Dollar threshold used to distinguish between Type A and Type B programs: \$81,618,988
- 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
16.575	Crime Victim Assistance
20.509	Formula Grants for Rural Areas
84.011	Migrant Education - State Grant Program
84.032L	Federal Family Education Loans (Lenders)
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States
84.371	Striving Readers
93.268	Immunization Cluster
93.556	Promoting Safe and Stable Families
93.568	Low-Income Home Energy Assistance
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
Cluster	CCDF
Cluster	Medicaid
Cluster	Special Education (IDEA)
Cluster	Student Financial Assistance
Cluster	TANF

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, 2016* dated February 21, 2017.

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Section 3a:

Federal Award Findings and Questioned Costs – KPMG

This section identifies material weaknesses, significant deficiencies, and instances of non-compliance, including questioned costs, as required to be reported by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Section 200.516 *Audit Findings*. This section is organized by state agency.

Department of Aging and Disability Services

Reference No. 2016-001

Special Tests and Provisions – Provider Eligibility

(Prior Audit Issues – 2015-002)

Medicaid Cluster

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

Award numbers – 1605TXIMPL, 1605TX5MAP, 1605TX5ADM, 1605TXINCT, 1505TX5MAP, 1505TX5ADM, 1505TXIMPL, 1505TXINCT, and 1505TXBIPP

Statistically valid sample – no

Type of finding – Significant Deficiency

Per 2 CFR 200.303, Department of Aging and Disability Services (DADS) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statues, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. 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.

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 was in place throughout the year where various managers perform reviews of files, but this process is not documented and is not consistently applied. New policies were written in June 2016 to strengthen controls over reviews of provider eligibility files, but these policies were not implemented until after fiscal year 2016. No compliance exceptions were noted.

Recommendation:

DADS should ensure that the new policies are fully implemented to ensure controls are in place 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.

AGING AND DISABILITY SERVICES, DEPARTMENT OF

Views of Responsible Officials:

Accepted. Department of Aging and Disability Services (DADS) Regulatory Services division, Licensing and Credentialing section has already developed and implemented a formal procedure to conduct quarterly and annual reviews of completed applications for each license type and annual reviews of completed applications for each employee. The new procedures were implemented in July 2016 on a pilot basis and expanded to all license types in January 2017. There were no exceptions identified through analysis of the first and second quarter reviews.

Corrective Action Plan:

DADS Licensing and Credentialing section will conduct quarterly and annual reviews. The quarterly reviews will focus on 10 percent of completed applications, per quarter per license type. Annual reviews will focus on 5 percent of completed applications, per employee at the performance evaluation period. The unit manager will identify the quarterly and annual performance periods. The program manager will review the entire license file, focusing on the application checklist and supporting documentation found in the file. The program manager will complete the licensing checklist. If reviewed items are correct and required documents present, the program manager will email the completed licensing checklist to the unit manager for final approval. If the program manager identifies any exceptions, the program manager will initiate a meeting with the employee to discuss, to identify the review exception, and to attain resolution. The program manager will then specifically email the unit manager to notify him or her of the review exception, including providing a copy of the review checklist. The unit manager will submit all review documents, for reviews conducted during the quarterly or annual review, to the section director.

Implementation Date: January 1, 2017

Responsible Person: Bobby Schmidt

Department of Agriculture

Reference No. 2016 - 002

Allowable Costs/Cost Principles

CFDA 10.560 State Administrative Expenses for Child Nutrition

Award years – October 1, 2015 to September 30, 2017 and October 1, 2014 to September 30, 2016

Award number – 6TX300312

Non-Major Programs:

CFDA 14.228 Community Development Block Grants (CDBG)/State’s Programs and Non-Entitlement Grants in Hawaii

Statistically valid sample – no

Type of finding – Material Weakness and Material Non-Compliance

Per 2 CFR 200.303, the Texas Department of Agriculture (TDA) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. During fiscal year 2016, TDA utilized carry-forward funds from the 2015 State Administrative Expenses (SAE) grant which were are under OMB A-87 and funds from the 2016 SAE grant which are under Uniform Grant Guidance (UGG).

Questioned Cost:	
SAE	\$ 3,585,000
CDBG	\$ 434,000
U.S. Department of Agriculture	

OMB A-87

OMB A-87 section H - Support of Salaries and Wages sets standards regarding time distribution, in addition to the standards for payroll documentation, which are applicable to carry-forward funds from the 2015 SAE grant. These standards include:

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.

Uniform Grant Guidance (UGG)

Title 2 Code of Federal Regulations Section 200.430 Compensation – Personal Services sets standards for payroll documentation, which are applicable to funds from the 2016 SAE grant. These standards include:

(1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS);
- (iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;
- (v) Comply with the established accounting policies and practices of the non-Federal entity (See paragraph (h)(1)(ii) above for treatment of incidental work for IHEs.);
- (vi) [Reserved];
- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity; and
- (viii) Budget estimates (i.e., estimates determined before the services are performed) alone do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes, provided that:
 - (A) The system for establishing the estimates produces reasonable approximations of the activity actually performed;
 - (B) Significant changes in the corresponding work activity (as defined by the non-Federal entity's written policies) are identified and entered into the records in a timely manner. Short term (such as one or two months) fluctuation between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term; and
 - (C) The non-Federal entity's system of internal controls includes processes to review after-the-fact interim charges made to a Federal awards based on budget estimates. All necessary adjustment must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

TDA maintains the Personnel, Accounting, Timekeeping, and Human Resource System (PATHS) to process time and effort. During 2016, TDA made modifications to the system which resulted in removal of the program indicator. For the entire fiscal year 2016, employees' timesheets did not show the program for which their time was charged. Employee time was tracked and reported on at the activity level, but not at the program level. There was no documented periodic certification or after the fact review by the employee or supervisor indicating the employee worked on the program where their time was charged. In spite of the above, TDA supervisors do perform annual employee reviews for each employee and biannual partnering sessions, as well as, hold biweekly staff meetings to

ensure staff were aware of required job duties and federal program requirements. TDA also utilizes budgeted allocations, based on position and job duties, in order to determine appropriate allocation of employee personnel charges to federal programs. Additionally, throughout the year TDA supervisors and managers maintain oversight of the employee work to ensure they are working on designated tasks.

OMB A-87

Personnel compensation (payroll and fringe) charged to carry-forward funds from prior year grants during the fiscal year 2016 did not meet the OMB A-87 federal compliance standards for employees that worked solely on a single Federal award or cost objective, or on multiple activities or cost objectives. The employees who worked on multiple activities or cost objectives did not certify time charged based on after the fact distribution among programs. For employees who worked solely on a single Federal award or cost objective, neither the employee nor a supervisor with first-hand knowledge of the work performed by the employee certified time at least semi-annually. The payroll and fringe costs for the fiscal year for SAE that OMB A-87 requirements were applicable to totaled approximately \$3,585,000 and are reported as questioned costs.

The removal of the program indicator on the timesheets impacted the entire agency. Based upon our review and inquiry, the Community Development Block Grant (CDBG) was the only non-major program with payroll and fringe costs above \$25,000 that was impacted for the fiscal year. The payroll and fringe costs for the fiscal year for CDBG awards that OMB A-87 requirements were applicable to totaled approximately \$434,000 and are reported as questioned costs.

UGG

Personnel compensation (payroll and fringe) charged to the 2016 grants were based on employees reporting time at the activity level with no program indicator and were charged to the programs based on budget estimates. There was no process in place during the year to perform and document an after-the-fact review either by the employee or supervisor certifying the employee worked on the Federal program their time was charged to. TDA performed after the fact supervisor certifications for all employee time after the close of the year and upon audit inquiry to show employee time was charged correctly to the federal program and as such no questioned costs were noted with regard to payroll and fringe charged to the 2016 grants.

Recommendation:

TDA should continue to require employees to certify and submit after-the-fact timesheets that include the applicable programs codes and be able to adjust the federal programs for which the employee is submitting time and effort. If TDA chooses to use supervisor certifications for after-the-fact distribution of employee time and effort, certifications and comparison to budgeted amounts should be done in a timely manner and in accordance with federal regulations.

Views of Responsible Officials:

TDA understands this documentation finding, and the \$3,585,000 questioned costs were due to the inability of employees to select their salary funding source at the time that they entered their actual hours worked. Although the newly implemented timekeeping process did not allow employees to see the funding source or funding allocation percentage, employees did record actual hours worked as directed and monitored by Food and Nutrition management. In addition, the actual work employees performed aligned with the program funding source of which employees were aware.

The \$3,585,000 represents salary expenses charged to the State Administrative Funds (SAE) for 203 employees. 58 of the 203 employees account for \$600,000 of the total questioned cost. These 58 employees worked on programs that could be funded by the SAE and at least one other funding source. The remaining questioned costs of \$2,985,000 were for 145 employees, whose time would have been charged to the SAE only. Had employees had the option to select the funding source for the actual hours worked they entered, only the 58 employees totaling \$600,000 would have had the option to charge a funding source other than SAE. All salaries charged to the SAE were appropriate and in compliance with the federal nutrition program regulations.

Corrective Action Plan:

Near term solution: TDA Information Technology (IT) department will develop a time allocation report for each program supervisor and manager to review and approve actual time and program indicators at least monthly. The report parameters include the following:

- Time period - the previous month.
- Contents - The report will provide percent of time each employee worked under a particular PCA for the previous month. Specifically, the report will provide a listing of each employee to include the following data items for each employee: the year, month, position #, Index CD, PCA code, PCA description and the percent of time charged to the PCA.
- Validation - Supervisors/managers will sign the time certification allocation report to indicate validation of the time charged against that PCA code.

Permanent solution: PATHS will be modified to provide a display of employee specific PCA codes when an employee accesses their timesheet. Employees with multiple PCA codes will be instructed on how to select the appropriate PCA code. During the timesheet approval process supervisors will visually validate the PCA code(s) which has time logged against them. Timesheet approval will constitute validation of the time charged against that PCA code.

Implementation Dates: Short Term Solution: Implemented as of December 20, 2016
Permanent Solution: Estimated December 2017

Responsible Persons: Short Term Solution: Wynne Hexamer and Robin Roark and Marios Parpounas
Permanent Solution: Butch Grote, Wynne Hexamer, Robin Roark, Senta Fortune, Suzanne Barnard, and Marios Parpounas

Reference No. 2016 - 003

Allowable Costs/Cost Principles
Cash Management
Period of Performance
Procurement and Suspension and Debarment
Reporting
Subrecipient Monitoring
(Prior Audit Issues – 2015-003)

CFDA 10.560 State Administrative Expenses for Child Nutrition
Award years – October 1, 2015 to September 30, 2017 and October 1, 2014 to September 30, 2016
Award number – 6TX300312
Statistically valid sample – no
Type of finding – Significant Deficiency

Per 2 CFR 200.303, the Texas Department of Agriculture (TDA) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statues, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. 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. Additionally, TDA uses TDA Pentaho (Pentaho) as a reporting tool to assist in federal reporting requirements.

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

During fiscal year 2016, change management procedures in CAMPS were executed and changes were implemented without formally documenting the testing and approval procedures performed. An application update was applied to CAMPS in January 2016; however, there was no formal documentation of the testing and approvals that were performed. TDA implemented a formalized program change management policy (i.e., new modules, programs fixes,

updates and changes) in February 2016; however, there was no evidence of testing and approval for modifications made to selected changes (i.e., functions and stored procedures) in the database shared by the Pentaho application. The change management policy includes formal requests for change, user acceptance testing, and approval for deployment to production. Without following the 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.

For the Pentaho application, two Report Administrators, who have developer responsibilities, had administrative access to each layer (i.e., application, database, and the host operating system) in 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 without adequate compensating controls.

Additionally, TDA was not able to provide formal documentation requesting and approving new access granted for five Pentaho users. Documentation for five CAMPS users was provided, however, it did not contain evidence of the approver, or the approval date. In addition, 12 CAMPS accounts and 21 Active Directory accounts remained active after the employees' termination dates. An effective mechanism should be in place to ensure that access is appropriately added, modified or revoked when an employee is hired, transferred, or terminated. Without an effective termination control, the risk of unauthorized access to programs and data is increased.

TDA does not perform a periodic review of the CAMPS and Pentaho application users to confirm appropriateness of access. A periodic review of active users and user access rights to identify, modify and/or remove inappropriate access should be performed. An effectively designed review reduces the risk of unauthorized access to programs and data not being identified in a timely manner.

CAMPS password policies are not set in accordance to policy for the production application and database. Password policies are not set in accordance to policy for the Pentaho Oracle database. 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.

No questioned costs were noted with regards to allowable costs/cost principles, cash management, period of performance, procurement and suspension and debarment, reporting, and subrecipient monitoring as a result of the issues noted above.

Recommendation:

TDA should implement the current software configuration management policy for all updates and changes made to the CAMPS and Pentaho applications to ensure changes are authorized, tested, and approved prior to implementing the change to production. In addition, developers should not have the capability to deploy changes to the production environment. This task should be completed by an unrelated party to the requested change, such as a systems administrator.

Regarding logical access issues, TDA should consistently enforce the password policy at all layers of the CAMPS application and Pentaho's Oracle database. Additionally, TDA should document the approval of new user access and remove a user's access in a timely manner in accordance to policy. User reviews should also be conducted periodically for the CAMPS and Pentaho applications to ensure users' access is appropriate and segregation of duties is enforced for the application, database, and operating system layers. Lastly, reviews should include formal documentation of the appropriateness of access along with detailed change requests, if applicable.

Views of Responsible Officials:

The risk of unapproved access to CAMPS, a 3rd party system, was assessed relative to the length of time CAMPS will be an active application at TDA. TDA will be transitioning from CAMPS to CAPPs, the state's enterprise system and will focus on a financially feasible interim solution.

From February 2016 until August 2016, the TDA Information Security Officer role was assumed by the IRM while the ISO position was vacant. As a result, execution of security activities including periodic review of privileged access did not occur during this period. The ISO position was filled in August 2016.

Corrective Action Plan:

TDA will ensure the configuration and policy changes are completed to mitigate any financial and operational risks associated with the findings identified. TDA Corrective Actions are detailed below:

Configuration Changes will include:

- 1. CAMPs password policy modifications,*
- 2. Evaluation of Pentaho application to application password policy for potential modifications, and*
- 3. Disabling Report Administrators' accounts with access to Pentaho Oracle Database.*

Policy Changes will include:

- 1. Formalization and implementation of the change management policy (drafted in FY16), and*
- 2. Formalization and implementation of procedures for CAMPS and Pentaho security access reviews, addressing administrative and operational users.*

Implementation Date: CAMPS password policy modifications (1) and Pentaho access modifications (3) were completed in December 2016. All other configuration change actions will be completed by March 2017. Policy changes will be completed by May 2017.

Responsible Person: Butch Grote

Department of Assistive and Rehabilitative Services

Reference No. 2016-004

Allowable Costs/Cost Principles

CFDA 84.126 – Rehabilitation Services – Vocational Rehabilitation Grants to States

Award year – October 1, 2015 to September 30, 2016

Award numbers – H126A160064 and H126A160065

Statistically valid sample – no

Type of finding – Significant Deficiency and Non-Compliance

Per 2 CFR 200.303, Department of Assistive and Rehabilitative Services (DARS) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. Title 2 Code of Federal Regulations Section 200.430 Compensation – Personal Services sets standards for payroll documentation. These standards include:

Questioned Cost:	\$15,000
U.S. Department of Education	

(1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities;
- (iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;
- (v) Comply with the established accounting policies and practices of the non-Federal entity;
- (vi) [Reserved];
- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity; and
- (viii) Budget estimates (i.e., estimates determined before the services are performed) alone do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes, provided that:
 - (A) The system for establishing the estimates produces reasonable approximations of the activity actually performed;
 - (B) Significant changes in the corresponding work activity (as defined by the non-Federal entity's written policies) are identified and entered into the records in a timely manner. Short term (such as one or two months) fluctuation between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term; and
 - (C) The non-Federal entity's system of internal controls includes processes to review after-the-fact interim charges made to a Federal awards based on budget estimates. All necessary adjustment must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

Department of Assistive and Rehabilitative Service (DARS) requires weekly timesheets to be prepared and submitted in the OMB Time Tracking System on the first work day following the end of every pay week. For 17 of 40 payroll samples tested, supporting documentation to validate salary and fringe benefit amounts could not be provided. Of these 17, 16 did not have a timesheet or certification for the last week of August 2016, and one did not have a timesheet for the last four weeks of August 2016. Approximately \$15,000 in total salaries and fringe benefits were paid out to these employees for these pay periods with missing timesheets in August 2016. Total salaries and fringe benefits paid

out for all employees for this program for the last timesheet period in fiscal year 2016, which consisted of 3 days in August, was approximately \$1,000,000. This amount is based on using an estimated monthly amount of the total salaries and fringe benefits for fiscal year 2016 and taking a 3-day pro-rata portion of the total business days within the month in considering the amounts and period in question. During this time the agency was dissolving and this grant was transitioning to Texas Workforce Commission as of September 1, 2016.

Recommendation:

DARS should have a contingency plan in place to address and ensure all employees charging time to the Federal programs submit a timesheet or certification to support their time charged in the event of system limitations, terminations or a transition of a grant (including agency personnel) to another agency.

Views of Responsible Officials:

The Texas Workforce Commission (TWC) agrees that DARS should have had a contingency plan in place to allow for the Vocational Rehabilitation (VR) staff to submit a timesheet and complete the certification process when required. TWC management also recognizes the DARS contingency plan should have provided for an alternative method allowing VR staff to record and certify their time through August 31st. TWC staff understands that the DARS OMB time tracking system had limitations preventing midweek processing of certified timesheets. In addition, VR staff were locked out of the OMB system after August 31st as they were no longer DARS employees following program transition to TWC on September 1, 2016.

Corrective Action Plan:

Since September 1, 2016, all employees transferred from DARS to TWC are now required to comply with TWC's timekeeping policies which include a requirement for monthly certification of timesheets in TWC's PeopleSoft HR system. In addition, TWC's Accounting Services area completed a review of time charges (September 1 through December 31, 2016) for the 16 current TWC employees (one out of 17 employees did not transfer to TWC) identified by auditors as former DARS employees lacking a timesheet or certification for the last week of August 2016. TWC staff confirmed these 16 individuals charged 100% of their time to the VR program with no exception keyed time to other programs for the four months since the transition occurred.

Implementation Date: September 1, 2016

Responsible Person: Warren Collier

Reference No. 2016-005

Eligibility

Special Tests and Provisions – Completion of IPEs

(Prior Audit Issues – 2015-006 and 2014-003)

CFDA 84.126 – Rehabilitation Services–Vocational Rehabilitation Grants to States

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

Award numbers – H126A160064, H126A160065, H126A150064, and H126A150065

Statistically valid sample – no

Type of finding – Significant Deficiency and Non-Compliance

Eligibility

Per 2 CFR 200.303, Department of Assistive and Rehabilitative Services (DARS) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statutes, regulations, and the provisions of contracts or grant agreements that could

have a material effect on each of its Federal programs. 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 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 2016, DARS had a quality assurance validation process in place whereby the Division of Rehabilitation Services (DRS) and Division of Blind Services (DBS) files were selected for independent review of eligibility determination based on a risk assessment performed. Both the 60 day eligibility provision and the 90 day IPE provision (discussed below) were included in the quality assurance process. In addition, DARS had "trigger reports" run weekly to monitor the 60 and 90 day provisions during fiscal year 2016; however, the reports were not effectively monitored throughout the entire year as the portion of the review related to the 90 day IPE requirement was not implemented until November 2015.

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.

DBS:

- 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 one of 40 files sampled, the purchase order tested was issued without a current IPE.
- For one of 40 files sampled, the purchase order tested was issued without approval within the latest IPE.

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, therefore 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 two 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:

DARS should continue to utilize the quality assurance verification process which now includes a risk assessment to determine which case files to review and standardized review criteria. In addition, the agency should continue to utilize the 60 and 90 day trigger reports to monitor compliance with the respective provisions, which were effectively in place as of November 2015.

Views of Responsible Officials:

Recommendation accepted. As noted above, Texas Workforce Commission's Rehabilitation Services and Blind Services divisions have already implemented significant process enhancements in this area. Through analysis of the exceptions identified in the audit, TWC will work to develop and implement corrective action to further improve the processes. Reference the corrective action plan for further details.

Corrective Action Plan:

At the State office level, additional time will be devoted to the weekly monitoring of IPE and Eligibility due dates. Regional and unit management are required to conduct case reviews and follow-up on corrective actions. The management team will take actions to address issues or patterns identified in these compliance areas in keeping with the published quality assurance processes. The State office staff will routinely communicate compliance status and make recommendations for improvement to managers at all levels.

Implementation Date: March 1, 2017

Responsible Persons: Carline Geiger, Cathy Rutherford, and David Norman

Comptroller of Public Accounts

Reference No. 2016-006
Cash Management

CFDA 93.767 – Children’s Health Insurance Program

Award years – October 1, 2015 to September 30, 2017, October 1, 2014 to September 30, 2016, and October 1, 2013 to September 30, 2015

Award numbers – 1605TX5021, 1505TX5021, 1505TX1081, and 1405TX5021

Medicaid Cluster

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

Award numbers – 1605TXIMPL, 1605TX5MAP, 1605TX5ADM, 1605TXINCT, 1505TX5MAP, 1505TX5ADM, 1505TXIMPL, 1505TXINCT, and 1505TXBIPP

Non-Major Program:

10.561 State Administrative Matching Grants for Supplemental Nutrition Assistance Program

Statistically valid sample – no

Type of finding – Non-Compliance

A Federal assistance program must abide by the rules in Subpart A, interest calculation procedures, if it is listed in the Catalog of Federal Domestic Assistance (CFDA) and falls within the funding threshold set forth by the Federal government. The dollar threshold is calculated using the most recent Single Audit data. Programs not subject to these rules are considered under Subpart B. Rather than incurring an interest liability for programs in Subpart B, the funds transferred to the State will be limited to the immediate cash needs of the agency and should be timed so as to minimize the period between drawdown and disbursement (31 CFR Part 205).

Questioned Cost:	\$39,312
U.S. Department of Health and Human Services	

The identification of the major programs that fall within the threshold noted above, their funding techniques, clearance patterns, and interest liability calculation methodologies, are documented in the Treasury-State agreement made between the Financial Management Service (FMS) of the Department of the Treasury and the State. The Code identifies various acceptable funding techniques such as zero balance accounting (ZBA), average clearance, and pre-issuance, which is the method predominately used by the State of Texas. Interest begins to accrue on funds beginning the day the State draws down the funds and ends when they are paid out for program purposes. Using the pre-issuance method, the Federal Agency must transfer the requested amount to the State who will then disburse the funds. Additionally, interest accrues on refunds exceeding \$50,000 beginning the day the funds are credited and ending when they are paid out.

The State determines each major program subject to interest liability calculations every year and communicates the covered programs to each agency. Funding techniques and clearance patterns are set out in the Treasury-State Agreement. Per the Texas Cash Management Improvement Act (CMIA) Handbook (based on the Treasury-State agreement), each state agency that administers a major program has the following responsibilities:

- Review flow of funds for affected programs and determine appropriate funding technique.
- Keep track of the agency’s interest calculation costs associated with implementing certain aspects of CMIA.
- Maintain separate records for refunds or rebates related to affected programs.
- Develop sample data and calculate clearance days on federal funds from the time of deposit in the State Treasury until warrants are issued on those funds (Period 1).
- Provide the Comptroller with appropriate and accurate sample data to aid in calculating post-warrant issue (Period 2) clearance days used in interest calculations.
- Practice good cash management methods so the state can reduce the CMIA interest liability.
- Comply with the Subpart B requirements for programs not covered by Subpart A.

COMPTROLLER OF PUBLIC ACCOUNTS

The 2016 interest liability calculation for the State of Texas was performed by the Comptroller using information provided by each agency for each major program. However, for the calculation of interest owed for refunds exceeding \$50,000 reported for certain Health and Human Services' programs, the interest was calculated as a negative amount because the refunds were reported by the agency as negative. This caused the overall current interest liability reported on the CMIA Annual Report for the State of Texas to be underreported by approximately \$39,312. The programs and amounts involved in this miscalculation were the following:

- CFDA 10.561 – State Administrative Matching Grants for Supplemental Nutrition Assistance Program - underreported by \$191.
- CFDA 93.767 – Children’s Health Insurance Program – underreported by \$7,517.
- CFDA 93.778 – Medical Assistance Program (Medicaid) – underreported by \$31,604.

Recommendation:

The Comptroller should ensure the information provided by the various agencies is reported consistently, including whether refunds exceeding \$50,000 are reported as positive or negative amounts. Additionally, the information provided by the agencies should be evaluated by the Comptroller when performing the interest liability calculation, and inquiries performed if needed, to ensure the amounts reported are reasonable.

Views of Responsible Officials:

Accepted. The Comptroller is analyzing current processes to determine what enhancements are needed to ensure that agency submitted information is consistently reported and reasonable. Once enhancements are determined, they will be formalized in policies and procedures and implemented prior to the next calculation of interest liability.

Corrective Action Plan:

Agency policies and procedures will be revised to include procedures for agency submitted information to be reviewed for consistency and reasonableness.

Implementation Date: August 31, 2017

Responsible Person: Michael Apperley

Department of Family and Protective Services

Reference No. 2016-007

Allowable Costs/Cost Principles

CFDA 93.556 - Promoting Safe and Stable Families

Award years – October 1, 2015 to September 30, 2017, October 1, 2014 to September 30, 2016 and October 1, 2013 to September 30, 2015

Award numbers – 1601TXFPSS, 1601TXFPCV, 1501TXFPSS, 1511TXFPCV, and 1401TXFPSS

Statistically valid sample – no

Type of finding – Material Weakness and Material Non-Compliance

Per 2 CFR 200.303, Department of Family and Protective Services (DFPS) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statues, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. Title 2 Code of Federal Regulations Section 200.430 Compensation – Personal Services sets standards for payroll documentation. Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. DFPS allocates expenses through an approved Public Assistance Cost Allocation Plan (PACAP). Per the DFPS PACAP, employees who are solely dedicated to a specific program must complete a periodic certification of time and effort. These certifications are to be prepared semi-annually and are to be signed by the employee or supervisory official having first-hand knowledge of work performed by the employee.

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

Employees charging time to the Promoting Safe and Stable Families (PSSF) program work solely on PSSF. During 2016, periodic certifications of time and effort were not completed by any of these employees. Subsequent to year end when this was noted, DFPS had supervisors for all employees charging direct payroll to the PSSF program prepare certifications retroactively to cover all of 2016. As these certifications were all completed, no questioned costs are reported. Payroll and fringe for the PSSF program totaled approximately \$10.6 million for the year ended August 31, 2016.

Recommendation:

DFPS should strengthen controls surrounding time and effort reporting to ensure that all employees charging direct payroll to Federal programs are completing the proper time and effort certifications.

Views of Responsible Officials:

DFPS makes every effort to ensure that staff working solely on a single Federal program complete the required semi-annual certifications. The desk procedures for preparing the Federal Certifications have been updated to ensure that staff coded solely to the PSSF program are included in the database. An additional review of the project/grants selected for reporting has been added to prevent this occurrence in the future.

Corrective Action Plan:

Updated desk procedures are in place to assist staff preparing the required Federal Certification in selecting the appropriate staff working solely on one Federal Program.

FAMILY AND PROTECTIVE SERVICES, DEPARTMENT OF

Implementation Date: *October 5, 2016*

Responsible Person: *David Schneider*

Reference No. 2016-008

Allowable Costs/Cost Principles

CFDA 93.556 – Promoting Safe and Stable Families

Award years – October 1, 2015 to September 30, 2017, October 1, 2014 to September 30, 2016 and October 1, 2013 to September 30, 2015

Award numbers – 1601TXFPSS, 1601TXFPCV, 1501TXFPSS, 1511TXFPCV, and 1401TXFPSS

CFDA 93.658 – Foster Care–Title IV–E

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

Award numbers – 1601TXFOST and 1501TXFOST

CFDA 93.667 – Social Services Block Grant

Award years – October 1, 2015 to September 30, 2017 and October 1, 2014 to September 30, 2016

Award numbers – G1601TXSOSR and G1501TXSOSR

TANF Cluster

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

Award numbers – 1601TXTANF, 1601TXTAN3, 1502TXTAN3, and 1502TXTANF

Statistically valid sample – no

Type of finding – Significant Deficiency and Non-Compliance

Per 2 CFR 200.303, Department of Family and Protective Services (DFPS) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. Per 45 CFR Section 95.507, the State shall submit a cost allocation plan for the State agency as required below to the Director, Division of Cost Allocation (DCA), in the appropriate HHS Regional Office. The plan shall describe the procedures used to identify, measure, and allocate all costs to each of the programs operated by the State agency. The cost allocation plan shall contain the procedures used to identify, measure, and allocate all costs to each benefitting program and activity. Per 45 CFR Section 95.509, the State shall promptly amend the cost allocation plan and submit the amended plan to the Director, DCA if any of the following events occur including if other changes occur which make the allocation basis or procedures in the approved cost allocation plan invalid.

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

In accordance with DFPS approved Public Assistance Cost Allocation Plan (PACAP), expenditures and revenues are initially allocated based on an estimate of what the actual Project ID percentages will be. After actual base statistical data is available, DFPS expenditures will be reallocated and adjustments between estimated and actual costs will be made. The adjustments will result in costs claimed for each period being allocated based on actual base statistics for the same period.

A sample of 40 reallocation entries were selected for testwork in 2016. One of these 40 reallocation entries was recorded utilizing the fund source allocation from the incorrect period. This was caused by a date field in the reallocation being left blank resulting in the date defaulting to the date entered rather than the effective date of the reallocation. DFPS recorded an entry to correct this error when it was noted during testwork, therefore there are no questioned costs.

Recommendation:

DFPS should put controls in place to ensure that the date field is properly completed prior to processing reallocation entries to ensure appropriate rates are applied to the entries.

FAMILY AND PROTECTIVE SERVICES, DEPARTMENT OF

Views of Responsible Officials:

DFPS uses the Health and Human Services Administrative System (HHSAS) as the accounting system of record. The reallocation process utilizes a flat file upload to process the thousands of lines that are required to reallocate agency expense at the individual voucher level. Coding within the Microsoft Excel spreadsheet that builds the flat file has been modified to require a valid Month of Allocation (MOA) date be entered for each voucher. This MOA date ensures that the voucher is reversed using the same funding percentages as the original expense. This coding change was implemented prior to the close of the 2016 Fiscal Year.

Corrective Action Plan:

Updated coding is currently in place to prevent reallocation vouchers from being entered without the required MOA date.

Implementation Date: June 2016

Responsible Person: David Schneider

Reference No. 2016-009

Eligibility

CFDA 93.658 – Foster Care–Title IV–E

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

Award numbers – 1601TXFOST and 1501TXFOST

Statistically valid sample – no

Type of finding – Significant Deficiency and Non-Compliance

Per 2 CFR 200.303, Department of Family and Protective Services (DFPS) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. Foster Care maintenance payments are allowable only if the foster child was removed from the home of a relative specified in Section 406(a) of the Social Security Act, as in effect on July 16, 1996, and placed in foster care by means of a judicial determination, as defined in 42 USC 672(a)(2), or pursuant to a voluntary placement agreement, as defined in 42 USC 672(f), (42 USC 672(a)(1) and (2) and 45 CFR section 1356.21). The foster family home provider must satisfactorily have met a criminal records check, including a fingerprint-based check, with respect to prospective foster and adoptive parents (42 USC 671(a)(20)(A)). This involves a determination that such individual(s) have not committed any prohibited felonies in accordance with 42 USC 671(a)(20)(A)(i) and (ii). Additionally, A Title IV-E agency must check, or request a check of, a State-maintained child abuse and neglect registry in each State the prospective foster and adoptive parents and any other adult(s) living in the home have resided in the preceding 5 years before the State can license or approve a prospective foster or adoptive parent. (42 USC 671(a)(20)(B); Pub. L. No. 109-248, Section 152(c)(2) and (3)).

Questioned Cost:	\$3,092
U.S. Department of Health and Human Services	

For one of 40 eligibility files reviewed, the child care provider received Foster Care payments from the Department of Family Protective Services (DFPS) without completing required background checks. The child entered the Foster Care program through a program administered by a separate state agency. Payments to the provider totaled \$3,092.

Recommendation:

DFPS should strengthen controls to ensure that all providers are subject to the required background checks before receiving Foster Care funding.

FAMILY AND PROTECTIVE SERVICES, DEPARTMENT OF

Views of Responsible Officials:

Management agrees with this finding.

Corrective Action Plan:

DFPS has policies and rules in place that address the criminal records check requirements for foster family home providers. The non-compliance relative to this finding involved a child placed in a HCS (Home and Community-based Services) home under a child-specific contract. This HCS provider was certified by another state agency - the Department of Aging and Disability Services - an agency whose functions were transferred to the Health and Human Services Commission.

CPS policy - 1576 Child Specific Contract Placements - specifically notes that Title IV-E funds cannot be used for HCS home placements, as HCS homes are not considered to be licensed foster homes or licensed child care institutions under a child-specific contract. This policy was published in December 2015 which was after the date of the initial placement in this HCS setting.

DFPS believes that controls are in place to ensure that IV-E funding is not claimed in similar child specific contracted placements. All child specific contracts are paid through a specific service code that prohibits Title IV-E funds from being utilized to pay the child specific contract. This unique service code (63S-CSC) was created in FY 2008 to prevent the use of IV-E funds in a child specific contracted placement. In addition, when a child is now placed with a provider under a child specific contract a notice is sent to the regional CPS billing staffs informing them that IV-E funds cannot be utilized to reimburse this contract.

Within 60 days the CPS Federal State Support Unit will convene a scan call with regional billing and eligibility staffs to again review the relevant policy that pertains to the use of IV-E federal funds in a child specific contracted placement. Although service code edits are in place to prevent the use of IV-E funds in a child specific contracted placement we want to ensure that the regional billing staffs utilize the correct service code when processing a payment under a child specific contract. This policy was previously reviewed with the CPS regional eligibility staff in September 2016 and with the CPS billing staff in November 2016.

Implementation Date: March 25, 2017

Responsible Person: Max Villarreal

Reference No. 2016-010

Eligibility

(Prior Audit Issue – 2015-008)

TANF Cluster

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

Award numbers – 1601TXTANF, 1601TXTAN3, 1502TXTANF, and 1502TXTAN3

Statistically valid sample – no

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. Per 2 CFR 200.303, DFPS must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

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

FAMILY AND PROTECTIVE SERVICES, DEPARTMENT OF

Per the Texas Administrative Code, Title 40, Part 19, Chapter 700, Subchapter Z, Rule §700.2703:

- (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;
 - (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 currently 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 were noted.

Recommendation:

DFPS has begun to formalize its policies related to the documentation of TANF EA eligibility and the review of the eligibility determination once it has been performed. DFPS should continue this process to ensure controls around eligibility determinations are consistently applied, and eligibility determinations are consistently documented and reviewed. 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:

We have obtained input on what should be included in the policy and training from applicable stakeholders. Policy development is complete and approved. Publication of the policy is in its beginning stage, as well as the development of a computer based training (CBT) module which all investigation and alternative response staff will be required to take.

Additionally, the agency Accountability office will be asked to include a review of the EA eligibility determination component of the CPS investigation and alternative response as a part of their case reading for quality control purposes once the training has been provided. These case readings are expected to begin six to twelve months after the training period has been completed.

Corrective Action Plan:

Provide policy and training for field staff that complete the EA application in CPS cases, and follow up with case readings for quality control purposes.

FAMILY AND PROTECTIVE SERVICES, DEPARTMENT OF

Implementation Date: August 31, 2017

Responsible Person: Angela Goodwin

General Land Office

Reference No. 2016-011

Subrecipient Monitoring

Special Tests and Provisions – Wage Rate Requirements

(Prior Audit Issue 2015-009, 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

Statistically valid sample – no

Type of finding – Material Weakness and Material Non-Compliance

The Texas General Land Office (GLO) is required by 2 CFR Part 200, Subpart F, 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. Additionally per 2 CFR Part 200.331, all pass-through entities must identify the dollar amount made available under each federal award and the CFDA number at the time of each disbursement.

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

Per 2 CFR Part 200, Appendix XI Compliance Supplement (the Compliance Supplement), a pass-through entity must ensure that subrecipients requiring a Single Audit based on expenditures of Federal funds have a 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. The pass-through entity shall be responsible for making the management decision for audit findings that relate to Federal awards it makes to subrecipients. Per 2 CFR Section 200.521, 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. Per 2 CFR 200.303, GLO must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. GLO passed through approximately 80% of the Community Development Block Grants (CDBG) Disaster Funds to subrecipients, approximately \$285 million in fiscal year 2016.

In 2016, 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 Single Audit 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 utilized 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, all requests for non-housing reimbursement are accompanied by contractor invoices to support the reimbursement request and are reviewed by a program accounting personnel prior to payment.
- During 2016, QA&PI utilized 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 fiscal year-end, only the multi-family housing transactions were processed outside TRecs.

Audit procedures involved a review of 17 subrecipients' files for fiscal year 2016. There were approximately 100 active subrecipients for fiscal year 2016. Approximately 69% of the projects are housing which represents eight of the subrecipients and the remaining 31% are non-housing projects. From those 17 files, the following items were noted:

- A subrecipient-level risk assessment was utilized to perform the monitoring reviews. Additionally, a micro-risk assessment was developed and utilized during 2016 to focus monitoring efforts on the highest risk areas for each project. However, the reviews performed by QA&PI are limited in scope and are not comprehensive enough to ensure that the subrecipients are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on the Disaster Recovery Program such as allowable costs, cash management, eligibility, procurement, wage rates, environmental reviews, and program income.
- There were approximately 99 subrecipient reviews, 28 of which were solely cash draw reviews, conducted during fiscal year 2016. All 99 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.
- Fourteen files did not identify the dollar amount made available under each federal award and the CFDA number at the time of each disbursement. All of these were for disbursements made prior to June 2016. GLO has since implemented a feature within the USAS payment screens that indicate the amount and CFDA number which is able to be accessed and viewed by the subrecipient.

Additionally, the following were noted as a result of our procedures over the TRecS application:

- Developers for the TRecS application were granted temporary access to migrate changes to the production environment. However, formally documented approvals were not consistently maintained and linked to their associated change requests. As developers with access to migrate changes to production systems introduce the risk of unauthorized changes to applications and data, each approved instance of temporary access should be formally approved and linked to an approved TRecS Change Requests (TCR). 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 without adequate compensating processes.
- Password configurations do not fully align with GLO password policies. Database and network password configuration for complexity, minimum length, password history, and maximum age are not enforced for all users. Only account lockout after five invalid attempts is enforced for the database and network passwords. Application password configuration for complexity, password history, and maximum age are not enforced.
- One of eight selected users was granted TRecS access without a retained formal approval.
- There is currently not a configuration in place to prevent inappropriate duplicate invoices. There is a restriction that payments would not be able exceed the project budget; however, inappropriate duplicate payments could potentially be made up to the budget amount.

Recommendation:

GLO should continue to enhance its' risk assessment process to include programmatic and financial considerations, frequency of the monitoring reviews, and guidelines for follow-up. A rotational schedule should be developed for all subrecipients and consideration should be given to the estimated number of high, moderate, and low risk subrecipients to be reviewed within each year. The reviews should consider all of the major required compliance areas such as allowable costs, cash management, eligibility, procurement, wage rates, environmental reviews, and program income, and may be tailored to consider the risk category of the subrecipient. In addition, continued use of the micro risk assessment is encouraged to address special focus areas such as HUD requested items and other unique subrecipient circumstances. GLO should execute the resulting monitoring plan.

GLO should continue to formalize the process for granting a developer temporary access to migrate changes to the production environment as well as linking them to each approved change ticket. When temporarily granting developers access to the production environment, the access request should be documented and approved, and access should be monitored. In addition, GLO should enforce the password policy for the TRecS application and supporting database and operating systems to align with their policy. The approval for each assignment of new or modified access to TRecS should be formalized and maintained. Finally, processes should be put in place to prevent or detect inappropriate duplicate invoices where possible.

GENERAL LAND OFFICE

Views of Responsible Officials – Monitoring Plan:

Accepted.

Corrective Action Plan – Monitoring Plan:

The FY 2016-17 comprehensive monitoring plan was updated to determine a subrecipient's overall compliance with the CDBG program. Determining a subrecipient's compliance will be accomplished through the application of the 2016 Compliance Supplement standards into QA&PI's monitoring reviews.

The annual risk assessment already incorporates financial and program considerations for identifying high, moderate or low risk subrecipients. For FY 2016-17, QA&PI implemented a micro-risk assessment template listing the 12 areas of the Compliance Supplement. The micro-risk assessment template will be used to justify and document which major compliance areas have a direct and material effect on subrecipient projects (i.e. drainage, water facilities, rental housing). Furthermore, the method for selecting projects will also take into consideration financial factors, grant manager input, and previous monitoring reviews.

Effective January 2017 the monitoring plan was updated to include a rotational schedule to ensure active subrecipients receive a full or limited scope review over a 3 to 5-year period. The rotation will be based on the level of high, moderate or low risk factors.

Implementation Dates: September 1, 2016; rotational schedule January 2017

Responsible Person: Martin Rivera, Jr.

Views of Responsible Officials – TRecS:

Accepted.

Corrective Action Plan – TRecS:

Regarding the approvals for changes not being consistently documented and enacted, this issue is the result of human error. TRecS IT and Office of Information Security support staff will undergo training to reinforce the standard procedures for granting access to developers and for making system changes. Additionally, management will continue to ask the vendor to provide a system-based mechanism for migrating changes across environments without developer access to production.

Regarding the issue pertaining to password configuration, the GLO IT team plans to change the configuration of the TRecS application so that GLO staff and contractors must authenticate to Active Directory in order to login to TRecS. Doing this will allow the GLO to enforce current password rules on all agency staff and contractors by way of the Active Directory login. In order to meet the priorities of management, the TRecS application will continue to function under the existing password rules so that external users maintain ease of use.

Regarding the issue of access being granted without formal approval, the issue in question was a valid request that originated with the appropriate CDR personnel. An IT staff member failed to follow protocols in documenting and granting access. TRecS IT support staff will undergo training to reinforce standard procedures for granting access and documenting access requests.

CDR will evaluate the system parameters and existing controls to identify the level of precision necessary to prevent and/or detect duplicative invoices. As necessary, modifications will be made to implement and/or strengthen existing controls.

GENERAL LAND OFFICE

Implementation Date: June 1, 2017

Responsible Persons: Dustin Johnson for the first 3 issues; Martin Rivera, Jr. for the fourth issue

Reference No. 2016-012

Reporting

(Prior Audit Issue 2015-011)

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

Statistically valid sample – no

Type of finding – Significant Deficiency

Pursuant to Section 3 of the Housing and Urban Development (HUD) Act of 1968 (Form HUD 60002), the General Land Office (GLO) was required to submit the annual summary report for 2016 using 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). Per 2 CFR 200.303, GLO must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statues, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. 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.

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

Audit procedures involved a review of key line items, as designated per the compliance supplement, of the 2016 HUD 60002, Section 3 Summary Report. The supporting data used to populate each key line item was verified and no compliance exceptions were noted. However, the management review process for this report that GLO implemented in fiscal year 2016 was not at a proper precision level, as it did not include verifying any amounts back to supporting documentation to ensure the accuracy of data.

Recommendation:

GLO should enhance its Section 3 Report review process to include verification, at least on a sample basis, of key line items in the report back supporting documentation to ensure accuracy of the data.

Views of Responsible Officials:

Accepted.

Corrective Action Plan:

Program Services developed and implemented the HUD Annual Section 3 Annual Report Review Checklist, which outlines the steps for preparing the Section 3 report and includes the management review controls describing the level of precision necessary for reviewing and ensuring the accuracy and completeness of the Section 3 report.

GENERAL LAND OFFICE

Management review controls include the independent verification of a random subset of report data to source documents. The manager conducts the review independently of the preparer and documents their work within the working file. If errors are discovered during the review, the preparer and the supervisor review and discuss those errors jointly and make any necessary adjustments.

After a final review is performed, the report is submitted to HUD electronically. The final report, source documents, and review checklist are saved as a PDF documents to fulfill recordkeeping requirements.

Implementation Date: December 1, 2016

Responsible Person: Brandon Clark

Office of the Governor

Reference No. 2016-013

Reporting

CFDA 16.575 – Crime Victim Assistance

Award years – October 1, 2014 to September 30, 2018, October 1, 2013 to September 30, 2017, and October 1, 2012 to September 30, 2011

Award numbers – 2015-VA-GX-0009, 2014-VA-GX-0016 and 2013-VA-GX-0009

Statistically valid sample – no

Type of finding – Significant Deficiency and Non-Compliance

Per 2 CFR 200.303, the Office of the Governor must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

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

Subgrant Award Report (SAR)

Grantees are required to submit a Subgrant Award Report (SAR) for each organization that receives Victim Assistance Grant program funds as authorized by the Victims of Crime Act of 1984 (hereafter referred to as VOCA). State grantees are required to submit to the Office for Victims of Crime (OVC), within 90 days of making the subaward, SAR information for each subrecipient (Title 28, Code of Federal Regulations (CFR) section 94.105 (a) and OVC VOCA program guidelines).

There were approximately 260 active VOCA subrecipients at Office of the Governor in fiscal year 2016, each requiring a SAR to be submitted. Audit procedures involved a review of 25 required SARs. Of the 25 SARs reviewed, two reports were submitted to OVC past the required 90 day deadline. One was submitted 115 days past the subaward date and one 118 days past the subaward date. All SARs tested were submitted, therefore no questioned costs.

Quarterly Performance Reports

Grantees shall submit performance reports to OVC on a quarterly basis (Title 28, Code of Federal Regulations (CFR) section 94.105 (b)).

The Criminal Justice Division (CJD) of the Office of the Governor submits quarterly performance reports for all of the approximately 260 VOCA subrecipients. CJD utilizes a third party to collect and analyze subrecipient data for both the SAR and quarterly performance reports to submit to OVC via the Performance Measurement Tool (PMT) website. There is a review and authorization process by CJD over the procedures performed by this third party, however, evidence of this review and authorization is not maintained, and it is not at a sufficient level of detail to detect inaccuracies at the subrecipient level. Audit procedures involved a review of 40 quarterly performance reports, of which two reports contained data entry errors resulting in mis-categorization of reported data. No questioned costs as errors were mis-categorization only.

SF-425 Financial Reports

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 2, Code of Federal Regulations (CFR), Section 215.51).

Audit procedures involved a review of five SF-425 reports submitted in fiscal year 2016 for four of the active VOCA awards at Office of the Governor. Of the five reports reviewed, errors were noted in the supporting calculations for 2 reports for award 2015-VA-GX-0009, resulting in inaccurate amounts being reported relating to total recipient share required and remaining recipient share to be provided. Additionally, evidence of manager review of these financial

reports prior to submittal is not maintained. No questioned costs as amounts corrected in subsequent reports as report is cumulative in nature.

Recommendation:

CJD should enhance review and authorization controls over all federal reporting requirements, including those requirements outsourced to a third party. Additionally, evidence of CJD reviews and authorizations regarding required federal reports should be maintained.

Views of Responsible Officials:

Subgrant Award Report (SAR)

Accepted. The Office of the Texas Governor has been in discussion with Texas A&M Public Policy Research Institute (PPRI) regarding the timely submission of SAR data. CJD has analyzed the finding in the audit and developed a corrective action plan to mitigate against further late submissions. See the corrective action plan for further details.

Corrective Action Plan:

A new policy has been implemented regarding the timely submission of SAR data into the OVC PMT. CJD and PPRI both take reasonable steps to ensure that all subgrantees submit required reports in an accurate and timely manner. Internal Policy 5.93 is now in effect, which states additional preventative measures including fund holds will be levied in the event a subgrantee has not completed the SAR within 60 days of the project period start date in the federal award. At the 60 day mark, both CJD and PPRI staff will continue to contact these grantees to complete their SAR.

Implementation Date: January 19, 2017

Responsible Person: Reilly Webb

Views of Responsible Officials:

Quarterly Performance Report

Accepted. The Office of the Texas Governor has been in discussion with Texas A&M Public Policy Research Institute (PPRI) regarding the accurate submission of quarterly performance reports. CJD has analyzed the finding in the audit and developed a corrective action plan to mitigate against further inaccurate submissions. See the corrective action plan for further details.

Corrective Action Plan:

A new policy has been implemented regarding the accurate submission of quarterly performance report to OVC. Internal Policy 5.92 details the steps to be taken by both PPRI and CJD staff to ensure the accuracy, reliability, and programmatic quality of the data reported. CJD will perform annual consistency checks on 5% of grantee final progress reports to be selected at random.

Implementation Date: January 19, 2017

Responsible Person: Reilly Webb

Views of Responsible Officials:

SF-425 Financial Reports

Accepted. The Office of the Texas Governor had identified this as a risk prior to KPMG's involvement in the single audit process and has already moved the function of preparation and submission of SF-425 reports to the Financial Services Division housed within the Office of the Texas Governor as of September 2016. The employee submitting these reports has a financial background and the Office of the Texas Governor has placed this duty and responsibility within the proper division.

Corrective Action Plan:

A policy has been revised and already implemented regarding the review and submission process of SF-425 reports. Internal Policy 3.91 outlines the steps needed to prepare the Financial Status Reports and details the approval routing process before submission of financial reports. CJD has created and implemented a document approval form that accompanies significant documents as evidence of review and authorizations. This form will be utilized when necessary and appropriate in regards to the above findings.

Implementation Date: September 1, 2016

Responsible Person: Reilly Webb

Health and Human Services Commission

Reference No. 2016-014

Eligibility

(Prior Audit Issues – 2015-012)

Medicaid Cluster

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

Award numbers – 1605TXIMPL, 1605TX5MAP, 1605TX5ADM, 1605TXINCT, 1505TX5MAP, 1505TX5ADM, 1505TXIMPL, 1505TXINCT, and 1505TXBIPP

Statistically valid sample – no

Type of finding – Material Weakness

Per 2 CFR 200.303, the Health and Human Services Commission (HHSC) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statues, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. 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: \$0

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 66% 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.

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 59 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 no exceptions were noted. While no compliance exceptions were noted, HHSC does not have controls in place to identify and resolve exceptions from the SSA to HHSC feed that occurred during the TIERS mass update. Exceptions could remain unresolved leading to individuals receiving benefits when they are no longer eligible.

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. To perform an override a second level review is required; however, TIERS does not enforce a review by a different supervisor. A supervisor could perform the override and review the same override. As of October 18, 2016, a second level review by a different supervisor is required. A query of cases processed in TIERS during fiscal year 2016 indicated that there were only

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13 cases that were overridden from “denied” to “sustained” or “certified,” or from a lower eligible amount to a higher eligible amount. These 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. As noted, as of October 18, 2016, HHSC had implemented a system fix to address the override issue.

Views of Responsible Officials:

Exception Reports already exist, are being monitored, and staff are addressing the exceptions. However, there is a backlog of exceptions and a need to review and revamp the State Data Exchange (SDX) processes and roles and responsibilities; this was also noted in a previous audit which the Corrective Action Plan below references.

Corrective Action Plan:

The plan to clear existing exceptions backlog of SSA and other changes that failed in mass update was implemented and fully documented in September 2016. Workgroup recommendations on the SSA exception report and quarterly reconciliation process are scheduled to be completed by March 31, 2017. Once workgroup recommendations have been completed, automation changes will be added to the governance roadmap for consideration and prioritization in calendar year 2017.

Implementation Date: March 2017

Responsible Person: Mary Catherine Bailey

Reference No. 2016-015

Special Tests and Provisions – Provider Eligibility

(Prior Audit Issues – 2015-022, 2014-014, 2013-018, 13-10, 12-06, 11-17, 10-13, 09-22, and 08-19)

Medicaid Cluster

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

Award numbers – 1605TXIMPL, 1605TX5MAP, 1605TX5ADM, 1605TXINCT, 1505TX5MAP, 1505TX5ADM, 1505TXIMPL, 1505TXINCT, and 1505TXBIPP

Statistically valid sample – no

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. Per 2 CFR 200.303, Health and Human Services Commission (HHSC) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

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

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A sample of 50 providers receiving Medicaid payments during fiscal year 2016 were selected for review and 11 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 eight providers, a search to ensure the provider was not on the Medicaid exclusion list was not available for review.
- For six providers, there was no signed disclosure and control interest statement available for review.
- For eight 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 one provider, evidence of a provider's current license at time of enrollment 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 the 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 and that adequate coverage is achieved in validation of work performed by the third-party servicer.

Views of Responsible Officials:

Accepted. HHSC continues to revalidate enrollment information for all enrolled providers to meet the federal requirements. Effective August 1, 2014, HHSC implemented the following Key Measure for the service organization to ensure accuracy. This requirement is measurable and actively monitored for compliance.

- *PRV -0088.*
- *Enrollment-Tier I.*
- *Maintain a minimum of 98% accuracy rate for processing provider enrollment applications, which is measured against State-approved criteria.*

Liquidated Damage: The State may assess up to \$10,000 for each percentage point, or portion thereof, below the 98% standard for accuracy.

Corrective Action Plan:

The State's current oversight of the contractor's performance on Key Measure PRV-0088 addresses the audit findings. The current oversight protocol is as follows:

TMHP has quality assurance (QA) processes for ensuring provider enrollment applications are processed according to ACA and state requirements. These processes, reviewed and approved by HHSC, were implemented in February 2015. TMHP's QA processes are performed monthly and reported to HHSC in a monthly Key Measure Report, which contains source files identifying the sampled applications. HHSC conducts an annual review of all TMHP QA processes to ensure that the State's interests are being satisfied.

HHSC performs monthly independent validations of TMHP's reported performance on contract Key Measures. HHSC's validation processes were developed by State stakeholders (HHSC Operations, HHSC Data Analytics, etc.), and are documented by the HHSC Claims Administrator Contract Oversight (CACO) team.

HHSC's independent validation process for PRV-0088 involves (1) reviewing TMHP's Key Measure Report findings and TMHP's source files, and (2) selecting a sample of provider applications from the TMHP QA process. That sample of applications is selected from two sets: (1) providers participating in the Medicaid program, and (2) providers who participate in both Medicaid and the Children's Special Health Care Needs (CSHCN) Program. HHSC randomly selects four applications, two applications from each program set. HHSC reviews each application to determine if TMHP's QA process accurately captured the TMHP operations staff's performance. To accomplish this, CACO staff compares the actual source documentation contained in the provider's application files to the TMHP QA report. For example, a provider's professional licensing field in the provider master file is compared for accuracy against the actual source licensing documentation. PRV-0088 includes thirteen (13) critical fields. HHSC staff validate the accuracy of at least two of the critical fields for each application in the selected sample.

HHSC has procedures for issue escalation and consideration of contract remedies to sanction TMHP when Key Measure performance standards are not met, including assessment of liquidated damages. Since October, 2015, HHSC has levied and collected \$220,000 in liquidated damages due to TMHP missing performance measures associated with PRV-0088.

HHSC reviews its contract monitoring procedures annually or more frequently as performance issues are identified. Based on that review, HHSC is working to expand monitoring procedures for provider enrollment.

Implementation Dates: Key Measures Performance Reporting – August 2014
Monitoring and Validation processes – February 2015
Expanded Provider Enrollment Monitoring Procedures – January 2018

Responsible Person: Michael Blood

Reference No. 2016-016

Allowable Costs/Cost Principles

(Prior Audit Issues – 2015-014 and 2014-010)

CFDA 93.767 – Children's Health Insurance Program

Award years – October 1, 2015 to September 30, 2017, October 1, 2014 to September 30, 2016, and October 1, 2013 to September 30, 2015

Award numbers – 1605TX5021, 1505TX5021, 1505TX1081, and 1405TX5021

Medicaid Cluster

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

Award numbers – 1605TXIMPL, 1605TX5MAP, 1605TX5ADM, 1605TXINCT, 1505TX5MAP, 1505TX5ADM, 1505TXIMPL, 1505TXINCT, and 1505TXBIPP

Statistically valid sample – no

Type of finding – Significant Deficiency

Per 2 CFR 200.303, the Health and Human Services Commission (HHSC) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. 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.

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 \$19.8 billion in fiscal year 2016, approximately 90% of all Texas-covered individuals. During fiscal year 2016, 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 119 users. This is an excessive number of users with administrator access.
- A review of user access was performed during fiscal year 2016; however, the 2016 Q2 review does not completely include all MAXeb application users. Seven users with administrator privileges and their access permissions were not reviewed out of 118 administrators at the time of the review. Additionally, seven unique users were not included in their respective business unit reviews and their access permissions were not reviewed out of the 224 users from the selected business units at the time of the review.
- Twenty-one of the 40 user access provisioning samples did not have formally documented approvals for their access.
- One inappropriate user retained access to schedule production changes. This user did not login during the fiscal year.

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

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, new or modified access approvals should be formally documented and approved prior to a user gaining requested access. Access to schedule production changes should be restricted only to appropriate users requiring access as part of job responsibilities.

Views of Responsible Officials:

Accepted. Since 2010, HHSC has established Access Provisioning Procedures which define the approval process and responsibilities of persons requesting either new access or a change to any existing permissions in any of the software applications. Staff will work to develop and implement corrective action to further improve these processes. See corrective action plan for further details.

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Corrective Action Plan:

HHSC Pharmacy Benefit Management (HPBM) staff will modify the Access Provisioning Procedures to ensure developer access to the production application is restricted to a read-only role. Also, the same HPBM staff will revise the procedures to ensure that approvals are formally documented, prior to access being granted, in cases where updated or modified access is required and that all activity is logged and monitored. HHSC will require the PCRA, Conduent formerly Xerox, to submit their periodic reviews to HPBM staff to ensure that timely periodic access reviews are performed by Conduent for existing user accounts on all applications and databases to verify access is appropriate or if modifications should be made.

Implementation Date: April 2017

Responsible Person: Katherine (KJ) Scheib

Reference No. 2016-017

Program Income

(Prior Audit Issue – 2015-015 and 2014-011)

Medicaid Cluster

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

Award numbers – 1605TXIMPL, 1605TX5MAP, 1605TX5ADM, 1605TXINCT, 1505TX5MAP, 1505TX5ADM, 1505TXIMPL, 1505TXINCT, and 1505TXBIPP

Statistically valid sample – no

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. Per 2 CFR 200.303, Health and Human Services Commission (HHSC) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statues, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

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

HHSC contracts with Conduent, formerly Xerox State Healthcare, LLC, 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, Conduent has an electronic interface with the Texas Medicaid & Healthcare Partnership (TMHP). Conduent 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 Conduent 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 Conduent 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 Conduent.

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. HCPCS are associated with NDCP’s within Compass 21 to enforce the appropriate NDC

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matching. However, these checks were not being performed for five out of 542 HCPCS procedure codes for clinician-administered drug claims with relations active as of August 29, 2016. This resulted in claims with potential drug rebates not being processed by Conduent.

When rebates are not paid timely, HHSC has policies in place regarding sending out dunning notices. Conduent 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 60 rebates tested for compliance with these policies, one of the rebates did not have a 105-day dunning notice sent out due to the 105-day dunning notice being inadvertently marked as already sent. For one of the other rebates, the first dunning notice was not sent out and the second dunning notice was sent late due to the invoice being allocated to the wrong check prior to the first dunning notice due date.

Vendor drug rebates for clinician-administered drugs collected in fiscal year 2016 for Medicaid totaled approximately \$81.0 million.

Recommendation:

HHSC, through Conduent and TMHP, should implement procedures to investigate and resolve records that were not processed through the weekly interface and strengthen current policies over the distribution of dunning notices to ensure that notices are sent out both when appropriate and in a timely manner.

Views of Responsible Officials:

Accepted. In September 2016, HHSC completed additional system and processing modifications to reduce the number of claims paid that are ineligible for a federal rebate. HHSC has also initiated an internal review of the oversight process for dunning notices in order to strengthen controls. HHSC will work to develop and implement corrective action to further improve these processes. See the corrective action plan for further details.

Corrective Action Plan:

In June 2016, HHSC initiated a project to implement additional controls and processes to ensure that all exception records are reviewed, corrected, and resubmitted timely by TMHP. HPBM, in coordination with Medicaid CHIP Division Operations Management and Claims Administrator Contract Oversight, will oversee TMHP's implementation and monitor compliance with the new requirements. This project is on target for implementation by December 31, 2017.

Regarding the distribution of dunning notices, HHSC has reviewed the current process and is developing a monitoring plan to assure all notices are sent timely. The monitoring plan will be implemented by April 1, 2017.

Implementation Dates: April 2017 Dunning Notices and December 2017 Clinician-Administered Drug

Responsible Person: Katherine (KJ) Scheib

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Reference No. 2016-018

Special Tests and Provisions – Inpatient Hospital and Long-Term Care Facility Audits
(Prior Audit Issue – 2015-019)

Medicaid Cluster

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

Award numbers – 1605TXIMPL, 1605TX5MAP, 1605TX5ADM, 1605TXINCT, 1505TX5MAP, 1505TX5ADM, 1505TXIMPL, 1505TXINCT, and 1505TXBIPP

Statistically valid sample – no

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). Per 2 CFR 200.303, Health and Human Services Commission (HHSC) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

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 HHSC monthly reports. However, HHSC does not have adequate controls in place to monitor the service organization to ensure that 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.

Views of Responsible Officials:

Accepted. HHSC currently reviews policies and supporting contractor work products regarding inpatient hospital audits including the audit program (audit procedures), annual audit schedules, cost verification plans, monthly cost settlement reports, and pending inventory reports used to ensure coverage of providers and timely settlements. Additionally, the contractor is required to comply with a number of requirements associated with cost settlement processing and reporting.

Corrective Action Plan:

HHSC will acquire the services from a qualified firm or work with a qualified internal HHSC departmental unit to conduct an annual performance audit for achieving the objectives of inpatient hospital cost report audits in accordance with the state plan and with HHSC policies and procedures. A December 2017 timeline has been established to allow for the requisite time to secure delegate authority from the State Auditor's Office, to secure resources (either in house or outsourced via a procurement), and to complete the audit.

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Implementation Date: *December 2017*

Responsible Persons: *Mirsa Douglass and Selvadas Govind*

Reference No. 2016-019

Special Tests and Provisions – Utilization Control and Program Integrity

(Prior Audit Issue – 2015-020)

Medicaid Cluster

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

Award numbers – 1605TXIMPL, 1605TX5MAP, 1605TX5ADM, 1605TXINCT, 1505TX5MAP, 1505TX5ADM, 1505TXIMPL, 1505TXINCT, and 1505TXBIPP

Statistically valid sample – no

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). Per 2 CFR 200.303, Health and Human Services Commission (HHSC) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

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

HHSC Office of the Inspector General (HHSC-IG) 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, 25 of a total 33 nursing home reviews selected for testwork were performed after the 15 month policy.

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. Sixty-five complaints made during 2016 were selected for testwork. Results of testwork are as follows:

- Four of the complaints were missing eligibility verification for the Medicaid recipient involved in the complaint.
- One of the complaints was missing provider resolution correspondence.
- One of the complaints was missing a notification letter to the MCO/DMO/DME notifying them that complaint was filed.
- One of the complaints was missing a letter or email sent to the complainant acknowledging the complaint.

Additionally, testwork was performed over the population of MCO communications used for sampling to determine that the Materials Log detailing the communications was complete. One of 25 items selected was not located within the Materials Log.

HHSC-IG receives provider complaints through the WAFERS system. Complaints are to be investigated and referred to any additional departments or agencies if necessary. For one of 65 cases sampled, there was no evidence in the case

file that appropriate steps were taken to investigate the complaint or to document why no further action was considered necessary.

Recommendation:

HHSC-IG 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-IG should consider officially amending their policy and consulting with the federal government, if necessary. Additionally HHSC-IG should strengthen existing controls over suspected fraud cases to ensure all required documentation is included in the case files to support final resolution of cases in accordance with HHSC policies and procedures.

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.

For MCO materials, HHSC should review procedures over logging of MCO communications to ensure adequate controls are in place to ensure all for completeness of MCO Materials Log.

Views of Responsible Officials:

HHSC-IG: The HHSC Inspector General (IG) is in agreement with the recommendation that (a) long-term care utilization reviews adhere to policy and (b) required documentation is included in the case files to support resolution of suspected fraud cases

HHSC-Health Plan Management (HPM): The Medicaid/CHIP Division is in agreement with the recommendation that 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 (Recommendation 2).

The Medicaid/CHIP Division is in agreement with the recommendation that HHSC should review procedures for logging of MCO communications to ensure adequate controls are in place to ensure completeness of the MCO Materials Log (Recommendation 3).

Corrective Action Plan:

IG-Recommendation 1: TAC rule 371.214(n)(1) requires the IG to select every Medicaid nursing facility in the state for utilization review in a 15 month period. The IG will review this rule to determine whether this method of selection should be revised. If warranted as a result of the review, the IG will consider implementing a rule change that selects nursing facilities for utilization review based on a different selection process, such as a risk assessment of potential fraud, waste or abuse.

Implementation Date: October 2017

Responsible Person: Judy Knobloch

IG has strengthened existing processes, including implementation of a quality assurance review process, to ensure all necessary documentation is included with the case file to support the final resolution determination.

Implementation Date: September 2016

Responsible Person: Alexander Buelna

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HPM -Recommendation 2: In March 2016, Health Plan Management (HPM) updated the internal complaint policies and procedures documents in the HPM Desk Manual (Inquiries 15.1, Complaints 16.1, and Second level Review 18.1) to include more specific guidance regarding required documentation and shared with staff. The Research and Resolution Team (RRT) held a face-to-face training for HPM staff in December 2016 to revisit the complaint policies and procedures, including required documentation.

HPM RRT Unit Managers perform a monthly second level review, consisting of six (6) randomly selected cases for each technician, to ensure all documents are uploaded properly in the HEART database. The results of the reviews are shared with technicians so that corrections to the system can be made. Additionally, HPM Research and Resolutions Team holds bi-weekly team meetings (conference call) to discuss trends discovered in second level reviews.

Implementation Date: December 2016

Responsible Person: Grace Windbigler

HPM-Recommendation 3: HPM is implementing weekly Quality Assurance Monitoring of staff material reviews to ensure completeness of the MCO Materials Log. HPM is developing an automated system that will receive and track materials submitted by the MCOs and eliminate future need for the MCO Materials Log.

Implementation Date: Weekly Quality Assurance Monitoring reviews will begin February 2017. Estimated completion date for the automated system is August 2017.

Responsible Person: Grace Windbigler

Reference No. 2016-020

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

(Prior Audit Issue – 2015-021)

Medicaid Cluster

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

Award numbers – 1605TXIMPL, 1605TX5MAP, 1605TX5ADM, 1605TXINCT, 1505TX5MAP, 1505TX5ADM, 1505TXIMPL, 1505TXINCT, and 1505TXBIPP

Statistically valid sample – no

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 Health and Human Services (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 2 CFR 200.303, Health and Human Services Commission (HHSC) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statues, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

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

During fiscal year 2015, HHSC refreshed its Information Security Risk Management Process Manual along with the Enterprise Information Security Standards and Guidelines Control’s Catalog. Seven in-house Medicaid systems have been identified by HHSC as requiring ADP Risk Analysis. Five of these had a risk assessment report completed during

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fiscal year 2015 and the remaining two had risk assessment reviews in fiscal year 2016. In addition to the in-house Medicaid Systems, there are several Medicaid operations which are managed by service organizations that are currently not considered to be under the risk assessment review procedures. No risk assessment reviews were performed on the systems used by these service organizations in 2015 or 2016, and these systems are not included in the list of Medicaid systems requiring risk assessment.

Recommendation:

HHSC should implement controls to ensure the completeness of the list of Medicaid ADP systems requiring review and ensure the list includes Medicaid ADP systems operated by service organizations. The completeness of this list should be continually reevaluated to ensure it includes all Medicaid ADP systems.

Views of Responsible Officials:

Accepted. SysCat is the Enterprise repository for approved HHS systems and sub-systems and should include all ADP systems. A process for maintaining SysCat exists which includes periodic reviews, however, at some point in the past applications maintained by service organizations were removed from listings.

Corrective Action Plan:

HHSC IT Applications and IT Business Operations will:

- *Review the process and controls for maintaining SysCat to ensure all active Medicaid ADP systems internal and supported by external organizations are included.*
- *Ensure the list of Medicaid systems operated by the service organization is documented correctly in SysCat.*

Implementation Date: April 2017

Responsible Persons: PJ Fritsche and Cindy Gray

Reference No. 2016-021

Special Tests and Provisions – Provider Health and Safety Standards

(Prior Audit Issues – 2015-026, 2014-015 and 2013-017)

Medicaid Cluster

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

Award numbers – 1605TXIMPL, 1605TX5MAP, 1605TX5ADM, 1605TXINCT, 1505TX5MAP, 1505TX5ADM, 1505TXIMPL, 1505TXINCT, and 1505TXBIPP

Statistically valid sample – no

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. Per 2 CFR 200.303, Health and Human Services Commission (HHSC) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statues, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

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

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 2016, 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. Although the service organization utilizes Medicare enrollment as a prerequisite for the provider adhering to standards, there is no annual check on the providers Medicare numbers to ensure that they are current and up to date. No exceptions were noted with in-state providers which constitute the majority of the HHSC providers.

Recommendation:

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:

Accepted. All Medicaid providers, including out of state providers, are required to be licensed in the state where they operate, and be enrolled in Medicare as prerequisites 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.

The contract requirements most pertinent to this finding are listed below.

PRV-0068 - *Prior to enrollment and on an ongoing basis, verify that the provider is Medicare enrolled (if required), licensed and certified for procedures for which they will be billing under their enrolled specialty.*

PRV-0097 - *Update provider records and verify provider recertification requirements are met in accordance with State-defined timelines.*

PRV - 0407 - *Maintain a minimum 98% accuracy rate for provider enrollment application information entered by TMHP into the system and sent to HHSC OIG for processing. [This requirement is being converted to a Key Measure, expected effective date 3/1/2017 with revised contract language below.]*

PRV - 0432 Key Measure

Maintain a minimum 95% accuracy rate for complete provider enrollment applications sent to HHSC/IG for processing, which is measured against State-approved criteria.

Liquidated Damage: The State may assess up to \$500 for each percentage point, or portion thereof below the 95% standard.

Corrective Action Plan:

HHSC will develop a control for monitoring Key Measure PRV-0432 and a control for monitoring PRV-0068 and PRV-0097 as described below.

HHSC will implement a monthly independent validation of TMHP's reported performance on contract Key Measure PRV-0432 effective March 1, 2017. HHSC's validation processes will be developed by State stakeholders (HHSC Operations, HHSC Data Analytics, etc.), and documented by the HHSC Claims Administrator Contract Oversight (CACO) team. PRV-0432 involves 26 individual application criteria including (1) Medicare certification and (2) screening for provider applicants that should be excluded from participation in the Medicaid. HHSC's validation processes will include validation of TMHP's Key Measure Report findings, source files, and a sample of provider

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applications from TMHP's QA process. HHSC/CACO staff will compare the actual source documentation contained in the provider's application files to the TMHP QA report to determine TMHP's compliance with performance expectations.

By August 1, 2017, HHSC will implement monitoring controls for PRV-0068 and PRV-0097 and other contract requirements associated with the provider enrollment process. HHSC/CACO staff will conduct a risk assessment to determine the appropriate frequency for conducting the monitoring protocol. The monitoring protocol will be developed by CACO to independently verify that TMHP has complied with the performance expectations of the contract requirements and expected outcomes of the business process.

Implementation Dates: *March 2017 and August 2017*

Responsible Person: *Michael Blood*

Reference No. 2016-022

Eligibility

(Prior Audit Issues – 2015-013)

TANF Cluster

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

Award numbers – 1601TXTANF, 1601TXTAN3, 1502TXTAN3, and 1502TXTANF

Statistically valid sample – no

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). Per 2 CFR 200.303, HHSC must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

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

<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 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. To perform an override a second level review is required; however, TIERS does not enforce a review by a different supervisor. A supervisor could perform the override and review the same override. As of October 18, 2016, a second level review by a different supervisor is required. A query of cases processed in TIERS during fiscal year 2016 indicated that there were only 13 cases that were overridden from “denied” to “sustained” or “certified” or from a lower eligible amount to a higher eligible amount. These were all Medicaid cases.

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Recommendation:

As noted, as of October 18, 2016, HHSC had implemented a system fix to address the override issue. HHSC should continue to monitor the need for supervisor override capabilities in TIERS and ensure that controls in place mitigate the risks associated with the overrides.

Views of Responsible Officials:

HHSC accepts the finding. Eligibility Operations has already taken actions to resolve the issue.

Corrective Action Plan:

Eligibility Operations implemented TIERS modifications in September 2016 to prevent the same user from completing an override and the Second Level Review on the same case action. Following the implementation, a minor defect in the new functionality was identified and corrected in November 2016.

Additionally, the cases identified in the audit which had the override and the Second Level Review completed by the same user were reviewed by Quality Assurance staff to ensure the accuracy of the final eligibility determination. Quality Assurance staff found all eligibility determinations to be accurate.

Implementation Date: November 2016

Responsible Person: Cindi Tamez

Reference No. 2016-023

Subrecipient Monitoring

CFDA 93.667 – Social Services Block Grant

Award years – October 1, 2015 to September 30, 2017 and October 1, 2014 to September 30, 2016

Award numbers - G1601TXSOSR and G1501TXSOSR

Statistically valid sample – no

Type of finding – Significant Deficiency and Non-Compliance

The Family Violence Program team coordinates the subrecipient monitoring process for the Family Violence Program (FVP) at the Health and Human Services Commission (HHSC). Family Violence programs are funded with Social Services Block Grant (SSBG) and other federal grant programs as well as State Funds. Per 2 CFR 200.303, Health and Human Services Commission (HHSC) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statues, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

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

Per 2 CFR Section 200.331, all pass-through entities must ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the certain information at the time of the subaward and if any of these data elements change, include the changes in the subsequent award modification. Required information includes: (1) CFDA number and name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement and (2) indirect cost rate for the Federal award (including if the de minimis rate is charged). HHSC did not incorporate the indirect cost rate into the fiscal year 2016 contracts and the disbursement currently does not indicate CFDA number at the time of each disbursement.

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Also per 2 CFR Section 200.331, the pass through entity is responsible for monitoring the activities of the subrecipient, as necessary, to ensure that the subaward is used for authorized purposes, in compliance with the Federal statutes, regulations, and the terms and conditions of the subaward; and that the subaward performance goals are achieved. A sample of subrecipients are selected for onsite reviews each year by the FVP. Onsite reviews are performed by contract managers and reviewed by the FVP Team Lead to ensure that the reviews were performed completely. One of nine onsite reviews sampled in 2016 was lacking secondary review.

Additionally, subrecipients submit monthly expense reports to the contract managers for review. This review includes supporting documentation for the expenses that were paid. For five of 14 monthly remittances reviewed, the review was not completed in a timely manner based on when the report was received.

Recommendation:

HHSC should ensure that all requirements are incorporated into FVP contracts and disbursement information. HHSC should also strengthen controls over secondary review of onsite reviews performed. Finally, HHSC should implement stronger controls to ensure timely review of monthly subrecipient expense reports.

A) *HHSC did not incorporate the indirect cost rate into the fiscal year 2016 contracts.*

Views of Responsible Officials:

Accepted. The FVP is working with HHSC legal to incorporate language that defines the availability of the de minimis rate in fiscal year 2018 contracts.

Corrective Action Plan:

The HHSC Family Violence Program (FVP) contract will be amended for fiscal year 2018 contracts to include the indirect cost rate and identify the availability of the de minimis rate.

Implementation Date: September 2017

Responsible Person: Laurie Shannon

B) *HHSC FVP did not include the pass-through entity or identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement.*

Views of Responsible Officials:

Accepted. The FVP is developing a report that will reflect the funding source of the annual payments.

Corrective Action Plan:

HHSC FVP will implement the following process to provide the required CFDA Information. HHSC FVP will issue a report to the contractor 90 days after the end of the contract term. The report will provide the following: data elements, the name of the contractor, the contractor's TIN, the CFDA number and amount of funding reported, and the amount of general revenue. HHSC FVP will maintain a copy of the report in the contract management file.

Implementation date: December 2017

Responsible Person: Laurie Shannon

C) One of nine onsite reviews sampled in 2016 was lacking secondary review.

Views of Responsible Officials:

Accepted. There was one instance of a report being issued without management approval. The FVP will follow its policies and procedures to ensure that all reports are approved by management.

Corrective Action Plan:

The HHSC FVP follows program specific policies and procedures to ensure compliance reviews are performed completely. The current process identifies the FVP Team Lead or the FVP Manager is responsible to review and approve all monitoring reports prepared by contract management staff. In instances where the team lead conducts a monitoring review, the FVP manager is responsible for the review and approval of the monitoring report. In future instances when the team lead conducts a monitoring review, the family violence program manager will ensure that the current policy is followed.

Implementation Date: Fully Implemented

Responsible Person: Laurie Shannon

D) The audit identified that five of 14 monthly expense reports were not reviewed in a timely manner.

Views of Responsible Officials:

Accepted. The FVP will strengthen its application of policy and procedures as they apply to the timely review of monthly expenditures.

Corrective Action Plan:

The HHSC FPV has revised the contract management handbook changing the timeframe for expense reports to be submitted on a quarterly basis, rather than monthly. In addition, the policy requires the contract manager to complete the review of the quarterly expense report within 45 days of receipt of complete and accepted expense report.

Implementation Date: Fully Implemented

Responsible Person: Laurie Shannon

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Reference No. 2016-024

Allowable Costs/Cost Principles

CFDA 93.667 – Social Services Block Grant

Award years – October 1, 2015 to September 30, 2017 and October 1, 2014 to September 30, 2016

Award numbers – G1601TXSOSR and G1501TXSOSR

CFDA 93.767 – Children’s Health Insurance Program

Award years – October 1, 2015 to September 30, 2017, October 1, 2014 to September 30, 2016, and October 1, 2013 to September 30, 2015

Award numbers – 1605TX5021, 1505TX5021, 1505TX1081, and 1405TX5021

TANF Cluster

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

Award numbers – 1601TXTANF, 1601TXTAN3, 1502TXTAN3, and 1502TXTANF

Medicaid Cluster

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

Award numbers – 1605TXIMPL, 1605TX5MAP, 1605TX5ADM, 1605TXINCT, 1505TX5MAP, 1505TX5ADM, 1505TXIMPL, 1505TXINCT, and 1505TXBIPP

Statistically valid sample – no

Type of finding – Significant Deficiency and Non-Compliance

Per 2 CFR 200.303, Health and Human Services Commission (HHSC) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statues, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. Per 45 CFR Section 95.507, the State shall submit a cost allocation plan for the State agency as required below to the Director, Division of Cost Allocation (DCA), in the appropriate HHS Regional Office. The plan shall describe the procedures used to identify, measure, and allocate all costs to each of the programs operated by the State agency. The cost allocation plan shall contain the procedures used to identify, measure, and allocate all costs to each benefitting program and activity. Per 45 CFR Section 95.509, the State shall promptly amend the cost allocation plan and submit the amended plan to the Director, DCA if any of the following events occur including if other changes occur which make the allocation basis or procedures in the approval cost allocation plan invalid.

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

HHSC’s approved Public Assistance Cost Allocation Plan (PACAP) expenditures and revenues are initially allocated based on an estimate of what the actual Project ID percentages will be. After actual base statistical data is available, expenditures will be reallocated and adjustments between estimated and actual costs will be made. The adjustments will result in costs claimed for each period being allocated based on actual base statistics for the same period. Data is updated either by voucher, monthly, quarterly, semi-annually, or annually depending on the Project ID. There are approximately 75 Project IDs.

During fiscal year 2016, there was a delay in receiving the data to calculate Factor 34 (IT Agency Applications Person-Hours – TIERS – Medicaid 50, 75, or 90%) for several months which caused a backlog in HHSC’s ability to calculate other factors. Factor 34 is calculated using person-hours spent on application development. There was also a delay associated with Factor 48 (Development Hours – Deloitte), which is based on payment points associated with each Texas Integrated Eligibility Redesign System (TIERS) release. This factor is developed after all payment data has been received. As of August 31, 2016, Factors 34 and 48 had not been updated since June 2015 resulting in no reallocation against actuals taking place for these factors, as well as all the factors dependent on these factors as noted below. Per the PACAP, Factor 34 is to be updated monthly and Factor 48 is to be updated per voucher. Delays in preparing the factor calculations were caused by a drawn out review process.

Certain factors are dependent on at least one other factor being calculated first. The delay in updating Factors 34 and 48 caused the same delay in the updating of 29 other factors for the year ended August 31, 2016.

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Subsequent to fiscal year end, factors were updated through December 31, 2015, and reallocation entries were recorded for all impacted factors prior to close-out of the year to correct amounts through that date. Questioned costs associated with the factors not being updated cannot be determined.

Recommendation:

HHSC should put procedures in place to ensure that the review process for factor inputs is performed in a timely manner and factor calculations are finalized. HHSC should make sure that the factors that are behind for reallocation purposes are updated in order to present accurate information.

Views of Responsible Officials:

Accepted. Information Technology and Central Budget staff have already implemented an effort to finalize factor calculations for prior months. Significant progress has been made. Information Technology and Central Budget are committed to clearing the remaining backlog. In order to prevent future backlogs, a process improvement effort will be completed and implemented. See corrective action plan below.

Corrective Action Plan:

By 6/30/2017, Information Technology and Central Budget will update and finalize the factors that remain in the backlog. Additionally, by that same date, a process improvement analysis will be completed and procedures will be implemented to ensure that HHS remains current and that all future factor inputs are finalized in a timely fashion.

Implementation Date: June 2017

Responsible Persons: Terri Ware and Trey Wood

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

Reference No. 2016-025

Subrecipient Monitoring

(Prior audit issue 2015-025 and 2014-013)

CFDA 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children
Award years – October 1, 2015 to September 30, 2016 and October 1, 2014 to September 30, 2015
Award number – 6TX700506

CFDA 84.126 – Rehabilitation Services–Vocational Rehabilitation Grants to States
Award years – October 1, 2015 to September 30, 2016 and October 1, 2014 to September 30, 2015
Award numbers – H126A160065, H126A160064, H126A150064, and H126A150065

CFDA 93.268 – Immunization Cooperative Agreements
Award years – January 1, 2016 to December 31, 2016 and January 1, 2015 to December 31, 2015
Award numbers – 5NH23IP000773-04 and 5H23IP000773-03

CFDA 93.556 - Promoting Safe and Stable Families
Award years – October 1, 2015 to September 30, 2017, October 1, 2014 to September 30, 2016 and October 1, 2013 to September 30, 2015
Award numbers – 1601TXFPSS, 1601TXFPCV, 1501TXFPSS, 1511TXFPCV, and 1401TXFPSS

CFDA 93.658 – Foster Care–Title IV–E
Award years – October 1, 2015 to September 30, 2016 and October 1, 2014 to September 30, 2015
Award numbers – 1601TXFOST and 1501TXFOST

CFDA 93.667 – Social Services Block Grant
Award years –October 1, 2015 to September 30, 2017 and October 1, 2014 to September 30, 2016
Award numbers – G1601TXSOSR and G1501TXSOSR

CFDA 93.917 – HIV Care Formula Grants
Award years – April 1, 2016 to March 31, 2017 and April 1, 2015 to March 31, 2016
Award numbers – X07HA00054-26 and X07HA00054-25

CFDA 93.959 – Block Grants for Prevention and Treatment of Substance Abuse
Award years – October 1, 2015 to September 30, 2017, October 1, 2014 to September 30, 2016, October 1, 2013 to September 30, 2015
Award numbers – 2B08TI010051-16, 2B08TI010051-15 and 2B08TI010051-14

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, 2015 to September 30, 2017, July 1, 2014 to September 30, 2016, July 1, 2013 to September 30, 2015
Award numbers – H173A150004, H027A150008-15B, H173A140004, H027A140008-14B, H173A130004, and H027A130168-13A

TANF Cluster
Award years – October 1, 2015 to September 30, 2016 and October 1, 2014 to September 30, 2015
Award numbers – 1601TXTANF, 1601TXTAN3, 1502TXTAN3, and 1502TXTANF

Medicaid Cluster
Award years – October 1, 2015 to September 30, 2016 and October 1, 2014 to September 30, 2015
Award numbers – 1605TXIMPL, 1605TX5MAP, 1605TX5ADM, 1605TXINCT, 1505TX5MAP, 1505TX5ADM, 1505TXIMPL, 1505TXINCT, and 1505TXBIPP

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Non-Major Programs:

- 10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
- 14.241 Housing Opportunities for Persons with AIDS
- 84.181 Special Education-Grants for Infants and Families
- 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
- 93.071 Medicare Enrollment Assistance Program
- 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
- 93.270 Adult Viral Hepatitis Prevention and Control
- 93.283 Centers for Disease Control and Prevention Investigations and Technical Assistance
- 93.296 State Partnership Grant Program to Improve Minority Health
- 93.305 National State Based Tobacco Control Program
- 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
- 93.535 Affordable Care Act (ACA) Childhood Obesity Research Demonstration
- 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)
- 93.757 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)
- 93.791 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
- 93.945 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
- 93.982 Mental Health Disaster Assistance and Emergency Mental Health
- 93.991 Preventive Health and Health Services Block Grant
- 93.994 Maternal and Child Health Services Block Grant to the States
- 97.032 Crisis Counseling

Aging Cluster

Statistically valid sample – no

Type of finding – Material Weakness and Material Non-Compliance

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Per 2 CFR 200.303, Health and Human Services Commission (HHSC) – Office of the Inspector General (IG) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

According to the 2CFR Part 200, Appendix XI Compliance Supplement (the Compliance Supplement), a pass-through entity must assure that subrecipients requiring a Single Audit based on expenditures of Federal funds have a 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. The pass-through entity shall be responsible for making the management decision for audit findings that relate to Federal awards it makes to subrecipients. Per 2 CFR Section 200.521, 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.

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	

HHSC – IG is responsible for collecting Single Audits 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-IG generates an email requesting an updated list of subrecipients for which a Single Audit was required in the most recent fiscal year from the five agencies. Once the list is updated by each agency, HHSC-IG 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 require a single audit and if a Single Audit has been completed. HHSC-IG uses this information to track the due date for a subrecipient’s Single Audit report since the report is due to HHSC-IG the lesser of nine months after the subrecipient’s fiscal year end or 30 days after report issuance. If a Single Audit report is overdue for a subrecipient, HHSC-IG 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 a Single Audit report is received by HHSC-IG, 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-IG coordinates with the program personnel to ensure that a management decision letter is issued within six months of receipt of the Single Audit report. The six month deadline is entered into a database to assist with monitoring deadlines. HHSC-IG 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 were revised during the year to include all the required elements. Additionally in June 2016, HHSC-IG implemented a corrective action plan tracking spreadsheet to track corrective action plans and their implementation.

A sample of 65 subrecipients was selected among DSHS, HHSC, and DFPS as subrecipient monitoring was in scope for these three agencies. Of the subrecipients tested, the following was noted:

- Five subrecipients’ Single Audit reports were not received within nine months of the subrecipient’s year-end. This late filing was not noted by HHSC-IG. Counts by program follow:
 - DSHS 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) – two.

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- DSHS 93.959 Block Grants for Prevention and Treatment of Substance Abuse (SABG) – one.
- DSHS 93.917 HIV Care Formula Grants (HIV Care) – one.
- DFPS 93.556 Promoting Safe and Stable Families (PSSF) – one.
- Thirteen subrecipients’ Single Audit 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 - IG. Counts by program follow:
 - DSHS WIC – three.
 - DSHS SABG – nine.
 - HHSC 93.667 Social Services Block Grants (SSBG) – one.
- Two subrecipients (DSHS SABG) submitted reports to HHSC-IG but did not submit to the Federal Clearinghouse. This is noncompliance with federal filing requirements that was not noted or communicated to the subrecipient.
- Two subrecipients’ (DSHS SABG) Single Audit reports were never received and adequate follow up was not taken with the subrecipient. As such, no information was received.
- Two subrecipients’ (DSHS SABG) Single Audit reports were not received within the required timeframe and follow up on the late reports was not performed in a timely manner.
- Two subrecipients’ (DSHS SABG - one and DFPS PSSF - one) management decision letters were issued after the six month deadline.
- One subrecipients’ (DSHS WIC) management decision letter did not mention the federal finding related to the WIC program within the single audit received. As such, this letter did not contain the requirements of the management decision letter.
- One subrecipients’ (DSHS SABG) management decision letter had not been sent out although there were identified federal audit findings. It had been over six months since the audit was received.

Below is a list of all amounts within the schedule of federal awards that were passed through to subrecipients for HHSC, DSHS, DPFS, DARS, and DADS during fiscal year 2016.

CFDA Number	Program Name	Non-State Entities Amount
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	\$139,855,441
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10,993,681
14.241	Housing Opportunities for Persons with AIDS	2,553,588
84.027	Special Education Grants to States	5,043,645
84.126	Rehabilitation Services_Vocational Rehabilitation Grants to States	1,572,965
84.181	Special Education-Grants for Infants and Families	31,941,806
93.041	Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploration	268,093
93.042	Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploration	1,337,398
93.043	Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services	1,037,539
93.044	Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	22,866,907
93.045	Special Programs for the Aging_Title III, Part C_Nutrition Services	36,274,248
93.052	National Family Caregiver Support, Title II, Part E	9,022,629
93.053	Nutrition Services Incentive Program	10,317,383

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CFDA Number	Program Name	Non-State Entities Amount
93.069	Public Health Emergency Preparedness	1,204,088
93.071	Medicare Enrollment Assistance Program	1,392,737
93.074	Hospital Preparedness Program (HPR) an Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	34,184,842
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Program	4,445,939
93.150	Projects for Assistance in Transition from Homelessness (PATH)	4,790,468
93.235	Affordable Care Act (ACA) Abstinence Education Program	3,332,065
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	1,365,643
93.251	Universal Newborn Hearing Screening	24,833
93.268	Immunization Cooperative Agreements (Non-Monetary)	5,599,805
93.270	Adult Viral Hepatitis Prevention and Control	27,961
93.283	Centers for Disease Control and Prevention_Investigations and Technical Assistance	107,646
93.296	State Partnership Grant Program to Improve Minority Health	29,015
93.305	National State Based Tobacco Control Programs	10,706
93.324	State Health Insurance Assistance Program	2,828,234
93.369	ACL Independent Living State Grants	426,989
93.505	Affordable Care (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	4,295,818
93.535	Affordable Care Act (ACA) Childhood Obesity Research Demonstration	1,158
93.556	Promoting Safe and Stable Families	8,100,634
93.558	Temporary Assistance for Needy Families	12,600,322
93.566	Refugee and Entrant Assistance_State Administered Programs	58,071,411
93.576	Refugee and Entrant Assistance_Discretionary Grants	1,318,039
93.584	Refugee and Entrant Assistance_Targeted Assistance Grants	3,992,935
93.590	Community-Based Child Abuse Prevention Grants	1,537,395
93.652	Adoption Opportunities	205,737
93.658	Foster Care_Title IV-E	4,428,318
93.667	Social Services Block Grant	27,457,341
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	5,430,228
93.752	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds (PPHF)	3,634,119

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CFDA Number	Program Name	Non-State Entities Amount
93.757	State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	29,296
93.758	Preventative Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	2,918,225
93.778	Medical Assistance Program	29,302,959
93.791	Money Follows the Person Rebalancing Demonstration	682,040
93.817	Hospital Preparedness Program (HP) Ebola Preparedness and Response Activities	4,341,444
93.889	National Bioterrorism Hospital Preparedness Program	590,066
93.917	HIV Care Formula Grants	21,840,870
93.940	HIV Prevention Activities_Health Department Board	10,388,052
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	552,808
93.945	Assistance Programs for Chronic Disease Prevention and Control	10,708
93.958	Block Grants for Community Mental Health Services	26,248,830
93.959	Block Grants for Prevention and Treatment of Substance Abuse	104,820,774
93.977	Preventive Health Services_Sexually Transmitted Diseases Control Grants	4,631,075
93.982	Mental Health Disaster Assistance and Emergency Mental Health	1,832,022
93.991	Preventive Health and Health Services Block Grant	3,023,208
93.994	Maternal and Child Health Services Block Grant to the States	8,847,319
97.032	Crisis Counseling	497,377
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	<u>66,330</u>
	Total	<u>\$684,553,152</u>

Recommendation:

HHSC-IG has developed new policies and procedures over the Single Audit collection and review process but these policies and procedures were not operating as of the date of testwork. HHSC-IG should ensure that policies and procedures in place establish a comprehensive process for identifying subrecipients, collecting the single audit 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:

Accepted. As stated above, new policies and procedures related to the collection and review processes were developed, and the implementation of the new procedures has been completed in phases.

The procedures related to the monitoring of the collection of the single audit reports have been enhanced to ensure the applicable processes are completed in a timely manner and related supporting documentation of these efforts is retained. In addition, the monitoring of and responding to the receipt of information from the recipients and

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subrecipients will occur at an earlier stage in the processes to help ensure required information is requested and received in a timely manner.

As indicated by the auditors, the management decision letters were revised as of June 2016 to include all of the required elements, and now emphasize actions required that increase the timeliness of the issuance of the management decision letters. In June 2016, a tracking system for monitoring the implementation of recipient and subrecipient corrective action plans was put into place and an HHSC IG individual was assigned the responsibility for following up on the status of completion.

Corrective Action Plan:

New processes were put in place by HHSC in December 2016 for the identification and collection of the list of recipients and subrecipients from the five agencies; a representative from HHSC Procurement and Contracting Services (PCS) was tasked with coordinating and consolidating the data from the agencies to help ensure completeness and accuracy before the data was provided to the Single Audit group. An additional level of review was then conducted to identify discrepancies between the list and previous year's data. After this, the tracking database was populated with the list of the recipients and subrecipients subject to desk reviews. No subrecipient will be removed from the list without written approval from the HHSC PCS coordinator.

To address the timeliness of the reviews, the Single Audit Desk Review process will be streamlined to contain only the requirements of OMB A-133, the Uniform Grant Guidance and the Uniform Grant Management Standards as applicable.

The Single Audit Desk Review Team will report to the HHSC IG Director for Audit for ongoing monitoring to ensure they are following the revised policies and procedures.

Implementation Date: February 2017

Responsible Person: Kacy VerColen

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

Reference No. 2016-026

Procurement and Suspension and Debarment

(Prior Audit Issue – 2015-024)

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

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

Award number – 6TX700506

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

Award years – October 1, 2015 to September 30, 2017, October 1, 2014 to September 30, 2016, October 1, 2013 to September 30, 2015

Award numbers – 2B08TI010051-16, 2B08TI010051-15 and 2B08TI010051-14

TANF Cluster

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

Award numbers – 1601TXTANF, 1601TXTAN3, 1502TXTAN3, and 1502TXTANF

Statistically valid sample – no

Type of finding – Material Weakness and Material Non-Compliance

Per 2 CFR Section 200.317, 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: \$7,805,680
U.S. Department of Agriculture 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

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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 State Health Services (DSHS). Following the procurement process, HHS agency staff are responsible for subsequent contract management and monitoring activities. Per 2 CFR 200.303, HHSC must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. Audit procedures involved a review of procurement files related to 65 HHSC TANF Cluster (TANF) purchases, one DSHS Block Grants for Prevention and Treatment of Substance Abuse (SABG) purchase, and 20 DSHS Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) purchases. Results of test work are as follows:

HHSC TANF:

- For one sample, the file did not contain the required TCI waiver form per the Prison Made Goods Act. Purchase order (PO) amount was approximately \$530.
- For five samples, the files noted that the HUB search was performed by vendor name and not by item code. PO amounts were approximately \$8,100.
- For three samples, it was noted that PCS relies on agency's recommendation for the continuation on the usage of Temporary IT staff. PCS verifies that the DIR contract and the hourly rate on PO matches the Contract Appendix C "Pricing Index." However, there is no other evidence that the continuation of the temporary staff was approved by an appropriate official or justification on the proprietary continuation usage of the same contractor without soliciting other vendors. PO amounts were approximately \$529,000.
- For one sample, there was no evidence in the contract renewal folder that evidenced multiple vendors were solicited prior to offering the contract. PO amount was approximately \$6,320,600.
- For two samples, there was no clear evidence to document the purchase is the best value. Also, there was no evidence a search was performed to ensure that the items were not available through TIBH, TCI, or TxSmartBuy contracts prior to purchasing from TXMAS. PO amounts were approximately \$550.
- For two samples, there was no evidence that a HUB search was performed. PO amounts were approximately \$1,900.

DSHS SABG:

- No exceptions were noted.

DSHS WIC:

- For one sample, the file did not contain the required TCI waiver form per the Prison Made Goods Act. Additionally, there was no clear evidence to document the purchase is the best value nor was there evidence a search was performed to ensure that the items were not available through TIBH, TCI, or TxSmartBuy contracts prior to purchasing from TXMAS. PO amount was approximately \$17,000.
- For one sample, it was noted that PCS relies on agency's recommendation for the continuation on the usage of Temporary IT staff. PCS verifies that the DIR contract and the hourly rate on PO matches the Contract Appendix C "Pricing Index." However, there is no other evidence that the continuation of the temporary staff was approved by an appropriate official or justification on the proprietary continuation usage of the same contractor without soliciting other vendors. PO amount was approximately \$200,000.
- For one sample, there was no evidence in the contract renewal folder that evidenced multiple vendors were solicited prior to offering the contract. PO amount was approximately \$347,000.
- For one sample, there was no evidence of solicitation to qualified vendors other than the one that was selected for purchase. No documentation was included in the file to support this justification. PO amount was approximately \$381,000.

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PCS has put a quality control (QC) process in place to review a sampling of procurement files for each buyer. Results of QC activities are submitted to each manager to review and take corrective actions. Control appears to be adequately designed to meet process requirements but does not appear to be operating effectively based on the results of compliance test work above.

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. Automated controls should be strengthened to ensure segregation of duties between initiation of procurement activities and buying activities.

Views of Responsible Officials:

PCS agrees with the recommendation.

Corrective Action Plan:

PCS has hired a quality audit manager and has posted positions for 2 procurement quality auditors. All Three positions report to the Policy and Training Manager and will be utilized to help form and modify all policies and training necessary to ensure compliance with all purchasing regulations (both federal and state). Lastly, all of HHS will be using a new accounting system, CAPPs 9.2, on September 1, 2017. This new system has been designed to ensure pre-procurement planning and initiation is correctly documented and handled by program staff before being assigned to a procurement professional for processing.

Implementation Dates: January 2017, except for automated controls, which will be effective September 2017.

Responsible Person: Michael D. Parks

Reference No. 2016-027

Allowable Costs/Cost Principles

(Prior Audit Issues – 2015-023, 2014-012, 2013-021 and 13-14)

CFDA 93.767 – Children's Health Insurance Program

Award years – October 1, 2015 to September 30, 2017, October 1, 2014 to September 30, 2016, and October 1, 2013 to September 30, 2015

Award numbers – 1605TX5021, 1505TX5021, 1505TX1081, and 1405TX5021

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

Award years – October 1, 2015 to September 30, 2017, October 1, 2014 to September 30, 2016, and October 1, 2013 to September 30, 2015

Award numbers – 2B08TI010051-16, 2B08TI010051-15 and 2B08TI010051-14

Medicaid Cluster

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

Award numbers – 1605TXIMPL, 1605TX5MAP, 1605TX5ADM, 1605TXINCT, 1505TX5MAP, 1505TX5ADM, 1505TXIMPL, 1505TXINCT, and 1505TXBIPP

Non-Major Programs:

CFDA 93.958 Block Grants for Community Mental Health Services

Statistically valid sample – no

Type of finding – Significant Deficiency

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. Per 2 CFR 200.303, Health and Human Services Commission (HHSC) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statues, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

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 \$19.8 billion in fiscal year 2016, approximately 90% 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 (MCO) to which individuals are assigned. Eligibility of individuals is received via interface files with other Texas systems. HHSC is organized to include an 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. Two actuarial users have direct access to make rate changes in PPS. Additionally one member of the HHSC Managed Care Operations Coordination Department has security administrative rights which give her the ability to grant herself the access to modify capitation rates. A review of the audit logs during the fiscal year 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 70 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 two developers who had administrative access to the PPS database through December 16, 2016. Additionally, six PPS developers had access to the Atos ticketing system to request Atos migrate code to production. The IT Health Services Systems group implemented a monitoring control to review changes implemented into the PPS production environment and confirm these changes were approved by comparing to HHSC IT Change Control Requests used to document the change management process. The review noted no inappropriate changes that were migrated; however, the timeliness of reviews completed was unable to be determined. Further the database password configuration for PPS does not follow the password policy for several database profiles. Lockout attempts and password expiration do not align to the password policy for three database profiles.

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:

With regard to the IT production environment, on December 16, 2016 HHSC IT directed ATOS to change the access of the two identified staff to read only by placing them in developers read only group "staff, ma". To validate that the change was processed, on January 5, 2017, Atos supplied a new report and HHSC-IT verified that all developer staff are now in group "staff, ma".

Corrective Action Plan:

The Application Manager will request a quarterly report from the Data Center Services (DCS) vendor (Atos) listing the access of all users of the PPS production database. The Application Manager will review the report to validate that all users have the appropriate access. The first validation occurred in January 2017.

The subsequent quarterly reviews will occur at the beginning of each quarter of the calendar month as follows: January, April, July, and October

Implementation Date: January 2017

Responsible Person: John Schulz

Texas Department of Housing and Community Affairs

Reference No. 2016-028

Reporting

CFDA 93.568 – Low-Income Home Energy Assistance

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

Award number – G-15BITXLIEA

Statistically valid sample – no

Type of finding –Non-Compliance

As part of the application for block grant funds each year, a report is required for the preceding fiscal year of (1) the number and income levels of the households assisted for each component (heating, cooling, crisis, and weatherization), and (2) the number of households served that contained young children, elderly, or persons with disabilities, or any vulnerable household for each component (42 USC 8629; 45 CFR section 96.82). Key line items are noted as Section 1 – LIHEAP Assisted Households and Section 2 – LIHEAP Applicant Households.

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

For the federal fiscal year 2015 LIHEAP annual report, the Texas Department of Housing and Community Affairs (TDHCA) did not retain documentation for the following key line items in the report:

- Number of Assisted Households: Line 5 – “Any type of LIHEAP assistance”.
- Number of Assisted Households: Line 6 – “Bill Payment Assistance”.
- Number of Assisted Households by Poverty Interval: Line 3d - “Emergency Furnace Repair & Replacement”.
- Number of Assisted Households by Vulnerable Population: Line 3d - “Emergency Furnace Repair & Replacement”.
- Number of Assisted Households by Vulnerable Population: Line 5 – “Any type of LIHEAP Assistance”.
- Number of Assisted Households by Vulnerable Population: Column D – “Elderly, disabled, or young child”.
- Number of Applicant Households: Line 3d – “Emergency Furnace Repair & Replacement”.
- Number of Applicant Households by Poverty Interval: Line 3d – “Emergency Furnace Repair & Replacement”.

TDHCA was unable to produce the report in arrears as the database is continuously updated.

Recommendation:

TDHCA should retain the supporting documentation for all reports filed.

Views of Responsible Officials:

Accepted. The Department has developed a process that requires the capture and retention of the backup documentation that supports the actual reported numbers in the LIHEAP Annual Report at the time of submission. Finance and Reporting staff will ensure that proper retention periods will be observed for the LIHEAP Annual Report.

Corrective Action Plan:

The Fiscal and Reporting staff will retain copies of back up documentation which substantiate the numbers reported in the LIHEAP Annual Report.

Implementation Date: October 1, 2016

Responsible Person: Cathy Collingsworth

Department of Public Safety

Reference No. 2016-029

Subrecipient Monitoring
(Prior Audit Issue – 2015-031)

CFDA 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Award years – See below
Award numbers – See below
Statistically valid sample – no
Type of finding – Significant Deficiency and Non-Compliance

The Department of Public Safety (DPS) is required by 2 CFR Part 200, Subpart F 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. Additionally per 2 CFR Part 200.331, all pass-through entities must identify the dollar amount made available under each Federal award and the CFDA number at the time of each disbursement. Per 2 CFR 200.303, DPS must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

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

Per 44 CFR 206.205 (a), for small projects under Public Assistance, 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.

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 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. Additionally, DPS does not have a process in place to notify their subrecipients of the CFDA number at the time of each disbursement.

Open disasters during fiscal year 2016 were:

<u>Disaster Number</u>	<u>Award Number</u>	<u>Disaster Declaration Date</u>
1606	1606DRTXP00000001	September 24, 2005
1624	1624DRTXP00000001	January 11, 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
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
4245	4245DRTXP00000001	November 25, 2015
4255	4255DRTXP00000001	February 9, 2016
4266	4266DRTXP00000001	March 19, 2016

PUBLIC SAFETY, DEPARTMENT OF

<u>Disaster Number</u>	<u>Award Number</u>	<u>Disaster Declaration Date</u>
4269	4269DRTXP00000001	April 25, 2016
4272	4272DRTXP00000001	June 11, 2016

Recommendation:

DPS should establish controls to ensure policies regarding reviews of small project completion are followed, facilitating DPS' certification of small projects in accordance with FEMA 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, as well as put procedures in place to notify the subrecipients of the CFDA number associated with their funds at each disbursement.

Views of Responsible Officials:

The Department of Public Safety agrees with the recommendation. The Department is committed to excellence in all endeavors, including grants management, and strives to work diligently with our federal partners to ensure audit requirements can be met. See the corrective action plan for further details.

Corrective Action Plan:

The Department will establish controls to ensure small project completions are followed to facilitate the Department's certification that small projects are conducted in accordance with Homeland Security requirements. The Department will work with our federal partners to ensure small project completion oversight is adequately documented and will adjust our state administrative plan and division processes as needed.

The Department has already begun notifying subrecipients of the CFDA number associated with each disbursement and will ensure procedures are updated to include this new process.

Implementation Date: March 15, 2017

Responsible Persons: Sandra Fulenwider and Maureen Coulehan

Department of State Health Services
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Reference No. 2016-030

Eligibility

(Prior Audit Issue 2015-036)

CFDA 93.917 – HIV Care Formula Grants**Award years – April 1, 2016 to March 31, 2017 and April 1, 2015 to March 31, 2016****Award numbers – X07HA00054-26 and X07HA00054-25****Statistically valid sample – no****Type of finding – Material Weakness and Material Non-Compliance**

Per 2 CFR 200.303, Department of State Health Services (DSHS) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. 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.

DSHS has 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. No exceptions were noted for these processes in fiscal year 2016.

Out of a sample of 40 active client files reviewed that had been certified or recertified in fiscal year 2016, 17 were recertifications and all were older 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:

Accepted. The Department has already implemented significant process enhancements in this area. Through analysis of the eligibility redetermination exceptions identified in the audit, the Department will work to develop and implement corrective action to further improve the processes. See the corrective action plan for further details.

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Corrective Action Plan:

The Department's Texas HIV Medication Program (THMP) will continue with the quarterly quality assurance processes. THMP is committed to improving the certification and recertification process by increasing program capacity and updating written documentation of the processes. As of August 2016, contractors were hired to assist with bringing the recertification process up to date. Monthly processes have begun to both identify and correspond with applicants approaching their recertification deadlines.

Implementation Date: March 1, 2017

Responsible Persons: Janna Zumbrun, Rachel Sanor

Reference No. 2016-031

Allowable Costs/Cost Principles

(Prior Audit Issue 2015-035, 2014-017 and 2013-027)

CFDA 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children
Award years – October 1, 2015 to September 30, 2016 and October 1, 2014 to September 30, 2015
Award number – 6TX700506

CFDA 93.268 – Immunization Cooperative Agreements
Award years – January 1, 2016 to December 31, 2016 and January 1, 2015 to December 31, 2015
Award numbers – 5NH23IP000773-04 and 5H23IP000773-03

CFDA 93.917 – HIV Care Formula Grants
Award years – April 1, 2016 to March 31, 2017 and April 1, 2015 to March 31, 2016
Award numbers – X07HA00054-26 and X07HA00054-25

CFDA 93.959 – Block Grants for Prevention and Treatment of Substance Abuse
Award years – October 1, 2015 to September 30, 2017 and October 1, 2014 to September 30, 2016,
Award numbers – 2B08TI010051-16 and 2B08TI010051-15

Non-Major Programs:

- 10.475 Cooperative Agreements with State for Intrastate Meat and Poultry Inspection
- 66.001 Air Pollution Control Program Support
- 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
- 93.073 Birth Defects and Developmental Disabilities - Prevention and Surveillance
- 93.074 Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements
- 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
- 93.116 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
- 93.150 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
- 93.305 National State Based Tobacco Control Programs
- 93.336 Behavioral Risk Factor Surveillance System
- 93.448 Food Safety and Security Monitoring Project

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- 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**
 - 93.735 **State Public Health Approaches for Ensuring Qutline 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**
 - 93.815 **Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)**
 - 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**
 - 93.982 **Mental Health Disaster Assistance and Emergency Mental Health**
 - 93.991 **Preventive Health and Health Services Block Grant**
 - 93.994 **Maternal and Child Health Services Block Grant to the States**
- Statistically valid sample – no
Type of finding – Significant Deficiency

Per 2 CFR 200.303, Texas Department of State Health Services (DSHS) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statues, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. Title 2 Code of Federal Regulations Section 200.430 Compensation – Personal Services sets standards for payroll documentation which include:

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

(1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS);
- (iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;
- (v) Comply with the established accounting policies and practices of the non-Federal entity;
- (vi) [Reserved];
- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity;
- (viii) Budget estimates (i.e., estimates determined before the services are performed) alone do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes, provided that:
 - (A) The system for establishing the estimates produces reasonable approximations of the activity actually performed;
 - (B) Significant changes in the corresponding work activity (as defined by the non-Federal entity's written policies) are identified and entered into the records in a timely manner. Short term (such as one or two months) fluctuation between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term; and

(C) The non-Federal entity's system of internal controls includes processes to review after-the-fact interim charges made to a Federal awards based on budget estimates. All necessary adjustment must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

DSHS requires its employees to complete monthly time and leave 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 submits their time, they simply report any hours that deviated from their profile, but their profile is not shown on the certification screen. The employee task profile can be retrieved via a link separate from the certification process. Therefore, if an employee is not aware of how their time is being allocated (i.e. their default task 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 prior years, updates were made to DSHS Policy FS-1110, Time and Labor Accounting to more clearly address 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. In 2016, this training became required for the entire agency including managers and existing employees. 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. However, a response from the managers confirming the accuracy of the task profiles is currently not required. 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 Expenditures of Federal Awards for fiscal year 2016 is approximately \$55.75 million. Total federal payroll deviation dollars was less than one and a half percent of total federal payroll expenditures in fiscal year 2016.

Recommendation:

DSHS should create a control to formalize a monthly review of all employees' federal labor account code allocations. Additionally, there should be a direct link within an employee's time records to the certification page as well as the employee's labor account code allocations.

Views of Responsible Officials:

Accepted. The Department appreciates the acknowledgement of annual employee labor account code and timekeeping training now in place, which explains the payroll timekeeping system and labor accounts for all employees, particularly those in federally funded positions. The Department has already begun working toward addressing this recommendation.

Corrective Action Plan:

The Department will identify or create a control to formalize a review of employee labor account code allocations. The budget section is improving employee profile and labor account reports for use by managers for this purpose. Additionally, the Department is in the process of developing biennial training for managers with an emphasis on task profile deviations and monthly timesheet processes.

To further improve electronic time keeping compliance measures on behalf of the Department, Health and Human Services Payroll/Time Labor and Leave has submitted two Incident Requests into the Comptroller's ITSM system for enhancements to the CAPPS system to provide a direct link between employee time records and recommended certifications. Specifically: To remove the link to the timesheet certification page from the employee's left navigation menu on the CAPPS home page. This will result in the only link to the certification page is directly from the employee's timesheet. To add a link on the timesheet allowing employees and managers to print the Employee Monthly Time report directly from the employee's timesheet.

Implementation Date: August 2017

Responsible Persons: Donna Sheppard and Leslie Aguilar

Reference No. 2016-032

Special Tests and Provisions – Independent Peer Reviews

(Prior Audit Issue 2015-039)

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

Award years – October 1, 2015 to September 30, 2017 and October 1, 2014 to September 30, 2016

Award numbers – 2B08TI010051-16 and 2B08TI010051-15

Statistically valid sample – no

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 (42 USC 300x-53(a)). 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	

Per 2 CFR 200.303, Texas Department of State Health Services (DSHS) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

In reviewing the independent peer reviews conducted by DSHS in fiscal year 2016, DSHS' policy in place at the time was 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 designed, no one independent of the lead program specialist is verifying that the annual process was executed in accordance with DSHS policy. No compliance exceptions were noted.

As of May 2016 policies regarding these independent peer reviews were updated to include an independent review of the compliance with the five percent requirement and review of documentation providing evidence of the

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independence of the peer reviewers. Also added was a quality assurance process to review a sample of the peer reviews completed to validate the summary report.

Recommendation:

DSHS should monitor implementation of the updated policy stated above to ensure key elements of the peer review process are reviewed by someone other than the preparer.

Views of Responsible Officials:

Accepted. DSHS has already implemented significant process enhancements in this area. The policies that have been put in place to provide independent review of the peer review process and the addition of a quality assurance process have strengthened the compliance environment and helped to ensure the quality, appropriateness, and efficacy of treatment services.

Corrective Action Plan:

As of May 2016 policies regarding these independent peer reviews were updated. Effective September 1, 2016, this program transitioned from DSHS to Health and Human Services Commission (HHSC). HHSC will monitor the implementation of the updated policy to ensure key elements of the peer review process are appropriately and independently reviewed.

Implementation Date: May 26, 2016

Responsible Person: Lauren Lacefield-Lewis

Reference No. 2016-033

Matching, Level of Effort, Earmarking

CFDA 93.917 – HIV Care Formula Grants
Award year – April 1, 2015 to March 31, 2016
Award number – X07HA00054-25
Statistically valid sample – no
Type of finding – Non-Compliance

Unless waived by the Secretary, for the purpose of providing health and support services to women, youth, infants, and children with HIV disease, including treatment measures to prevent the perinatal transmission of HIV, a State shall use for each of these populations not less than the percentage of Part B funds in a fiscal year constituted by the ratio of the population involved (women, youth, infants, or children) in the State with AIDS to the general population in the State of individuals with AIDS (42 USC 300ff-22(e)). This information is provided to the State by HRSA in the annual application guidance (Appendix II, Estimated Number/Percent of Women, Infants, and Children Living with AIDS in States and Territories).

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

For the federal fiscal year 2015 Woman, Infants, Children, and Youth (WICY) Report, the Texas Department of State Health Services (DSHS) did not retain supporting documentation for the “Total RWHAP Part B Funds Used to Provide Services” line item, which reports total HIV expenditures in each of the applicable categories for women, infant, children and youth. Additionally, no supporting documentation was retained for the line item “Total Medicaid Funds Used to Provide Services”, which is in Part C of this report and is used for waiver purposes for applicable earmark categories not met. As such, compliance with this earmarking requirement could not be determined.

Recommendation:

DSHS should retain the supporting documentation for all reports filed.

Views of Responsible Officials:

Accepted. The Department's HIV Care Services Group has already implemented a structured WICY reporting procedure that requires manager review, and retention of supporting documentation. See the corrective action plan for further details.

Corrective Action Plan:

The Department's HIV Care Services implemented a step-by-step WICY reporting process on September 30, 2016. This process requires review and approval by the HIV Care Services Group Manager and that all reports, along with supporting documentation used in compiling the WICY report must be saved in the appropriate shared drive folder. The procedure was further updated on December 14, 2016 to specify that the individual completing WICY reports must provide all supporting documentation for the manager's review and verification of amounts reported.

Implementation Date: September 30, 2016

Responsible Persons: Janna Zumbrun, Janina Vazquez, and Michelle Berkoff

Reference No. 2016-034

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

(Prior Audit Issue – 2015-038)

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

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

Award number – 6TX700506

Statistically valid sample – no

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)). Per 2 CFR 200.303, Texas Department of State Health Services (DSHS) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

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

Nineteen out of 40 unreconciled PANs reviewed were not reconciled within 120 days of the FI's first valid date for participant use. These PANs reviewed were reconciled between six and 75 days late. Based on discussions with the

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Department of State Health Services (DSHS), these exceptions are due to IT issues that occurred during an IT system transition period for EBT claims processing to a new third-party service organization.

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. In periods of system outage or delays, additional procedures should be put in place to ensure timely execution of the reconciliation.

Views of Responsible Officials:

Accepted. The Department of State Health Services (DSHS) worked with its vendor to resolve glitches with the newly installed account reporting system which had resulted in the late reconciliation and submissions. DSHS has implemented corrective action to ensure timely reconciliation. See the corrective action plan for further details.

Corrective Action Plan:

After a thorough review of data reporting limitations associated with the reconciliation process and other issues that would impact the agency's ability to timely reconcile Food Instruments, a new, manual process was implemented and documented. It has been used successfully since May 2016 and will remain in place until the contractor has programmed that into the software.

Implementation Date: May 31, 2016

Responsible Persons: Evelyn Delgado and Edgar Curtis

Texas Education Agency

Reference No. 2016-035

Cash Management

Matching, Level of Effort, Earmarking

Period of Performance

Reporting

Subrecipient Monitoring

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

(Prior Audit Issues – 2015-041, 2014-021, 2013-031)

CFDA 84.011 Migrant Education – State Grant Program

Award years – July 1, 2015 to September 30, 2017, July 1, 2014 to September 30, 2016, and July 1, 2013 to September 30, 2015

Award numbers – S011A150044, S011A140044, and S011A130044

CFDA 84.371 – Striving Readers

Award years – October 1, 2015 to September 30, 2016, October 1, 2014 to September 30, 2016, October 1, 2013 to September 30, 2015, and October 1, 2011 to September 30, 2016

Award numbers – S371C110013-15, S371C110013-14, S371C110013-14B, S371C110013-13, and S371C110013-11A

Special Education Cluster (IDEA)

Award years – July 1, 2015 to September 30, 2017, July 1, 2014 to September 30, 2016, and July 1, 2013 to September 30, 2015

Award numbers – H173A150004, H027A150008-15B, H173A140004, H027A140008-14B, H173A130004, and H027A130168-13A

Statistically valid sample – no

Type of finding – Significant Deficiency

Per 2 CFR 200.303, Texas Education Agency (TEA) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. TEA utilizes PeopleSoft’s General Ledger as a financial management application. TEA’s implementation of the application is known as TCAPPS.

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

TEA has a formal policy to develop, test, and approve program changes for TCAPPS. Three developers had access to App Designer, PeopleSoft’s development tool, which can be utilized to make program changes to TCAPPS. The developer’s access rights to App Designer were restricted in August 2016 preventing them from the ability to migrate their own program changes. 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. Developers should not have access to migrate changes to the production environment. Three developers also have administrative access to TCAPPS that provide the ability to modify permission lists in TCAPPS. Developers should not have access privileges above read-only in the application.

TEA uses information produced from TCAPPS for compliance with applicable compliance requirements under various components of Cash Management, Eligibility for Subrecipients, Matching, Level of Effort, and Earmarking, Period of Performance, Reporting, and Subrecipient Monitoring. No compliance exceptions were noted with regard to the use of TCAPPS 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. Finally, developer access to the production environment should not have access privileges above read-only in the application.

Views of Responsible Officials:

TEA agrees with this finding and has taken steps to provide separation of duties. TEA has already completed segregation of migration duties and restriction of Application Designer permissions. Developers no longer have access to migrate code to production or make Application Designer changes in production. This function is now performed by a separate production migration support team.

Corrective Action Plan:

TEA will continue to further segregate duties and/or ensure adequate controls are in place to restrict developer access.

Implementation Date: August 31, 2017

Responsible Person: Melody Parrish

Reference No. 2016-036

**Subrecipient Monitoring
Special Tests and Provisions – Priority for Services**

CFDA 84.011 Migrant Education – State Grant Program

Award years – July 1, 2015 to September 30, 2017; July 1, 2014 to September 30, 2016; July 1, 2013 to September 30, 2015

Award numbers – S011A150044, S011A140044, S011A130044

Statistically valid sample – no

Type of finding –Non-Compliance

Texas Education Agency (TEA) is required by 2 CFR Part 200, Subpart F to monitor subrecipients to ensure compliance and 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. Additionally, State Education Agencies (SEAs) and Local Education Agencies (LEAs) or other local operating agencies must give priority for Migrant Education Program (MEP) services (PFS) to migratory children who are failing, or most at risk of failing, to meet the State’s challenging content and academic achievement standards, and whose education has been interrupted in the regular school year (Title I, Part C, Section 1304(d) of ESEA (20 USC 6394(d)). Per 2 CFR 200.303, TEA must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

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

TEA uses a third-party service organization to manage, host, and administer the NGS application for Migrant Education. Migrant student information is entered into the NGS application by regional Education Service Centers (ESCs) based on applications reviewed. When the ESCs encode the student information into the NGS application, a student is flagged as PFS if the information matches the criteria set in the system. The flagging within the NGS application was tested with no exceptions. However, TEA does not have a process in place to monitor the completeness and accuracy of the information input into NGS by the ESCs for PFS eligibility, or a process for monitoring of program records to determine if these children who were identified as priority were provided MEP services. Based on the *Consolidated State Performance Report for School Year 2014-2015*, which was completed by TEA in fiscal year 2016, PFS children made up approximately 12,000 of the approximately 42,000 eligible migrant children, or approximately 28%. No other compliance exceptions were identified for subrecipient monitoring for MEP.

Recommendation:

TEA should implement monitoring procedures for the ESCs in regards to completeness and accuracy of identified PFS children, as well as monitoring of MEP services for these children.

Views of Responsible Officials:

Accepted. The Texas Education Agency has already implemented significant process enhancements in these areas. Through analysis of the exceptions identified in the audit, the Agency will work to develop and implement corrective action to further improve the processes. See the corrective action plan for further details.

Corrective Action Plan:

TEA will implement additional monitoring procedures for the ESCs to ensure the completeness and accuracy of the identification of PFS children by requesting that each ESC submit to TEA a random sample of Priority For Service (PFS) student list with supporting documentation from LEAs on a quarterly basis. NGS data will be requested by TEA to verify the criteria for PFS is met for each child selected. In addition, TEA will implement procedures for the monitoring of MEP services provided for these children by requesting from each ESC Priority For Service (PFS) Action Plan samples and randomly requesting supporting documentation. TEA will review the action plans and supporting documentation submitted to ensure that LEAs have provided appropriate MEP services to students identified as PFS.

Implementation Date: August 2017 (Information will be provided to ESCs prior to implementation date.)

Responsible Person: Susie Coultriss

Texas Higher Education Coordinating Board

Reference No. 2016-037

**Special Tests and Provisions – Individual Record Review
Special Tests and Provisions – Enrollment Reports**

CFDA 84.032L – Federal Family Education Loans (FFEL)

Award year – July 1, 2015 to June 30, 2016

Award number – N/A

Statistically valid sample – no

Type of finding – Significant Deficiency and Non-Compliance

Per 2 CFR 200.303, the Texas Higher Education Coordinating Board (THECB) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

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

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)).

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 six 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 student who are converting to repayment status, repayment date should be calculated based on the six month grace period or 30 day notice for students whose grace has already expired. If the borrower is in repayment status when the THECB is notified the first payment must be due no later than 75 days from notification (report date). (34 CFR section 628.209).

THECB downloads approximately two to three Clearinghouse files per week for processing. When the Clearinghouse reports are run through batch in THECB’s loan system, there are two reports generated from these batch runs that contain information affecting the status of a student. One of these files is a listing of records that were automatically updated in THECB’s loan system. The other is a listing of records that need to be manually reviewed and changed if deemed necessary.

Effective April 2016, THECB implemented a monthly control to monitor and sample the manual enrollment status update report processing to ensure borrower statuses were being updated completely and accurately. Prior to April 2016, there was no evidence of review of the manual enrollment status update report processing.

Audit procedures involved a review of 40 borrowers' individual records and 65 borrowers' status changes from enrollment reports. Of the 65 borrowers examined for enrollment report status changes, 40 were generated from manual update reports and 15 were generated from automated update reports. For one out of 40 borrowers for individual records reviewed, the borrower's disclosure statement could not be located for the loan selected. For one out of 40 manual status changes from enrollment reports, the borrower was not timely updated from deferment status as a half time student to repayment status as a less than half time student. The borrower dropped below half time enrollment status on July 10, 2015, and re-entered half time enrollment status on June, 6, 2016. The borrower remained in deferment status during this time. On July 18, 2016 a correction was made in the THECB's system to reverse interest billed to federal government of approximately \$736 during the ineligible deferment status. This correction was reported on the September 30, 2016 LaRS, therefore no questioned costs. All borrower status changes examined on automated update reports were timely and accurately updated in THECB's loan system.

Recommendation:

THECB should continue the monthly monitoring and sampling of the manual enrollment status update report processing begun in April 2016. THECB should also ensure retention of all required individual record review documentation.

Views of Responsible Officials:

Accepted. The Agency has already implemented significant process enhancements in this areas. Through analysis of the exceptions identified in the audit, the Agency will work to develop and implement corrective action to further improve the processes. See the corrective action plan for further details.

Corrective Action Plan:

Additional quality control and quality assurance measures have been put into place since April 2016 to ensure that borrower statuses are being updated completely and accurately, as noted below:

Quality Control

- The Manager of Account Services reviews the Clearinghouse folder weekly to ensure reports are started and completed in a timely manner.
- *The Manager reviews reports to ensure all TX and accounts reported as A, G, L or W have been reviewed and notated.*
- *If corrections are required, the Manager will send notification to the Account Representative who performed the initial review and follow-up to confirm the correction is complete.*
- *Once document has been determined complete, the Manager will notate on the document that Quality Control is complete, and the document will be moved to the current year folder, indicating it is ready for quality assurance review.*

Quality Assurance

- On a rotating monthly basis, a Team Lead in Account Services will select on NCS report and one TERP report for Quality Assurance review.
- Ten percent of the accounts reviewed by an Account Representative will be randomly selected for Quality Assurance review, not to exceed 10 accounts per Account Representative.
- If corrections are required, the Team Lead will send notification to the Account Representative who performed the initial review and follow-up to confirm the correction is completed.
- Accounts reviewed by the Team Lead will be documented and feedback provided to the Account Representative.
- The Team Lead will document accounts reviewed by highlighting the account to correspond with their highlighted initials on the document.

TEXAS HIGHER EDUCATION COORDINATING BOARD

Implementation Dates: April 2016 and November 2016

Responsible Person: Ron Stroud

Reference No. 2016-038

Special Tests and Provisions – Due Diligence by Lenders in the Collection of Delinquent Loans

CFDA 84.032L – Federal Family Education Loans (FFEL)

Award year – July 1, 2015 to June 30, 2016

Award number – N/A

Statistically valid sample – no

Type of finding – Significant Deficiency and Non-Compliance

Per 2 CFR 200.303, Texas Higher Education Coordinating Board (THECB) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

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

Lenders are required to engage in specific collection activities and meet specific claim-filing deadlines on delinquent loans. In the case of a loan made to a borrower who is incarcerated, residing outside the United States or its Territories, Mexico, or Canada, or whose telephone number is unknown, the lender may send a forceful collection letter instead of each telephone effort described below. There are also specific collection activities that must be performed before a lender can file a default claim on a loan with an endorser. The due diligence provisions preempt any State law, including State statutes, regulations, or rules that would conflict with or hinder satisfaction of the requirements or frustrate the purposes of that section (34 CFR Section 682.411).

Collection activity with respect to a loan is defined as:

- a. Mailing or otherwise transmitting to the borrower at an address that the lender reasonably believes to be the borrower’s current address, a collection letter or final demand letter that satisfies the timing and content requirements of 34 CFR Sections 682.411(c), (d), (e), or (f);
- b. Attempting telephone contact with the borrower;
- c. Conducting skip-tracing efforts, in accordance with 34 CFR Sections 682.411(h)(1) or (m)(1)(iii) to locate a borrower whose correct address or telephone number is unknown to the lender;
- d. Mailing or otherwise transmitting to the guaranty agency a request for default aversion assistance available from the agency on the loan at the time the request is transmitted; or
- e. Any telephone discussion or personal contact with the borrower as long as the borrower is apprised of the account’s past-due status (34 CFR Section 682.411(l)(5)).

A lender/servicer may not permit the occurrence of a gap of more than 45 days (or 60 days in the case of a transfer) in collection activity on a loan (34 CFR Section 682.411(j)).

A lender is required to maintain complete and accurate records of each loan that it holds. In determining whether the lender met the due diligence compliance requirements pertaining to collection of delinquent loans, the documentation maintained must include a collection history showing the date and subject of each communication between the lender and the borrower or endorser relating to collection of a delinquent loan; each communication (other than regular reports by the lender showing that an account is current) between the lender and a credit bureau regarding the loan; each effort to locate a borrower whose address is unknown at any time; and each request by the lender for default aversion assistance on the loan (34 CFR Section 682.414(a)(4)).

Failure to comply with the Federal due-diligence regulations will result in the loss of reinsurance for the guaranty agency, the loss of a lender’s right to receive an insurance payment from the guaranty agency’s Federal Fund, and the lender’s right to receive interest and special allowance (34 CFR Part 682, Appendix D, Paragraph I.B.3).

TEXAS HIGHER EDUCATION COORDINATING BOARD

The required collection activities are described below. As part of one of the collection activities, the lender must provide the borrower with information on the availability of the Student Loan Ombudsman's office (34 CFR Section 682.411).

1 to 15 Days Delinquent: One written notice or collection letter should be sent to the borrower informing the borrower of the delinquency and urging the borrower to make payments sufficient to eliminate the delinquency (except in the case where a loan is brought into this period by a payment on the loan, expiration of an authorized deferment or forbearance period, or the lender's receipt from the drawee of a dishonored check submitted as a payment on the loan.) The notice or collection letter sent during this period must include, at a minimum, a lender contact, a telephone number, and a prominent statement informing the borrower that assistance may be available if he or she is experiencing difficulty in making a scheduled repayment.

16 to 180 Days Delinquent (16-240 days delinquent for a loan repayable in installments less frequently than monthly): Unless exempted as set forth in 34 CFR Section 682.411(d)(4), during this period the lender shall engage in the following:

- a. At least four diligent telephone contacts (see definition of a "diligent telephone contact" below) urging the borrower to make the required payments on the loan. At least one of the telephone contacts must occur on or before the 90th day of delinquency and another one must occur after the 90th day of delinquency.
- b. At least four collection letters – at least two of which must warn the borrower that if the loan is not paid, the lender will assign the loan to the guaranty agency that, in turn, will report the default to all national credit bureaus, and that the agency may institute proceedings to offset the borrower's State and Federal income tax refunds and other payments made by the Federal Government to the borrower, or to garnish the borrower's wages, or assign the loan to the Federal Government for litigation against the borrower.

Diligent efforts for telephone contact are defined in 34 CFR Section 682.411(m) as:

- a. A successful effort to contact the borrower by telephone;
- b. At least two unsuccessful attempts to contact the borrower by telephone at a number that the lender reasonably believes to be the borrower's correct telephone number; or
- c. An unsuccessful effort to ascertain the borrower's correct telephone number, including but not limited to, a directory assistance inquiry as to the borrower's telephone number and sending a letter to or making a diligent effort to contact each reference, relative, and individual identified in the most recent loan application or most recent school certification for that borrower that the lender holds. The lender may contact a school official other than the financial aid administrator who reasonably may be expected to know the borrower's address.

Skip-Tracing Requirements

Skip-tracing is the process by which lenders attempt to obtain corrected address or telephone information for borrowers for whom the lender does not have accurate information. Skip-tracing processes must meet regulatory time frames and minimum standards as outlined in 34 CFR Section 682.411(h).

Unless the final demand letter (as specified in the "Subsequent Payment or Information Obtained" section above) has already been sent, the lender shall begin to diligently attempt to locate the borrower through the use of effective commercial skip-tracing techniques within 10 days of its receipt of information indicating that it does not know the borrower's current address. These efforts must include, but are not limited to, sending a letter to or making a diligent effort to contact each endorser, relative, reference, individual, and entity identified in the borrower's loan file, including the schools the student attended. For this purpose, a lender's contact with a school official that might reasonably be expected to know the borrower's address may be with someone other than the financial aid administrator, and may be in writing or by telephone.

These efforts must be completed by the date of default with no gap of more than 45 days between attempts to contact those individuals or entities. Upon receipt of information indicating that it does not know the borrower's current address, the lender shall discontinue the collection efforts described in the "Subsequent Payment or Information Obtained" section.

If the lender is unable to ascertain the borrower's current address despite its performance of the activities described in the "Subsequent Payment or Information Obtained" section, the lender is excused thereafter from performance of the collection activities (with the exception of a request for default aversion assistance) unless it receives a communication indicating the borrower's address prior to the 241st day of delinquency (the 301st day for loans payable in less frequent installments than monthly).

For required phone calls, THECB relies on their loan system configuration to appropriately place a borrower in a call queue based on status/number of days past due. A manual review control for required due diligence procedures was put in place beginning with the June 30, 2016 Lender's Interest and Special Allowance Request and Report (LaRS). This control was not performed however for the LaRS for quarters ended September 30, 2015, December 31, 2015, or March 31, 2016. As of September 2016 a monthly control was put in place to review due diligence efforts for a sample of delinquent loans.

Additionally, a review control to ensure skip-tracing activities were done for borrowers with missing or incorrect telephone information was not implemented until July 2016. Prior to this date there was not a control in place.

Audit procedures involved a review of 40 delinquent borrower accounts. Five out of 40 borrowers selected did not have the required due diligence telephone contact efforts completed. Two accounts were over 90 days past due but less than 180 days past due and did not have at least one full due diligence call completed prior to going over 90 days past due; one of these calls had an invalid phone number which was not skip-traced prior to going over 90 days past due. Three accounts were over 180 days past due and did not have the required four due diligence calls completed prior to going over 180 days past due; one of these calls had an invalid phone number which was not skip traced prior to going over 180 days past due. No exceptions were noted regarding required collection letters. No questioned costs as four out of five of the accounts have since become current or they are still in default, but no claim filed. One out of five did have a default claim filed in September 2016 and was subsequently paid by the guarantor with an interest penalty.

Recommendation:

THECB should continue the monthly review of due diligence efforts and skip tracing activities begun during 2016.

Views of Responsible Officials:

Accepted. The Agency has already implemented significant process enhancements in this area. Through analysis of the exceptions identified in the audit, the Agency will work to develop and implement corrective action to further improve the processes. See the corrective action plan for further details.

Corrective Action Plan:

In August 2016 THECB modified its due diligence process for our FFEL portfolio. Collection calls for all FFEL accounts are attempted every other week, rotating between AM and PM calls and on varying days of the week. On alternating Monday mornings, a list of all guaranteed accounts 10 or more days delinquent is provided to a Senior Customer Service Representative. The Senior Representative will make a collection call for every account on the list in which (1) we have not spoken with the borrower in the previous two weeks or (2) there is not a documented promise to pay the delinquent amount. This approach ensures due diligence calls are made every two weeks (a minimum of 11 attempts for a new account reaching 180 days). This process exceeds the diligent efforts for telephone contacts requirement (34 CFR 682.411m) of 4 efforts (8 attempts) currently required.

Beginning in February 2017, we are expanding our collection efforts for FFEL accounts by attempting to contact the borrower's references if we have not had contact with the borrower during the first 90 days of delinquency.

Address Skip tracing is being completed by our Collection Specialist within 10 days of notification of the bad address for all FFEL accounts.

TEXAS HIGHER EDUCATION COORDINATING BOARD

Bad telephone number skip tracing is being handled by the Senior Representative making the collection calls within 10 days of identifying a bad telephone number.

Implementation Dates: August 2016 and February 2017 (see above)

Responsible Person: Stephen Wessels

Reference No. 2016-039

Special Tests and Provisions – Interest Benefits
Special Tests and Provisions – Special Allowance Payments
Special Tests and Provisions – Payment Processing

CFDA 84.032L – Federal Family Education Loans (FFEL)

Award year – July 1, 2015 to June 30, 2016

Award number – N/A

Statistically valid sample – no

Type of finding – Significant Deficiency

Per 2 CFR 200.303, the Texas Higher Education Coordinating Board (THECB) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statutes, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

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

The Lender’s Interest and Special Allowance Request and Report (LaRS) is used by ED to calculate interest subsidies, special allowance payments due to lenders, and excess interest owed to ED. It is also used to obtain information about the lender’s Federal Family Education Loans (FFEL) program portfolio. For lenders to receive payments of interest benefits and special allowance payments, quarterly reports must be submitted to ED on the LaRS. The lender must submit fully completed quarterly LaRS to ED even if the lender is not owed, or does not wish to receive interest benefits or special allowance payments from ED.

ED pays the lender interest benefits (see 34 CFR Section 682.202(a) for applicable FFEL interest rates on eligible FFEL program loans (subsidized Stafford and certain consolidated loans) on behalf of a qualified borrower during certain loan statuses including:

- a. All periods prior to the beginning of the repayment period;
- b. Any period when the borrower has an authorized deferment (34 CFR Section 682.300); and
- c. During a period that does not exceed three consecutive years from the established repayment period start date on each loan under the income-based repayment plan and that excludes any period during which the borrower receives an economic hardship deferment, if the borrower’s monthly payment amount is not sufficient to pay the accrued interest on the borrower’s loan or on the qualifying portion of the borrower’s Consolidation Loan.

In addition to interest benefits, ED pays a special allowance to the lender on the average daily outstanding balance of eligible FFEL loans. ED computes the special allowance payable to the lender based upon the average daily balance computed by the lender. The amount of each quarterly special allowance payment on a loan will vary according to the type of FFEL program loan, the date the loan was disbursed, the loan period, and the loan status. The lender reports in Part III of the LaRS the average daily principal balance of those loans in each category qualifying for the payment. In addition ED will calculate the amount of excess interest or negative special allowance owed to ED. ED computes the special allowance payment due to the lender during processing of the LaRS (34 CFR Sections 682.304 through 682.305).

Additionally, in regards to Payment Processing, except in the case of payments made under an income-based repayment plan, the lender may credit the entire payment amount first to any late charges accrued or collection costs, then to any outstanding interest, and then to any outstanding principal. A borrower may prepay all or part of a loan at

any time without a penalty. Unless the borrower requests otherwise, if a prepayment equals or exceeds the established monthly payment amount, the lender shall apply the prepayment to future installments and advance the next payment due date. The lender must (1) inform the borrower in advance that any additional full payment amounts submitted without instructions as to their handling will be applied to future scheduled payments with the borrower's next scheduled payment due date advanced, or (2) provide a notification after the payment is received stating that the payment has been so applied and the due date of the borrower's next scheduled payment. Information related to the next scheduled payment due date need not be provided to a borrower making prepayments while in an in-school, grace, deferment, or forbearance period when payments are not due (34 CFR Section 682.209(b)). Interest must be charged in accordance with 34 CFR Sections 682.202(a) and (b).

THECB relies on their loan system automated configurations for calculation of interest benefits, average daily balances for special allowance payments and correct payment application to ensure accurate recordkeeping and LaRS. However, manual quarterly review controls are in place to recalculate information on the LaRS to ensure the information reported to ED is accurate. The review involves a manual recalculation of a borrower from the LaRS to ensure correct reporting for interest rate, average daily balance, and interest benefit amount. An additional borrower is selected to recalculate payments processed during the quarter. A borrower is also selected from an income-based repayment plan. This review control was not performed for the LaRS reports for quarters ended September 30, 2015 and December 31, 2015. The review was performed for the quarter ended March 31, 2016, but not timely. No exceptions were noted for the review for the quarter ended June 30, 2016.

No compliance exceptions were noted related to testing for Interest Benefits, Special Allowance Payments, or Payment Processing.

Recommendation:

THECB should continue the quarterly review controls over the information reported in the LaRS.

Views of Responsible Officials:

Accepted. The Agency has already implemented significant process enhancements in this areas. Through analysis of the exceptions identified in the audit, the Agency will work to develop and implement corrective action to further improve the processes. See the corrective action plan for further details.

Corrective Action Plan:

Responsibility for the manual quarterly review ensuring the validity of data submitted to ED was transferred to the Assistant Director-Operations Center, and the Manager-Account Services, in August, 2016. Previously agreed-to procedures will be followed in a timely manner going forward.

Implementation Date: August 2016

Responsible Person: Ron Stroud

Texas Workforce Commission

Reference No. 2016-040

Matching, Level of Effort, Earmarking Reporting

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

(Prior Audit Issue – 2015-044, 2014-024 and 2013-033)

TANF Cluster

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

Award numbers – 1601TXTAN3, 1601TXTANF, 1502TXTAN3 and 1502TXTANF

Non-Major Programs

CFDA 17.225 – Unemployment Insurance

WIA Cluster

Statistically valid sample – no

Type of finding – Significant Deficiency

The Texas Workforce Commission (TWC) utilizes the Texas Workforce Information System of Texas (TWIST) to manage subrecipient data. Per 2 CFR 200.303, TWC must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statues, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. 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 program and respective compliance requirements that rely on the TWIST database. The major and non-major programs and respective compliance requirements that rely on TWIST are:

- 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).
- WIA Cluster – Low Income Youth Earmarking.

Recommendation:

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

Views of Responsible Officials

Management agrees. Segregation of duties for migrating TWIST program changes has been completed.

Corrective Action Plan:

No further action required.

TEXAS WORKFORCE COMMISSION

Implementation Date: *October, 2015*

Responsible Person: *Andrew York*

Department of Transportation

Reference No. 2016-041

Cash Management

Matching, Level of Effort, and Earmarking

Reporting

(Prior Audit Issue 2015-045)

CFDA 20.509 – Formula Grants for Rural Areas

Award years – 2015, 2014, 2013, 2012, 2011, and 2010

Award numbers – TX-18-X039, TX-18-X038, TX-18-X036, TX-18-X035, TX-18-X034, and TX-18-X033

Statistically valid sample – no

Type of finding – Significant Deficiency

Per 2 CFR 200.303, the Texas Department of Transportation (TxDOT) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statues, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. 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 Transit Administration	

Four developers had administrative access to the application layer of the TxDOT PeopleSoft Enterprise Resource Planning (ERP) system during fiscal year 2016. Two of those four developers have administrative access to the ERP migration tool, allowing them the capability of migrating changes to the production environment. ERP is utilized to process expenditures for payment 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. No compliance exceptions were noted in the compliance areas named above in the finding with regard to the developers having access. The administrative application access was removed in January 2016 and developer to migrate changes was removed in October 2015.

Recommendation:

As noted above, the administrative application access was removed in January 2016 and developer to migrate changes was removed in October 2015.

Views of Responsible Officials:

Accepted. The Texas Department of Transportation Information Management Division implemented significant process enhancements in this area. Through analysis of the exceptions identified in the audit, the Texas Department of Transportation Information Management Division fully implemented a corrective action plan in January 2016. See the action plan for further details.

Corrective Action Plan:

The corrective action plan listed below was fully implemented in January 2016 and no further action is required.

All but one of the referenced migrated changes were read-only queries. The removing 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.

Implementation Date: January 2016

Responsible Person: Teri Augustine

Reference No. 2016-042

Matching, Level of Effort, Earmarking Reporting

CFDA 20.509 – Formula Grants for Rural Areas

Award years – 2015, 2014, 2011, 2010

Award numbers – TX-18-X039, TX-18-X038, TX-18-X034, and TX-18-X033

Statistically valid sample – no

Type of finding – Significant Deficiency and Non-Compliance

Per 2 CFR 200.303, the Texas Department of Transportation (TxDOT) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statues, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Questioned Cost: Could not be determined
U.S. Department of Transportation – Federal Transit Administration

SF-425 Financial Reports

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 an annual or quarterly basis. The U.S. Office of Management and Budget (OMB) provides specific instructions for completing the SF-425, including definitions of key reporting elements (Title 2, Code of Federal Regulations (CFR), Section 215.51).

Audit procedures involved a review of four SF-425 reports submitted in fiscal year 2016 for four of the active awards for this grant. Of the four reports reviewed, two of the reports were the final close out reports for the grant year. For one of the close out reports tested, TX-18-X034, the match amount was not met. This report showed an unliquidated recipient share obligation of approximately \$7.3 million. Additionally, for the two closed grants tested, 14 out of 25 cumulative match amounts per project could not be supported by final Requests for Reimbursements from subrecipients, which is how the match amounts are manually tracked by TxDOT for SF-425 reporting. Questioned costs could not be determined as match rates vary by project. However, no exceptions were noted when testing 40 closed out subrecipient projects in currently active fiscal year 2016 grants in regards to properly supported subrecipient match amounts recorded for SF-425 reporting. There was also an input error noted on the Federal Cash Disbursement lines for one of the active grant SF-425 reports tested. The input error was noted on the SF-425 report for grant TX-18-X039 and resulted in the Federal Cash Disbursements line item being under reported by approximately \$1.9 million. No question costs as amounts corrected in subsequent reports as report is cumulative in nature. Lastly, it was noted that while the SF-425 report preparation is a very manual process for TxDOT, there was no review of the report before submission by someone other than the preparer.

National Transit Data (NTD) Report

Recipients are required to submit an annual report containing financial and operating information referred to as the National Transit Data (NTD) Report. The State agency administering the program is responsible for submitting the rural report on behalf of the State and its subrecipients. Data to be reviewed is on the Rural General Public Transit form (RU-20) (OMB No. 2132-0008). Key Line Items for the NTD report include:

- a. Line 05 – Total Annual Operating Expenses.

- b. Line 08 – Local Operating Assistance.
- c. Line 13 – Annual Capital Costs.
- d. Lines 25a, 25b, 25c (Mode), Column g – Total Trips.

TxDOT is required to submit NTD information for each applicable rural transportation system on an annual basis, of which there were 37 in fiscal year 2016. TxDOT utilizes a third party to gather, analyze and report back the required information for the annual NTD report. Subrecipients have the option of submitting PTN-128 reports to this third party, containing the NTD data, on a monthly, quarterly or annual basis. There is a reconciliation process by TxDOT over the information provided by the third party and what gets reported on the annual NTD report, however, there is no review of the accuracy or reasonableness of this data at a sufficient level of detail to detect inaccuracies at the subrecipient level. Additionally, there was no review of the report before submission by someone other than the preparer.

Audit procedures involved a review of nine of the 37 subrecipients' data reported. It was noted that for four out of the nine, the breakout in the Total Unlinked Passenger Trips (UPT) line item reported could not be traced back to the PTN-128 report submitted by the subrecipient. Only the total UPT could be verified by the supporting documentation provided. No questioned costs as amounts reported are non-monetary and were verified in total.

Recommendation:

TxDOT should enhance review controls over all federal reporting requirements, including required match amounts reported and those requirements outsourced to a third party. Additionally, evidence of reviews and authorizations regarding required federal reports should be maintained.

SF-425 Financial Reports

Views of Responsible Officials:

Accepted. Grant TX-18-X034 is a Fiscal Year 2011 Section 5311 Rural Public Transportation Grant. At that time, PTN calculated local match on a ratio basis (20% for Administration, Planning and Capital, 50% for Operating) for the entire grant. Though PTN asked subrecipients to document match on their individual requests for reimbursement (RFRs), which PTN field staff verified, the division did not aggregate these amounts for reporting in the SF-425. After state audits and an FTA State Management Review in 2013, PTN changed the practice to require aggregating the match amounts documented on each RFR for reporting in the SF-425.

The input error on the SF-425 for Grant TX-18-X039 was a typographical error by the submitter.

Corrective Action Plan:

The policies and procedures for this requirement were added to our FTA-required State Management Plan, to internal division SOPs, and were the subject of internal staff training and subrecipient grant training. The newly adopted electronic Grants system (eGrants) became operational for all project grant agreements after June 2016 and require the exact match amounts for all budget and RFR forms.

Beginning in June 2016, PTN implemented an internal SOP and documented in our current State Management Plan that all SF-425s will be reviewed by the Finance Team Leader or the Section Director, depending on who prepared the SF-425, before the report is submitted to FTA in TrAMS.

Implementation Date: June 1, 2016

Responsible Person: Mark Sprick

National Transit Data (NTD) Report

Views of Responsible Officials:

Accepted. The NTD planner at PTN does review data at the subrecipient level, however, the PTN-128 form itself is not reviewed before PTN headquarters submits the data to NTD.

Corrective Action Plan:

PTN's new policy will have the Public Transportation Coordinators (PTCs; located at TxDOT district offices around the state) to review the PTN-128 and subrecipient information before PTN headquarters submits the data to NTD.

Concerning review of reports by someone other than the preparer, PTN's new policy will include review by the planning and reporting lead worker, and the Administration & Program Support Section Director, who will review report prepared by the NTD planner before it is submitted. PTN will document this review.

Implementation Date: March 31, 2017

Responsible Person: Mark Sprick

University of Texas Medical Branch at Galveston

Reference No. 2016-043

Allowable Costs/Cost Principles
Matching, Level of Effort, and Earmarking
Period of Performance
Cash Management

CFDA 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Award year – 2008
Award number – 1791DRTX
Statistically valid sample – no
Type of finding – Significant Deficiency

Per 2 CFR 200.303, The University of Texas Medical Branch at Galveston (UTMB) must establish and maintain effective internal controls over Federal awards that provides reasonable assurance that they are managing Federal awards in compliance with Federal statues, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. UTMB utilizes PeopleSoft for its general ledger and has implemented general IT controls, including logical access and change management controls, to help manage their system. However, control issues in both areas have been noted as follows:

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

- Five users within the Applications Management Team have administrative access to the PeopleSoft application, databases, and servers. Access to the application, database, and operating system layers should be segregated to restrict the ability to circumvent controls and/or accountability when changing data and/or system functionality within the production environment.
- Twenty-three users with the ability to login to PeopleSoft outside of the network’s single sign-on were granted inappropriate access to PeopleSoft Development Tools in the production environment. Access for the 23 users was corrected on October 18, 2016. Inappropriate access to migrate changes to production systems introduces the risk of unauthorized changes to the PeopleSoft application.
- UTMB policy requires the revoking of access for terminated employees; however, 676 accounts out of 2,210 terminated employees remained active in PeopleSoft, 19 of which remained active in Active Directory.
- The agency has made custom, hard coded security configuration changes to the PeopleSoft application, therefore obtaining an accurate view of each user's actual level of access privileges in order to properly perform a user review to validate appropriate access and identify segregation of duty conflicts may not be feasible.
- UTMB password policy requires minimum settings for password complexity, expiration, minimum length and history, however passwords were not set to policy for the PeopleSoft application, database and operating system layers.
- PeopleSoft system configurations allow for certain individuals to create and approve purchase orders without another person’s involvement. The system allow for buyers to create, approve, and dispatch purchase orders equal to or below their purchasing authority value.

No compliance exceptions were noted during 2016 testwork.

Recommendation:

UTMB should segregate administrative access of the PeopleSoft application, database and operating systems so that one person does not have access to all three layers. Access to PeopleSoft Development Tools should be restricted appropriately to help ensure only authorized, tested and approved changes are implemented into the production environment. UTMB should review provisioning procedures to help ensure terminated employees’ access is revoked timely. In addition, UTMB should review and document their understanding of the object level security changes and how that impacts obtaining an accurate view of employee access rights, which is necessary to perform the user access review for appropriateness and to help enforce segregation of duties within the application. UTMB should also review password settings at the domain and the PeopleSoft applications, database, and operating systems to align with policy.

Finally, UTMB should review the procurement process within PeopleSoft to help ensure one person cannot create and approve a purchase order without the proper review.

Views of Responsible Officials:

Accepted. UTMB has already implemented corrective action in several of these areas. Additionally, UTMB will implement corrective actions to further improve the internal control environment. See the corrective action plan for further details.

Corrective Action Plan:

1. *UTMB will transition the roles and permission for the PeopleSoft DBA function and the PeopleSoft System Administrator functions to appropriately separate them in the financial system.*

Implementation Date: February 15, 2017

Responsible Person: Bill Fuqua

2. *Access to PeopleSoft Development Tools has been be restricted appropriately to help ensure only authorized, tested and approved changes are implemented into the production environment. This was completed on October 18, 2016.*

Implementation Date: October 18, 2016.

Responsible Person: Bill Fuqua

3. *UTMB has completed the implementation of the IBM Security Identity Manager software. This software automatically disables accounts in all of the PeopleSoft accounts when a person is terminated. The software went live September 2016. During the implementation process scripts were run to insure the two systems are synchronized.*

Implementation Date: September 23, 2016.

Responsible Person: Bill Fuqua

4. *An enhancement was designed and implemented to secure banking information on the Vendor Location page so only authorized users can access the links to add/update banking information. UTMB will review the enhancement for appropriateness with the results presented to the Administrative Systems Planning Committee for consideration by the June 30, 2017 meeting*

Implementation Date: June 30, 2017.

Responsible Person: Bill Fuqua

5. *UTMB will review the password settings at the domain and the PeopleSoft applications, database and operating systems to align with policy. The findings of this review will be presented to the Administrative Systems Planning Committee by July 31, 2017 for approval and implementation of recommendations.*

Implementation Date: July 31, 2017.

Responsible Person: Bill Fuqua

6. *UTMB will review the procurement process within PeopleSoft to help ensure that one person alone cannot create and approve a purchase order without the proper review.*

Implementation Date: August 31, 2017.

Responsible Person: Bill Fuqua

Section 3b:

Federal Award Findings and Questioned Costs – Other Auditors

This section identifies material weaknesses, significant deficiencies, and instances of non-compliance, including questioned costs, as required to be reported by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Section 200.516 *Audit Findings*. This section is organized by state university.

Lamar University

Reference No. 2016-101

Special Tests and Provisions – Enrollment Reporting

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P152282; and CFDA 84.268, Federal Direct Student Loans, P268K162282

Statistically valid sample – No

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 Perkins Loan, 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 674.19(f), 685.309(b), and 682.610(c)). Enrollment reporting roster files must also include Federal Pell Grant-only 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).

To protect a student’s interest subsidy, institutions are required to report a graduated status for students who have completed their course of study (*NSLDS Enrollment Reporting Guide*, Appendix C and Chapter 4, and *Dear Colleague Letter*, April 14, 2014 (GEN-14-07)).

Lamar 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 9 (15 percent) of 60 students tested who had a status change, the University did not report status changes or effective dates to NSLDS accurately. Specifically:

- The University incorrectly reported that seven of those students withdrew from the Fall term. However, those students withdrew from the Spring term.

- The University reported an incorrect effective date for one student who withdrew in the Spring term. The University reported the first date of the Spring term; however, the student withdrew after the census date for that term.
- The University reported an incorrect status of withdrawn for one student. That error occurred because of a manual error the University made while updating the student's status to less than half-time. After auditors brought that error to the University's attention, it corrected the status in NSLDS.

In addition, for 11 (18 percent) of 60 students tested who had a status change, the University did not report the status changes to NSLDS in a timely manner. Specifically, the University submitted those enrollment status changes to NSLDS between 68 and 144 days after the effective date of the status change. The University asserted that it had submitted those status changes to NSC in a timely manner; however, NSC did not submit those changes to NSLDS in a timely manner.

Those errors occurred because the University did not have a formal process during the award year to prepare information to send to NSC, and it did not have controls to ensure that NSC submitted accurate information to NSLDS in a timely manner.

Not reporting student status changes accurately and in a timely manner 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 status changes and effective dates to NSLDS in a timely manner.
- Develop and implement policies and procedures to monitor the information that NSC submits to NSLDS on the University's behalf.

Views of Responsible Officials:

Lamar University acknowledges and agrees with the findings. Corrections to the issues noted below were being put in place at the time of audit, and these analysis of these exceptions identified in the audit will assist Lamar University in their efforts to develop and apply solutions to further improve the process.

Corrective Action Plan:

Accurate and Timely NSLDS Reporting:

Lamar University (LU) has already initiated the first phase of this corrective action in hiring a full-time staff member whose primary duty is to monitor the accuracy and timely reporting to National Student Clearinghouse (NSC) in December of 2015. As the discrepancy between NSC and NSLDS reporting became apparent, said employee now additionally has direct access to the NSLDS database as well – allowing LU to more closely monitor the accuracy of reporting. The last phase in this corrective action is to adjust the reporting date from that NSLDS sends the SCCR roster to NSC. Previously, this report was always sent at the first of the month. At our request, this report will now be sent five to seven (5-7) days from the time the report is initially submitted to NSC. This should address the timeliness issues and give more time to quickly identify issues of accuracy.

Implementation Dates: December 1, 2015 (hiring new staff), November 4, 2016 (NSLDS Access) February 1, 2017 (reporting data change)

Responsible Person: W. David Short

Development and Implementation of Policy and Procedure:

LU has begun the revision of their policy and procedure manuals to reflect and emphasize the need for closer monitoring of NSC data submitted to NSLDS. These P&P will continue to be updated and new processes developed. Further, these P&P will undergo review twice a year to ensure their currency and relevance.

Implementation Date: *January 3, 2017*

Responsible Person: *W. David Short*

Sam Houston State University

Reference No. 2016-102

Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award number – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A154110

Statistically valid sample – No

Type of finding – Significant Deficiency and Non-Compliance

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, Code of Federal Regulations, Section 676.10).

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

Based on a review of the full population of student financial assistance recipients, Sam Houston State University (University) awarded a total of \$3,250 in FSEOG assistance to 3 students who did not also receive a Federal Pell Grant. The University also did not award FSEOG assistance to all other Federal Pell Grant recipients before awarding FSEOG assistance to those three students. Those errors occurred because the University’s student financial assistance system, Banner, was designed to award FSEOG assistance to students to whom the University awarded Federal Pell Grants, rather than to students to whom the University disbursed Federal Pell Grants. Those three students had already received the maximum lifetime eligibility amount for Federal Pell Grants and were not eligible to receive additional Federal Pell Grant assistance.

After auditors brought those errors to the University’s attention, it corrected the FSEOG awards; therefore, there were no questioned costs.

Recommendation:

The University should award FSEOG assistance only to eligible students.

Views of Responsible Officials:

The University acknowledges and agrees with the findings of this audit. Management recognizes that eligibility for SEOG depends on Pell Grant being disbursed rather than a student only being Pell eligible.

Corrective Action Plan:

The University has already implemented a solution to this finding. The awarding rules were updated to only award FSEOG to students who were awarded Pell Grant. This alleviates potentially awarding FSEOG to a student that has met their Pell LEU. The disbursement rules for FSEOG will hold disbursement until Pell Grant has paid. Once the Pell Grant has disbursed, FSEOG will then disburse.

In addition, the accountants cross reference the SEOG and Pell funds in RPIFAWD to ensure that all SEOG recipients did receive Pell Grant.

Implementation Date: September 12, 2016

Responsible Person: Lydia Hall

Reference No. 2016-103

Special Tests and Provisions – Disbursements To or On Behalf of Students

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award number – CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T162301

Statistically valid sample – No

Type of finding – Significant Deficiency and Non-Compliance

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, Section 668.165).

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

Sam Houston State University (University) did not send disbursement notification letters to students who received TEACH Grants in the 2015-2016 award year. The University disbursed TEACH grants to 57 students totaling \$142,950 for the 2015-2016 award year. While the University’s student financial assistance system, Banner, was configured to send loan disbursement notifications to students, it was not configured to send the TEACH Grant disbursement notification letters. The University did not configure its student financial assistance system, Banner, to send TEACH Grant disbursement notification letters because it was unaware of the requirement.

Not receiving 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:

The University acknowledges and agrees with the findings. Management was unaware disbursement notifications, or right to cancel letters, were required to be sent to recipients of the TEACH Grant. Upon this discovery, the University created a process to send TEACH Grant Right to Cancel letters for the 1617 aid year.

Corrective Action Plan:

The University has already taken corrective action. Controls were implemented and a process was put in place to send right to cancel letters via school email within the required 30 days before or after crediting a student's account with TEACH grants.

Implementation Date: September 13, 2016

Responsible Person: Lydia Hall

Reference No. 2016-104

Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award number – CFDA 84.268, Federal Direct Student Loans, P268K162301

Statistically valid sample – No

Type of finding – Significant Deficiency and Non-Compliance

Institutions must report all loan disbursements and submit required records to the Direct Loan Servicing System (DLSS) via the Common Origination and Disbursement (COD) System within 15 days of disbursement (*Office of Management and Budget No. 1845-0021*). Each month, the COD System provides institutions with a School Account Statement (SAS) data file, which consists of cash summary, cash detail, and (optional at the request of the school) loan detail records. The institution is required to reconcile those files to its financial records. Because up to three Direct Loan program years may be open at any given time, institutions may receive three SAS data files each month (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087e(k)(2), and U.S Department of Education *2015-2016 Federal Student Aid Handbook*).

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

Sam Houston State University (University) did not perform SAS reconciliations on a monthly basis during the 2015-2016 award year. Specifically, the University did not perform reconciliations for 4 (33 percent) of the 12 months during the award year because it did not have a process to ensure that it completed those reconciliations on a monthly basis.

Although auditors did not identify instances of non-compliance in the reporting of data to the COD System for Federal Direct Student Loans, not preparing accurate reconciliations between the student financial assistance system and DLSS in a timely manner increases the risk that disbursement data reported to DLSS could be inaccurate and incomplete.

Recommendation:

The University should perform monthly reconciliations between its student financial assistance system and DLSS throughout the award year.

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Due to responsibilities and demands placed on the current accounting staff, monthly reconciliations were not consistently done.

Corrective Action Plan:

The University is taking corrective action by requesting additional staffing positions to accommodate the crucial responsibilities of the accounting staff. The lead accountant will be able to delegate tasks to other skilled accountants so that they can focus on performing monthly SAS reconciliations.

In the interim, the responsibilities that previously kept accountants from performing monthly reconciliations have been delegated to other staff. This has allowed the accountants to complete monthly SAS reconciliations thus far for the fiscal year 2017.

Implementation Date: *October 1, 2016*

Responsible Person: *Lydia Hall*

Stephen F. Austin State University

Reference No. 2016-105

Eligibility

Activities Allowed or Unallowed

Cash Management

Special Tests and Provisions – Verification

Special Tests and Provisions – Disbursements To or On Behalf of Students

Special Tests and Provisions – Return of Title IV Funds

Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A154129 and CFDA 84.268, Federal Direct Student Loans, P268K162315

Statistically valid sample – No

Type of finding – Significant Deficiency and Non-Compliance

Federal Supplemental Educational Opportunity Grant

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, Code of Federal Regulations (CFR), Section 676.10).

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

Based on a review of the full population of student financial assistance recipients, Stephen F. Austin State University (University) awarded a total of \$1,600 in FSEOG assistance to one student who did not also receive a Federal Pell Grant; the University did not award FSEOG assistance to all other Federal Pell Grant recipients before awarding FSEOG assistance to that student. Initially, the University appropriately awarded a Federal Pell Grant and FSEOG to that student; however, based on corrections to the student’s Institutional Student Information Record, the University subsequently determined that the student was no longer eligible to receive a Federal Pell Grant. The University appropriately canceled the Federal Pell Grant; however, it did not also cancel the FSEOG award. After auditors brought that error to the University’s attention, it corrected the FSEOG award; therefore, there were no questioned costs.

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 *2015-2016 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 \$5,442 Subsidized Direct Loan that the student was not eligible to receive. According to the University, that occurred because the budgeting rules established in its student financial assistance system, Banner, identified that student in error during the financial assistance packaging and awarding process. As a result, the student received the Subsidized Direct Loan for Fall 2015 and Spring 2016 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.

Other Compliance Requirements

Although the general controls weaknesses described below apply to activities allowed or unallowed, cash management, special tests and provisions – verification, special tests and provisions – disbursements to or on behalf of students, special tests and provisions – return of Title IV 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 must establish and maintain effective internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not appropriately restrict access to its financial assistance information system, Banner. Specifically, one individual had inappropriate access to the Banner packaging awards role, which assigns different types of federal financial assistance. That occurred because the University did not appropriately establish roles in Banner. After auditors brought that error to the University's attention, it removed the inappropriate access.

Recommendations:

The University should:

- Award FSEOG assistance only to eligible students.
- Award Subsidized Direct Loans only to eligible undergraduate students.
- Appropriately limit access to Banner based on users' job responsibilities.

Views of Responsible Officials:

Stephen F. Austin State University management acknowledges and agrees with the audit findings. Federal Supplemental Education Opportunity Grant (FSEOG) funds are awarded systematically, however the cancellation of awards was handled manually which allowed the opportunity for human error. University management recognizes that the Direct Subsidized Loan was awarded incorrectly and that Banner access should be limited. The University will implement the appropriate corrective actions.

Corrective Action Plan:

Federal Supplemental Education Opportunity Grant

While auditors were on site, University management cancelled the \$1,600 FSEOG award to the student identified in the audit. University management reviewed all FSEOG recipients and found no additional students were awarded incorrectly. To establish appropriate controls, University management developed an exception report to identify potential issues. In addition, university management has retrained staff to ensure proper procedures are followed.

Federal Direct Student Loans

The \$5,442 Subsidized Direct Loan to the one graduate student identified in the audit as incorrectly awarded was cancelled while auditors were on site. University management created an exception report to identify any graduate student that has a Subsidized Direct Loan award. University management has retrained staff to ensure proper awarding procedures are followed.

General Controls

University management corrected the inappropriate security access for the one employee identified in the audit. University management will ensure that appropriate access is given based on job responsibilities.

*Implementation Dates: FSEOG - January 2017
Direct Subsidized Loan - January 2017
General Controls - November 2016*

Responsible Person: H. Rachele' Garrett

Reference No. 2016-106

Reporting

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award number – CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable
Statistically valid sample – No

Type of finding – Significant Deficiency and Non-Compliance

Fiscal Operations Report and Application to Participate

An institution participating in campus-based programs is required to annually submit the Fiscal Operations Report and Application to Participate (FISAP) to the Secretary of the U.S. Department of Education to receive funds for the campus-based programs. The institution uses the Fiscal Operations Report portion to report its expenditures in the previous award year and the Application to Participate portion to apply for the following year. (Title 34, Code of Federal Regulations (CFR), Section 674.19(d), and U.S. Department of Education, *2017-2018 FISAP Instructions*). The institution must ensure that the information is accurately reported on the form and at the time specified by the Secretary of the U.S. Department of Education (Title 34, CFR, Section 674.19(d)(2)). The institution must retain a record of disbursements for each loan made to borrowers on a master promissory note (MPN) that includes the date and amount of each disbursement and it must also retain the repayment history for each borrower (Title 34, CFR section 674.19(e)(2)).

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

Stephen F. Austin State University (University) did not maintain adequate support for its FISAP. Specifically, the University did not have support for cumulative information reported for the Federal Perkins Loan Program for the following sections: Section A Fiscal Report (Cumulative) as of June 30, 2016, and Section C Cumulative Repayment Information as of June 30, 2016. The University asserted that, when it changed information systems in 1995, it did not retain the Federal Perkins Loan paid-in-full records for time periods prior to that change. The University has developed a method of calculating the cumulative Federal Perkins Loan information by subtracting the amount its loan servicer reported for the previous year from the amount for the current year to determine the difference, which it then adds to the amounts reported on the previous year’s FISAP.

As a result of that issue, auditors were unable to determine whether the information on the FISAP for those line items was accurate and fairly presented in accordance with requirements.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not appropriately restrict access to its financial assistance information system, Banner. Specifically, one individual had inappropriate access to the Banner packaging awards role, which assigns different types of federal financial assistance. That occurred because the University did not appropriately establish roles in Banner. After auditors brought that error to the University’s attention, it removed the inappropriate access.

Recommendations:

The University should:

- Maintain support for information it reports on its FISAP to ensure that the information is accurate.
- Appropriately limit access to Banner based on users’ job responsibilities.

Views of Responsible Officials:

Stephen F. Austin State University management acknowledges and agrees with the audit findings. University management agrees that appropriate record retention of supporting documents is essential to maintaining accurate

Fiscal Operations and Application to Participate (FISAP) reporting records. University management recognizes that Banner access should be limited. The University will implement the appropriate corrective actions.

Corrective Action Plan:

Fiscal Operations Report and Application to Participate

When the University changed information systems in 1995, the Federal Perkins Loan paid-in-full records were not retained for the time periods prior to the change. To determine the cumulative line items, University management developed a method to accurately report the Perkins Loan data from that point forward. University record retention procedures include maintaining all supporting documentation required to report information on the FISAP.

General Controls

University management corrected the inappropriate security access for the one employee identified in the audit. University management will ensure that appropriate access is given based on job responsibilities.

*Implementation Dates: Fiscal Operations Report and Application to Participate - November 2016
General Controls - November 2016*

Responsible Person: H. Rachele' Garrett

Reference No. 2016-107

Special Tests and Provisions – Enrollment Reporting

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P152315; and CFDA 84.268, Federal Direct Student Loans, P268K162315

Statistically valid sample – No

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 within the next 60 days, it must notify the Secretary within 30 days if it discovers that a Federal Perkins Loan, 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 674.19(f), 685.309(b), and 682.610(c)). Enrollment reporting roster files must also include Pell Grant-only 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 30, 2012 (GEN-12-06)).

Stephen F. Austin 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 3).

For 26 (43 percent) of 60 students tested who had a status change, the University did not report the status change or effective date to NSLDS accurately. Specifically:

- The University did not report one student's graduated status and effective date. The University asserted that it reported the graduated status to NSC; however, that status was not reported to NSLDS.
- The University incorrectly reported 25 students' initial enrollment status at the beginning of the term; it also incorrectly reported the effective date for the subsequent change in enrollment status. Those errors occurred because those students had an enrollment status change that occurred before the University made the initial submission for the term. As a result, those students' initial enrollment status was never reported, and the effective date for the subsequent status change was reported incorrectly.

For 32 (53 percent) of 60 students tested who had a status change, the University did not report status changes to NSLDS or it did not report status changes to NSLDS in a timely manner. The University reported those status changes between 62 and 322 days after the effective date of those changes or it did not report those status changes at all. Twenty-six of those students were the students discussed above, and the errors discussed above resulted in those students not being reported to NSLDS or not being reported in a timely manner. In addition, six students with status changes were not reported to NSLDS or were not reported in a timely manner. Specifically:

- The University reported one student's graduated status two days late. The University asserted that it reported the graduation status to NSC after the student met the requirements for graduation and classes had ended for the term; however, NSC did not report the graduation status to NSLDS in a timely manner.
- The University did not report five students' status changes in a timely manner. The University asserted that it reported those status changes and effective dates to NSC; however, NSC did not report those status changes to NSLDS in a timely manner. The University asserted that NSC notified the University that NSC had rejected the file the University submitted with those changes because the file contained errors. However, NSC did not send that notification until late in the Fall term. As a result, the University's resubmission at the end of the Fall term, as requested by NSC, created timeliness errors.

The University did not have an adequate monitoring process to ensure that student status changes were accurately reported to NSLDS in a timely manner. 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.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not appropriately restrict access to its financial assistance information system, Banner. Specifically, one individual had inappropriate access to the Banner packaging awards role, which assigns different types of federal financial assistance. That occurred because the University did not appropriately establish roles in Banner. After auditors brought that error to the University's attention, it removed the inappropriate access.

Recommendations:

The University should:

- Accurately report status changes and effective dates to NSLDS in a timely manner.
- Establish and implement a monitoring process to ensure that the status changes it reports to NSC are accurately reported to NSLDS.
- Appropriately limit access to Banner based on users' job responsibilities.

Views of Responsible Officials:

Stephen F. Austin State University management acknowledges and agrees with the audit findings. Accurately reporting enrollment utilizing the National Student Clearinghouse (NSC) has been challenging. The Registrar's Office

has worked closely with the NSC to gain a better understanding of their procedures, error reporting and relationship with the National Student Loan Data System (NSLDS) and attempted to utilize every training opportunity provided by the NSC. The University will continue this effort to strengthen enrollment reporting accuracy. University management recognizes that Banner access should be limited. The University will implement the appropriate corrective actions.

Corrective Action Plan:

Enrollment Reporting

Accurately report status changes and effective dates to NSLDS in a timely manner.

The Registrar's Office establishes a reporting schedule with the NSC each semester. In addition, to the scheduled submissions, enrollment files can be submitted as often as we wish. The Registrar's Office will submit enrollment files every other week for the entire semester beginning after census date to ensure timely reporting.

Establish and implement a monitoring process to ensure that the status changes it reports to NSC are accurately reported to NSLDS.

The Registrar's Office made updates and changes to enrollment reporting procedures to include the extra steps of verifying a sample of students from the enrollment submission file against the NSLDS website. The Registrar's Office is working with NSC to ensure data integrity and completeness of information reported through the use of error reports and other procedures. The Registrar's Office employees had additional training on error correction in January 2017.

General Controls

University management corrected the inappropriate security access for the one employee identified in the audit. University management will ensure that appropriate access is given based on job responsibilities.

*Implementation Dates: Enrollment Reporting - February 2017
 General Controls - November 2016*

*Responsible Persons: Lynda Langham - Enrollment Reporting
 H. Rachele' Garrett - General Controls*

Texas A&M University

Reference No. 2016-108

Special Tests and Provisions – Enrollment Reporting

(Prior Audit Issue 2015-106)

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P155286; CFDA 84.268, Federal Direct Student Loans, P268K165286; and CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable

Statistically valid sample – No

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 Perkins Loan, 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 674.19(f), 685.309(b) and 682.610(c)). Enrollment reporting roster files must also include Federal Pell Grant-only 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	

For a student who has graduated, institutions that initially report a withdrawn status must subsequently report the student as having graduated by certifying a “G” status at the campus level and/or program level, as appropriate. That is the case even if the student or the student’s applicable program no longer appears on the institution’s enrollment reporting roster because the institution has certified a “W” status (for withdrawn) twice. In that situation, the institution must add the student and/or program back to the roster to report the “G” status. The graduated status may protect the interest subsidy on the student’s current loans (*National Student Loan Data System (NSLDS) Enrollment Reporting Guide*, Chapter 4).

Texas A&M 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 5 (8 percent) of 60 students tested who had a status change, the University did not report status changes or effective dates to NSLDS accurately. Specifically:

- The University did not report one student’s enrollment to NSLDS. That student was enrolled in both the Fall and Spring terms and received Title IV funds. The University asserted that it reported that student to NSC; however, NSLDS could not match the student record each time a status change was reported from NSC to NSLDS.
- The University did not report one student’s graduated status to NSLDS. The student had withdrawn in the Fall term and did not enroll for the Spring term; however, the student still graduated at the end of the Spring term. The University asserted that it reported the student to NSC; however, due to the amount of time that had elapsed since the previous status change reported from NSC to NSLDS, the student was no longer listed on the NSLDS roster.
- The University reported incorrect effective dates for two students who graduated. Those students were enrolled in Law and Pharmacy programs, which had term start and end dates that differed from the regular undergraduate term start and end dates. The University reported the graduation effective date as the last day of the undergraduate term, which was prior to the students’ last day of their enrolled Law and Pharmacy programs.

- The University reported an incorrect effective date for one student whose enrollment changed to three-quarter-time from full-time. The student was a Law student, and the Spring term for Law students ended on May 12, 2016. However, the University reported May 11, 2016, as the effective date for the Summer term enrollment status, which was prior to the end of the Spring term.

Those errors occurred because the University did not have adequately designed enrollment reporting policies and procedures during award year 2016 and did not have a process to ensure that status changes and effective dates were reported to NSLDS accurately.

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 and effective dates to NSLDS.

Views of Responsible Officials:

Texas A&M University acknowledges the indicated deficiencies in enrollment reporting and has worked to make significant improvements in the enrollment reporting processes to eliminate future deficiencies in the areas noted by the Texas State Auditor's Office. We will continue to work on improvements to mitigate and eliminate audit findings.

- *Concerning the issue of a student who received Title IV funds and was enrolled in both the Fall and Spring terms but was not reported to NSLDS: The Social Security Number maintained in Texas A&M University's student information system and reported to the National Student Clearinghouse (NSC). NSLDS has another student in their database with the same SSN as our student. The mismatch has been corrected and the student is now being accurately reported.*
- *Concerning the issue of a student who was reported as Withdrawn at the end of the Fall 2015 semester, but not reported as Graduated at the end of the Spring 2016 semester: The student did not have to enroll at Texas A&M in Spring 2016 in order to complete degree requirements, therefore, he applied for graduation with a "Degree Only" status. Because the student was not enrolled during Spring 2016, he was removed from Texas A&M's SSCR and not reported to NSLDS with a Graduated status. The student has been manually reported with the appropriate Graduated status to NSC and NSLDS.*
- *Concerning the issue of two students whose Graduated status start dates were incorrectly reported: The Graduated status start date of these students was reported as the last day of the standard Spring 2016 term, however, these students are enrolled in a part of term with different dates. The Graduated status start date for the students has been updated with NSC and NSLDS as the last day of the part of term within the standard Spring 2016 term that reflects their respective program cohort published calendar start and end dates.*
- *Concerning the issue of the student whose decreased enrollment status start date was incorrectly reported: The decreased status from full time for this student was reported as the day after the last day of the standard Spring 2016 term, however, the student was enrolled in a part of term with different dates. The decreased status effective date for this student has been updated with NSC and NSLDS as the day after the last day of the part of term within the standard Spring 2016 in which the student was enrolled. This reflects the students' respective program calendar start and end dates.*

Corrective Action Plan:

Concerning the issue of a student who received Title IV funds and was enrolled in both the Fall and Spring terms but was not reported to NSLDS: Reports of mismatches between SSNs for students reported by Texas A&M to the NSC and students on Texas A&M's SSCR (Student Status Change Roster) from NSLDS are being monitored to update SSNs in Texas A&M's student information system and the NSC database or in the NSLDS database. This requires communication between the Office of the Registrar and the Scholarships & Financial Aid Office to verify SSNs through the FAFSA process and the Social Security Administration. In some instances, this may also require reaching out to students individually to obtain SSN verification.

Implementation Date: October 2016

Responsible Persons: Venesa Heidick and Delisa Falks

Concerning the issue of a student who was reported as Withdrawn at the end of the Fall 2015 semester, but not reported as Graduated at the end of the Spring 2016 semester: The Office of the Registrar is requesting and monitoring reports of students who have applied for graduation with a "Degree Only" status. Students in "DO" status who clear their degree evaluation and are awarded a degree from Texas A&M University are manually updated with a "G" status in the NSC and NSLDS databases.

Implementation Date: December 2016

Responsible Persons: Venesa Heidick and Delisa Falks

Concerning the issue of two students whose Graduated status start dates were incorrectly reported: The Office of the Registrar modified the enrollment reporting process so it will extract and report start and end dates that accurately reflect the published start and end dates of cohorts within the professional programs where calendar dates do not coincide with the standard term academic calendar dates. Parts of term have been established within the standard term with accurate start and end dates according to the individual cohort program calendars.

Implementation Date: January 2017

Responsible Persons: Venesa Heidick and Delisa Falks

Concerning the issue of the student whose decreased enrollment status start date was incorrectly reported: The Office of the Registrar has modified the enrollment reporting process so it will extract and report start and end dates that accurately reflect the published calendar start and end dates of cohorts within the professional programs; based on the parts of term within the professional program term.

Implementation Date: January 2017

Responsible Persons: Venesa Heidick and Delisa Falks

Texas Southern University

Reference No. 2016-109

Eligibility

Activities Allowed or Unallowed

Cash Management

Reporting

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164145; CFDA 84.033, Federal Work-Study Program, P033A154145; CFDA 84.063, Federal Pell Grant Program, P063P152327; CFDA 84.268, Federal Direct Student Loans, P268K162327; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T162327

Statistically valid sample – No

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	

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).

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 (Title 20, USC, Chapter 28, Subchapter IV, Section 1087ll, and U.S. Department of Education 2015-2016 *Federal Student Aid Handbook*).

Texas Southern University (University) established different COA budgets based on a student’s classification (for example undergraduate or graduate); residency (in-state or out-of-state); living status (on-campus, off-campus, and commuter); and enrollment level (full-time, three-quarter-time, half-time, and less-than-half-time). The University’s student financial assistance system, Banner, initially budgeted students for full-time enrollment. At the census date, the University locked a student’s enrollment level for financial aid purposes and used the student’s actual enrollment level to calculate a revised COA, if applicable.

The University established separate COA components for E-online Master of Public Administration (OEMPA) students. Specifically, OEMPA students did not receive a book budget as part of their COAs.

For 10 (16 percent) of 62 students tested, the University incorrectly calculated the COA. Specifically:

- For six students, the University incorrectly calculated the book component of the Spring COA. That occurred because of an error in Banner. When the University assigned the Summer COA, it unlocked the Spring COA, and Banner incorrectly updated the Spring COA for those students. As a result, those students’ COAs were understated by amounts between \$250 and \$630.

- The University assigned an incorrect loan fee for one student. That occurred because of a manual error the University made in assigning loan fees.
- The University did not update one student's Spring COA after the student re-enrolled in that term. That error occurred because of a manual error the University made when it became aware that the student re-enrolled in the Spring term.
- The University inappropriately assigned a book component to an OEMPA student's COA. That error occurred because the University did not have a control to ensure that OEMPA students did not receive a book component. The student's COA was overstated by \$612; however, the University did not overaward the student federal financial assistance.
- The University inappropriately assigned a personal and miscellaneous component to the COA for one student enrolled less than half-time. That error occurred because Banner did not remove the personal and miscellaneous expense from the COA for less-than-half-time students. As a result, the student's COA was overstated by \$1,230; however, the University did not overaward the student federal financial assistance.

Those errors did not result in overawards of financial assistance; however, by incorrectly calculating COA, the University increases the risk of overawarding or underawarding financial assistance to students.

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 that the U.S. Department of Education provides each year to determine 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 *2015-2016 Federal Student Aid Handbook*, and Title 34, CFR, Section 690.63(b)).

For 1 (3 percent) of 39 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 of a manual error the University made when disbursing funds. After auditors brought the error to the University's attention, it disbursed additional Federal Pell Grant assistance to that student.

Federal Direct 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 *2015-2016 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 Students (PLUS) Loans.

The total amount of all Direct PLUS Loans that a parent or parents may borrow on behalf of each dependent student, or that a graduate or professional student may borrow, for any academic year of study may not exceed the COA minus other estimated financial assistance for that student (Title 34, CFR, Section 685.203(f)).

Based on a review of the full population of federal student financial assistance recipients, the University disbursed 4 graduate students \$16,588 in Subsidized Direct Loans that those students were not eligible to receive. Those errors occurred because the University did not have controls to ensure that graduate and professional students did not receive Subsidized Direct Loans.

In addition, for 1 (2 percent) of 62 students tested, the University awarded a Federal Direct PLUS Loan in excess of the annual limit. The University awarded the student a \$7,318 Graduate Direct PLUS Loan that exceeded the student's COA minus other estimated financial assistance. That error occurred because of a manual error the University made while awarding loans to that student.

After auditors brought those issues to the University's attention, it returned the loan funds to the U.S. Department of Education; therefore, there were no questioned costs.

Federal Supplemental Educational Opportunity Grant

The Federal Supplemental Educational Opportunity Grant (FSEOG) program provides grants to eligible undergraduate students. Institutions are required to award FSEOG assistance 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 federal student financial assistance recipients, the University disbursed 2 students \$500 in FSEOG that those students were not eligible to receive. Those students became ineligible for Federal Pell Grant funds during the award year, and the University appropriately returned those funds as required. However, those students were no longer eligible for FSEOG funds, but the University did not return the FSEOG funds as required. After auditors brought those errors to the University's attention, it returned those grant funds; 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 668.34 (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 of hours attempted (U.S. Department of Education *2015-2016 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)).

The University did not configure its student financial assistance system in accordance with its SAP policy. The University's SAP policy states that graduate students must not exceed 150 percent of their required program to be eligible for financial assistance. However, the University configured Banner to include a standard program length of 42 hours for graduate programs. Auditors identified graduate programs that had program lengths of fewer than 42 hours. The University asserted that it produced ad hoc reports in Banner to identify graduate students who may not be meeting the maximum time frame requirements; however, it did not retain documentation of those reports.

During audit testing, auditors did not identify students who were ineligible for student financial assistance as a result of that issue. However, not determining maximum time frames correctly 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.

Other Compliance Requirements

Although the general control weaknesses described below apply to activities allowed or unallowed, cash management, and reporting, auditors identified no compliance issues regarding those compliance areas.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not appropriately restrict access to its student financial assistance information system, Banner. Specifically:

- Two former employees had inappropriate access to the Web server and the database server. Two additional former employees had inappropriate access to the database server.
- One former employee had inappropriate access to the database server and Banner; that individual had two active database administrator accounts.
- The University had not disabled an unused test account on the Web server; that account was still accessible to former employees with inappropriate access.

Those errors occurred because the University did not appropriately review users' access based on their job responsibilities and employment status.

After auditors brought those issues to its attention, the University removed the inappropriate access for all of the accounts discussed above. Allowing inappropriate or excessive access to a system increases the risk of inappropriate changes to the system and does not allow for proper segregation of duties.

Recommendations:

The University should:

- Strengthen controls to ensure that it properly assigns COA components and does not overaward financial assistance to students.
- Accurately award Federal Pell Grant amounts to students based on their EFCs and COAs.
- Award Subsidized Direct Loans and FSEOG only to eligible students.
- Strengthen controls to ensure that financial assistance does not exceed annual and aggregate limits.
- Strengthen controls for determining whether graduate students have met or exceeded the maximum time frame based on the length of educational program hours and retain documentation of maximum time frame determinations made in the SAP process.
- Appropriately limit access to its student financial assistance system to users based on their job responsibilities and employment status.

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University has developed and is implementing the corrective actions to further improve the processes.

Corrective Action Plan:

- *The University has developed a report to manually identify and correct the COA components and potential overawards for all categories of students.*

Implementation Date: March 2017

Responsible Person: Linda Ballard

- *The BANNER batch posting process is being revised to ensure the COA for students enrolled less the half-time in the appropriate term.*

Implementation Date: March 2017

Responsible Person: Linda Ballard

- *A manual report will identify any students whose budget has been manually adjusted to add books to the COA for students enrolled in the on-line Masters of Public Administration and Masters of Business Administration programs. Books are provided free of charge to program participants.*

Implementation Date: March 2017

Responsible Person: Linda Ballard

- *The frequency of the monitoring for Federal Pell Grant program has been increased its monitoring to include an end of term review to ensure the student's payments are in agreement with the enrollment status.*

Implementation Date: May 2017

Responsible Person: Linda Ballard

- *The University has added a rule to the fund codes for the Federal Direct Subsidized Loans and FSEOG to ensure Graduate students will only disburse to eligible students. Controls are being further strengthened to develop a report to identify any students who received a Federal Pell Grant and FSEOG award and the Federal Pell Grant was subsequently cancelled.*

Implementation Date: November 2017

Responsible Person: Linda Ballard

- *The University is developing a summary report that will identify students with possible overawards to ensure that financial assistance does not exceed the cost of attendance.*

Implementation Date: March 2017

Responsible Person: Linda Ballard

- *The university will retain reports used to review SAP status for graduate programs that vary from the normal standard. Work as begun to incorporate all programs into the automated process to ensure graduate students who have met or exceeded the maximum time frame based on the length of educational program hours and included in the automated process.*

Implementation Date: March 2017

Responsible Person: Linda Ballard

- *After research, the University immediately terminated access for the two (2) former employees that had access to the web and database server. Although the accounts were still active on the system – lifeline virtual private network (vpn) access was discontinued upon deactivation of each employee’s active directory account. Hence, limiting any access to the servers.*
- *The University has already begun implementation of procedures to increase security in this area. A user audit script will be run quarterly to review access. Additionally, continuation of the use of the lifeline virtual private network (vpn) process will remain in place. Thereby, ensuring termination of access to the server(s) as an employee is separated from the University.*

Implementation Date: March 2017

Responsible Person: Kathy Booker

Reference No. 2016-110

Special Tests and Provisions - Verification

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 31, 2016

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P152327; CFDA 84.268, Federal Direct Student Loans, P268K162327; CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164145; CFDA 84.033, Federal Work-Study Program, P033A154145; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T162327

Statistically valid sample – No

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, Supplemental Nutrition Assistance Program (SNAP), education credits, individual retirement account

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

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 79, Number 122).

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 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 the applicant's FAFSA information changes as a result of verification, an institution must recalculate the applicant'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).

An institution must require an applicant scheduled for verification to submit to it, within the period of time it or the Secretary of the U.S. Department of Education specifies, the documentation requested by the institution. If an applicant fails to provide the requested documentation within a reasonable time period established by the institution, the institution may not disburse any additional Federal Perkins Loan or Federal Supplemental Educational Opportunity Grant program funds, employ or continue to employ the applicant under the Federal Work-Study Program, originate or disburse any additional Direct Subsidized Loans, or disburse any additional Federal Pell Grant Program funds (Title 34, CFR, Section 668.60).

For 16 (26 percent) of 62 students tested, Texas Southern 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 16 students, the University did not accurately verify 1 or more of the following items: income earned from work for tax filers, income earned from work for non-tax filers, number of household members, number of household members in college, SNAP benefits reported, education credits, and contributions to tax-deferred pension plans.

Those errors occurred because of manual errors the University made during its verification process that it did not identify in its monitoring of the verification process. When auditors brought those errors to the University's attention, it corrected those errors in its student financial assistance system; however, it did not request updated ISIRs for those affected students because the deadline had passed for the University to submit corrections. The University performed procedures in its student financial assistance system, Banner, to correct the ISIR information. As a result, the errors did not result in changes to the EFC for 13 students, and those students were not overawarded or underawarded student federal financial assistance. The errors did result in a change in the EFC for 3 students; however, the change in EFC did not affect the amount of funds those students were eligible to receive and those students were not overawarded or underawarded student federal financial assistance.

Not properly verifying FAFSA information can result in the University overawarding or underawarding student federal 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 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 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).

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 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 two of the required elements. Specifically, the University's policies and procedures did not address:

- The time period within which an applicant must provide any documentation requested by the institution.
- A statement specifying that an applicant whose FAFSA information is selected for verification is required to complete verification before the institution makes changes based on professional judgment to the applicant's cost of attendance or to the values of the data items required to calculate the EFC.

Having incomplete 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.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not appropriately restrict access to its student financial assistance information system, Banner. Specifically:

- Two former employees had inappropriate access to the Web server and the database server. Two additional former employees had inappropriate access to the database server.
- One former employee had inappropriate access to the database server and Banner; that individual had two active database administrator accounts.
- The University had not disabled an unused test account on the Web server; that account was still accessible to former employees with inappropriate access.

Those errors occurred because the University did not appropriately review users' access based on their job responsibilities and employment status.

After auditors brought those issues to its attention, the University removed the inappropriate access for all of the accounts discussed above. Allowing inappropriate or excessive access to a system increases the risk of inappropriate changes to the system 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.
- Strengthen the monitoring of its verification process.
- Include all required elements in its written verification policies and procedures.
- Appropriately limit access to its student financial assistance system to users based on their job responsibilities and employment status.

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University has developed and is implementing the corrective actions to further improve the processes.

Corrective Action Plan:

The university has instituted additional training to ensure all required information for applicants selected for verification is verified. All corrections are routinely updated, unfortunately the review conducted occurred outside of the timeframe for corrections to be submitted and processed by the U.S. Department of Education. BANNER's ability

to accurately calculate the EFC was utilized to recalculate any dollar items. Oversites to updating benefits such as SNAP were address during training sessions.

Implementation Date: January 2017

Responsible Person: Linda Ballard

A statement specifying that an applicant whose FAFSA information is selected for verification is required to complete verification before the institution makes changes based on professional judgment to the applicant’s cost of attendance or to the values of the data items required to calculate the EFC has been awarded to the verification policies.

Implementation Date: January 2017

Responsible Person: Linda Ballard

After research, the University immediately terminated access for the two (2) former employees that had access to the web and database server. Although the accounts were still active on the system – lifeline virtual private network (vpn) access was discontinued upon deactivation of each employee’s active directory account. Hence, limiting any access to the servers.

The University has already begun implementation of procedures to increase security in this area. A user audit script will be run quarterly to review access. Additionally, continuation of the use of the lifeline virtual private network (vpn) process will remain in place. Thereby, ensuring termination of access to the server(s) as an employee is separated from the University.

Implementation Date: March 2017

Responsible Person: Kathy Booker

Reference No. 2016-111

Special Tests and Provisions – Disbursements To or On Behalf of Students

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.268, Federal Direct Student Loans, P268K162327 and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T162327

Statistically valid sample – No

Type of finding – Significant Deficiency and Non-Compliance

Disbursement Notification Letters

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 (CFR), Section 668.165).

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

Texas Southern University (University) did not always send disbursement notification letters to students who received Direct Loans or TEACH Grants in the 2015-2016 award year. Specifically, the University did not send disbursement notification letters to 13 (30 percent) of 43 students tested who required a disbursement notification letter. Those errors occurred because the University did not configure its student financial assistance system, Banner, to include all dates between the last date the University executed the notification process and the next date the University executed the notification process. As a result, those students were excluded from the notification process. In addition, the University did not have a process to monitor notifications to identify when it did not send notifications to students.

Not receiving notifications could impair students' and parents' ability to cancel their loans.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not appropriately restrict access to its student financial assistance information system, Banner. Specifically:

- Two former employees had inappropriate access to the Web server and the database server. Two additional former employees had inappropriate access to the database server.
- One former employee had inappropriate access to the database server and Banner; that individual had two active database administrator accounts.
- The University had not disabled an unused test account on the Web server; that account was still accessible to former employees with inappropriate access.

Those errors occurred because the University did not appropriately review users' access based on their job responsibilities and employment status.

After auditors brought those issues to its attention, the University removed the inappropriate access for all of the accounts discussed above. Allowing inappropriate or excessive access to a system increases the risk of inappropriate changes to the system and does not allow for proper segregation of duties.

Recommendations:

The University should:

- Send disbursement notification letters within 30 days before or after crediting a student's account with a Direct Loan or TEACH grant.
- Strengthen controls over its disbursement notification process to identify when it has not sent required disbursement notification letters to students.
- Appropriately limit access to its student financial assistance system to users based on their job responsibilities and employment status.

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University has developed and is implementing the corrective actions to further improve the processes.

Corrective Action Plan:

After researching the incident, the university reconfigured the letter generation process to ensure disbursement notification letters are sent within 30 days. Additionally, letters were sent to all recipient for the award year to ensure disbursement notification letters were sent for the entire year. The university will also develop a calendar to ensure critical dates within the loan generation process are properly updated.

Implementation Date: November 2017

Responsible Person: Linda Ballard

After research, the University immediately terminated access for the two (2) former employees that had access to the web and database server. Although the accounts were still active on the system – lifeline virtual private network (vpn) access was discontinued upon deactivation of each employee's active directory account. Hence, limiting any access to the servers.

The University has already begun implementation of procedures to increase security in this area. A user audit script will be run quarterly to review access. Additionally, continuation of the use of the lifeline virtual private network (vpn) process will remain in place. Thereby, ensuring termination of access to the server(s) as an employee is separated from the University.

Implementation Date: March 2017

Responsible Person: Kathy Booker

Reference No. 2016-112

Special Tests and Provisions – Return of Title IV Funds

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A164145; CFDA 84.063, Federal Pell Grant Program, P063P152327; CFDA 84.268, Federal Direct Student Loans, P268K162327; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T162327

Statistically valid sample – No

Type of finding – Significant Deficiency and Non-Compliance

Return of Title IV Funds

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:	\$1,312
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 that the institution determined 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 as described 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)).

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 the institution determined that a student withdrew (Title 34, CFR, Section 668.22(j)(1)).

For 2 (6 percent) of 34 students tested who had a return, Texas Southern University (University) did not accurately calculate the amount of funds to return, and it did not always return funds in the prescribed order. The University’s student financial assistance system, Banner, automatically canceled assistance for both students when those students’ hours dropped to zero. As a result, when the University performed the return calculation, it did not include the canceled funds in the calculation. Specifically:

- For one student, Banner canceled the student’s Federal Pell Grant funds totaling \$1,444 at the time of the withdrawal. The University did not include those funds in the return calculation; therefore, it did not return the

correct amount of funds for that student. After auditors brought that error to the University's attention, it disbursed the full amount of federal Pell Grant funds that were canceled to the student. However, the student was not entitled to the full Federal Pell Grant award after the return; therefore, \$1,312 associated with CFDA 84.063, Federal Pell Grant Program, award number P063P152327 are considered questioned costs.

- For one student, Banner canceled the student's Federal Supplemental Educational Opportunity Grant (FSEOG) funds totaling \$250 at the time of the withdrawal. The University asserted that it was unable to add the FSEOG funds back to the student's account because the University had already spent its entire allocation of those funds. As a result, the University did not include the FSEOG funds in the return calculation, and it did not return the correct amount of funds. The University returned more funds than it was required to return; therefore, there were no questioned costs. Based on the return calculation, the student would have been eligible for the full amount of FSEOG funds. In addition, the University returned Federal Pell Grant funds before it returned FSEOG funds; therefore, the University did not return funds in the prescribed order.

For 1 (3 percent) of 34 students tested who had a return, the University did not return funds in a timely manner. The University returned those funds 302 days after the student withdrew. That error occurred because Banner canceled the student's Federal Pell Grant funds at the time of the withdrawal. As a result, at the time a return calculation should have been performed, the student incorrectly appeared to not have received any Title IV funds for the enrollment period. The University identified the student in its final review for the term and performed a return calculation on the Federal Pell Grant funds. The University subsequently returned the correct amount of Federal Pell Grant funds; therefore, there were no questioned costs.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not appropriately restrict access to its student financial assistance information system, Banner. Specifically:

- Two former employees had inappropriate access to the Web server and the database server. Two additional former employees had inappropriate access to the database server.
- One former employee had inappropriate access to the database server and Banner; that individual had two active database administrator accounts.
- The University had not disabled an unused test account on the Web server; that account was still accessible to former employees with inappropriate access.

Those errors occurred because the University did not appropriately review users' access based on their job responsibilities and employment status.

After auditors brought those issues to its attention, the University removed the inappropriate access for all of the accounts discussed above. Allowing inappropriate or excessive access to a system increases the risk of inappropriate changes to the system and does not allow for proper segregation of duties.

Recommendations:

The University should:

- Establish and implement a process to identify students whose awards are canceled by Banner at the time of withdrawal and include all awards disbursed to students when it calculates returns of Title IV funds.
- Return Title IV funds within required time frames.
- Appropriately limit access to its student financial assistance system to users based on their job responsibilities and employment status.

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University has developed and is implementing the corrective actions to further improve the processes.

Corrective Action Plan:

The university has reassigned the task of reviewing students prior to the calculation of the R2T4 with heightened attention during the initial enrollment period for each term. The inconsistency identified was found to be associated with the cancellation of aid prior to the state reporting deadline. Additionally, the university will develop a report to assist in identifying Federal Pell Grant recipients whose grants who require a R2T4 calculation.

Implementation Date: March 2017

Responsible Person: Linda Ballard

After research, the University immediately terminated access for the two (2) former employees that had access to the web and database server. Although the accounts were still active on the system – lifeline virtual private network (vpn) access was discontinued upon deactivation of each employee’s active directory account. Hence, limiting any access to the servers.

The University has already begun implementation of procedures to increase security in this area. A user audit script will be run quarterly to review access. Additionally, continuation of the use of the lifeline virtual private network (vpn) process will remain in place. Thereby, ensuring termination of access to the server(s) as an employee is separated from the University.

Implementation Date: March 2017

Responsible Person: Kathy Booker

Reference No. 2016-113

Special Tests and Provisions – Enrollment Reporting

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P152327 and CFDA 84.268, Federal Direct Student Loans, P268K162327

Statistically valid sample – No

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 within the next 60 days, it must notify the Secretary within 30 days if it discovers that a Federal Perkins Loan, 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 674.19(f), 685.309(b), and 682.610(c)). Enrollment reporting roster files must also include Pell Grant-only 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 System (NSLDS) Enrollment Reporting Guide*, Appendix C). To protect a student's interest subsidy, institutions are required to report a graduated status for students who have completed their course of study (*NSLDS Enrollment Reporting Guide*, Appendix C and Chapter 4, and *Dear Colleague Letter*, April 14, 2014 (GEN-14-07)).

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 transaction showing the completion of the first program and its effective date and credential level, and another transaction showing the enrollment in the second program and its effective date (*Dear Colleague Letter*, March 30, 2012 (GEN-12-06)).

Texas Southern 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 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 15 (23 percent) of 66 students tested who had a status change, the University did not report the status changes or effective dates to NSLDS accurately. Specifically:

- For 4 of those 15 students, the University did not report the students' graduated status to NSLDS. Those errors occurred because the University did not input the graduation date in its student financial assistance system, Banner, or because the student enrolled as a student in the subsequent term. For one of the students, the University could not determine why it did not report the graduated status. For two of those students, the University also reported inaccurate effective dates.
- One student was administratively withdrawn on March 10, 2016, which the University accurately reported. However, the student was reinstated at less-than-half-time enrollment on April 14, 2016. The University did not report the less-than-half-time enrollment status to NSLDS.
- For 3 of those 15 students, the enrollment level dropped from full-time to three-quarter-time during a term, but the University reported those students as being enrolled half-time. Those errors occurred because the University did not report three-quarter time enrollment codes to NSLDS.
- For 2 of those 15 students, the University did not report the students' withdrawal status and the effective date of the withdrawals. The University asserted that it reported the status to NSC; however, that status was not reported to NSLDS.
- For 2 of those 15 students, the University reported incorrect effective dates. Those students completed a term, but they did not return for the subsequent term. The University should have used the final day of the previous term as the withdrawal date.
- For 3 of those 15 students, the University reported an incorrect effective date. The University reported the last date of the term as the effective date of the students' withdrawals; however, those three students were administratively withdrawn from the Fall term on September 4, 2015, for non-payment.

For 31 (47 percent) of 66 students tested who had a status change, the University (1) did not report the status change to NSLDS or (2) did not report the status change in a timely manner (it reported those status changes between 62 and 228 days after the effective date of those changes). Specifically:

- For 10 of those students, the University reported the students' graduation status late. Those errors occurred because the University asserted that it waited until it had conferred the degrees before it reported the graduation status to NSC.
- For 12 of those students, the errors discussed above resulted in the University reporting the status late or not at all.
- For 9 of those students, the University was unable to identify why it reported those students' status changes late. The University asserted that, it had reported some of those students to NSC; however, NSC did not report the status to NSLDS in a timely manner.

The University did not have an adequate process to ensure that it reported student status changes to NSLDS accurately and in a timely manner. Not reporting student status changes accurately and in a timely manner 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.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not appropriately restrict access to its student financial assistance information system, Banner. Specifically:

- Two former employees had inappropriate access to the Web server and the database server. Two additional former employees had inappropriate access to the database server.
- One former employee had inappropriate access to the database server and Banner; that individual had two active database administrator accounts.
- The University had not disabled an unused test account on the Web server; that account was still accessible to former employees with inappropriate access.

Those errors occurred because the University did not appropriately review users' access based on their job responsibilities and employment status.

After auditors brought those issues to its attention, the University removed the inappropriate access for all of the accounts discussed above. Allowing inappropriate or excessive access to a system increases the risk of inappropriate changes to the system and does not allow for proper segregation of duties.

Recommendations:

The University should:

- Accurately report status changes and effective dates to NSLDS in a timely manner.
- Establish and implement a monitoring process to ensure that the status changes it reports to NSC are accurately reported to NSLDS.
- Appropriately limit access to its student financial assistance system to users based on their job responsibilities and employment status.

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University has developed and is implementing the corrective actions to further improve the processes.

Corrective Action Plan:

After researching the incidents, it was determined that a gap in timing between the reporting of information to the National Clearinghouse and the National Student Loan database caused some of the exceptions. The university will directly report enrollment status changes to the National Student Loan Database to meet the appropriate reporting deadlines for all enrollment and degree completion status changes.

The University is additionally revising the policy for grade reports to strengthen the university's ability to report changes in enrollment statuses and graduation dates in the prescribed time frame.

Implementation Date: May 2017

Responsible Person: Marilyn Square

After research, the University immediately terminated access for the two (2) former employees that had access to the web and database server. Although the accounts were still active on the system – lifeline virtual private network (vpn) access was discontinued upon deactivation of each employee’s active directory account. Hence, limiting any access to the servers.

The University has already begun implementation of procedures to increase security in this area. A user audit script will be run quarterly to review access. Additionally, continuation of the use of the lifeline virtual private network (vpn) process will remain in place. Thereby, ensuring termination of access to the server(s) as an employee is separated from the University.

Implementation Date: March 2017

Responsible Person: Kathy Booker

Reference No. 2016-114

Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award number – CFDA 84.268, Federal Direct Student Loans, P268K162327

Statistically valid sample – No

Type of finding – Significant Deficiency and Non-Compliance

Borrower Data Transmission and Reconciliations

Institutions must report all loan disbursements and submit required records to the Direct Loan Servicing System (DLSS) via the Common Origination and Disbursement (COD) System within 15 days of disbursement (*Office of Management and Budget No. 1845-0021*). Each month, the COD System provides institutions with a School Account Statement (SAS) data file, which consists of a cash summary, cash detail, and (optional at the request of the institution) loan detail records. The institution is required to reconcile those files to its financial records on a monthly basis. Because up to three Direct Loan program years may be open at any given time, institutions may receive three SAS data files each month (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087e(k)(2), and U.S. Department of Education *2015-2016 Federal Student Aid Handbook*).

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

An institution participating in the Direct Loan Program must ensure that any information it provides to the Secretary of the U.S. Department of Education in connection with loan origination is complete and accurate. An institution must provide to the Secretary of the U.S. Department of Education borrower information that includes, but is not limited to, (1) the student’s eligibility for a loan, as determined in accordance with Title 34, Code of Federal Regulations (CFR), Sections 685.200 and 685.203; (2) the student’s loan amount; and (3) the anticipated and actual disbursement date or dates and disbursement amounts of the loan proceeds (Title 34, CFR, Sections 685.301(a) and (c)).

For 1 (2 percent) of 60 students tested to whom Texas Southern University (University) disbursed Federal Direct Student Loans, the University did not accurately report the disbursement date to the COD System. That error occurred because the COD System rejected disbursement records pertaining to the student for two disbursements due to incorrect award dates. The University manually updated the award dates in the COD System, but it did not update the disbursement dates for those two disbursements. As a result, the original scheduled date of disbursement was automatically populated in the COD System for both disbursements.

Not verifying the disbursement record data the University submits to the COD System increases the risk that inaccurate and incomplete Direct Loan disbursement data could be reported to the DLSS.

The University did not document the monthly reconciliations it performed during the award year for Direct Loan disbursements, and it did not always reconcile required information. The University did not have procedures to reconcile its detailed financial aid disbursement records to the monthly SAS files it received; and, it did

not document those reconciliations during the award year. The University used an automated process in its student financial assistance system, Banner, to reconcile the SAS files with Banner. The automated reconciliation produced a report that the University asserted it reviewed; however, the University did not document that review. Additionally, the reconciliation did not include a required review of the cash detail or cash summary records.

Not documenting reconciliations increases the risk that the reconciliations will not be performed and that inaccurate and incomplete Direct Loan disbursement data could be reported to the DLSS.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not appropriately restrict access to its student financial assistance information system, Banner. Specifically:

- Two former employees had inappropriate access to the Web server and the database server. Two additional former employees had inappropriate access to the database server.
- One former employee had inappropriate access to the database server and Banner; that individual had two active database administrator accounts.
- The University had not disabled an unused test account on the Web server; that account was still accessible to former employees with inappropriate access.

Those errors occurred because the University did not appropriately review users' access based on their job responsibilities and employment status.

After auditors brought those issues to its attention, the University removed the inappropriate access for all of the accounts discussed above. Allowing inappropriate or excessive access to a system increases the risk of inappropriate changes to the system and does not allow for proper segregation of duties.

Recommendations:

The University should:

- Accurately report disbursement dates to the COD System.
- Document the reconciliations it performs between the financial aid disbursement records and the monthly SAS files it receives.
- Appropriately limit access to its student financial assistance system to users based on their job responsibilities and employment status.

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University has developed and is implementing the corrective actions to further improve the processes.

Corrective Action Plan:

The University has instituted a policy to retain the SAS reports for examination. The university additionally uses a manual report that compares the disbursements and COD records to ensure all accounts are properly reconciled on a monthly basis.

Implementation Date: January 2017

Responsible Person: Linda Ballard

After research, the University immediately terminated access for the two (2) former employees that had access to the web and database server. Although the accounts were still active on the system – lifeline virtual private network (vpn)

access was discontinued upon deactivation of each employee's active directory account. Hence, limiting any access to the servers.

The University has already begun implementation of procedures to increase security in this area. A user audit script will be run quarterly to review access. Additionally, continuation of the use of the lifeline virtual private network (vpn) process will remain in place. Thereby, ensuring termination of access to the server(s) as an employee is separated from the University.

Implementation Date: March 2017

Responsible Person: Kathy Booker

Texas State University

Reference No. 2016-115

Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award number – CFDA 84.268, Federal Direct Student Loans, P268K160387

Statistically valid sample – No

Type of finding – Significant Deficiency and Non-Compliance

The U.S. Department of Education has established annual, and in some cases aggregate, limits for awarded federal aid (Title 34, Code of Federal Regulations, Section 682.204). Federal Direct Student 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 *2015-2016 Federal Student Aid Handbook*).

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

If a student returns for a second baccalaureate degree, the grade level used for loan limit purposes would be based on the amount of work that the institution counts toward satisfying the requirements of the new program (U.S. Department of Education *2015-2016 Federal Student Aid Handbook*, Volume 3, Chapter 5).

Texas State University (University) uses the classification of “5th year/other undergrad” for post-baccalaureate students who are undergraduates seeking their second undergraduate degree. The University uses that classification to determine the amounts of loans for which students are eligible based on the year of the program the students have completed.

The University awarded Federal Direct Student Loans in excess of the annual limit to 20 (10 percent) of 204 students seeking a second baccalaureate degree tested. The amounts by which those awards exceeded the annual limit ranged from \$344 to \$1,869, and the University overawarded those 20 students a total of \$26,283 in Federal Direct Student Loans. Those errors occurred because the University’s process for identifying undergraduate students seeking second degrees was not sufficient to ensure that those students received the correct award amounts. After auditors brought those errors to the University’s attention, it corrected the overawards; therefore, there were no questioned costs.

Not accurately identifying undergraduate students who are seeking second degrees could affect the determination of the annual and aggregate limits for those students’ Federal Direct Student Loans.

Recommendation:

The University should award Federal Direct Student Loans within the annual and aggregate limits.

Views of Responsible Officials:

The University acknowledges and agrees with the finding. Through analysis of the exceptions identified in the audit, the University implemented corrective action to ensure future compliance.

Corrective Action Plan:

Upon review of the exceptions, it was determined that Financial Aid and Scholarships did not have the information regarding how many hours from the 1st undergraduate degree satisfied requirements of the 2nd undergraduate degree. In August 2016, we requested that information from academic advisors for all current AY15-16 and AY16-17 2nd bachelor’s students. Once received, we calculated the students’ grade level and made the appropriate loan adjustments; if applicable. Moving forward, an automated process was implemented that requires the student to provide that information from their academic advisor via a form once they are identified as pursuing a 2nd bachelor’s degree. The student will not be offered federal student loans until that information is received and the grade level can be calculated.

Implementation Date: August 2016
Responsible Person: Dr. Christopher D. Murr

Reference No. 2016-116

Special Tests and Provisions – Enrollment Reporting

(Prior Audit Issues 2015-115, 2014-125, and 2013-148)

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P150387 and CFDA 84.268, Federal Direct Student Loans, P268K160387

Statistically valid sample – No

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 Perkins Loan, Federal Family Education Loan (FFEL), Direct Subsidized Loan, Direct Unsubsidized Loan, 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 674.19(f), 685.309(b), and 682.610(c)). Enrollment reporting roster files must also include Federal Pell Grant-only 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	

For a student who has graduated, institutions that initially report a withdrawn status must subsequently report the student as having graduated by certifying a “G” status at the campus-level and/or program-level as appropriate. The graduated status may protect the interest subsidy on the student’s current loans (*National Student Loan Data System (NSLDS) Enrollment Reporting Guide*, Chapter 4).

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 62 students tested who had a status change, the University did not report status changes or effective dates to NSLDS accurately. Specifically:

- The University did not report one student’s graduated status and effective date to NSLDS. The student was enrolled in the Fall term, and the University appropriately reported that student as withdrawn due to nonpayment and cancellation of courses. The student later applied for graduation and was awarded a degree. The University reported the graduated status to NSC; however, NSC did not report that status change to NSLDS.
- The University did not accurately report the effective date of one student’s status change to less than half time. The University’s process to identify records for reporting to NSC created an error, which the University did not correct before it submitted a file to NSC. As a result, the file the University submitted to NSC did not contain an effective date for that student, and NSC defaulted the effective date to the first date of the term.

The errors discussed above occurred because the University did not have a control to ensure that the information it reported to NSC was accurate and that NSC submitted accurate information to NSLDS. Not reporting accurate status changes and effective dates 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:

Texas State University acknowledges and agrees with the finding. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

Texas State University has already implemented significant process enhancements in this area. We have created a fulltime staff position entitled "Enrollment Data Auditor". This position's duties include the complete review of enrollment and graduation data before it is sent to the NSC and will monitor that the correct data is then reported to the NSLDS in a timely and accurate manner. We have developed relationships with staff at both the NSC and the NSLDS to ensure that we maintain constant communication when issues arise before they become out of compliance.

Implementation Date: November 2016

Responsible Person: Louis E. Jimenez Sr.

Texas Tech University

Reference No. 2016-117

Eligibility

(Prior Audit Issue 2015-116)

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A154151; CFDA 84.033, Federal Work-Study Program, P033A154151; CFDA 84.063, Federal Pell Grant Program, P063P152328; CFDA 84.268, Federal Direct Student Loans, P268K162328; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T162328; and CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable

Statistically valid sample – No

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	

The financial aid administrator, on the basis of adequate documentation, has the authority to make adjustments on a case-by-case basis to the COA or the values of the data items required to calculate the expected student or parent contribution (or both) to allow for treatment of an individual eligible applicant with special circumstances. Special circumstances are conditions that differentiate an individual student from a class of students, rather than conditions that exist across a class of students. Adequate documentation for such adjustments must substantiate the special circumstances of individual students (Higher Education Act, Section 479A(a)). The reason for the adjustment must be documented in a student’s file, and the reason must relate to the special circumstances that differentiate the student, not to conditions that exist for a whole class of students (U.S. Department of Education *2015-2016 Federal Student Aid Handbook*).

Texas Tech University (University) incorrectly or inconsistently calculated the COA budgets for 4 (6 percent) of 64 students tested. Specifically:

- The University incorrectly assigned certain budget components to three students’ COA budgets. The University referenced incorrect columns on the Summer COA, duplicated the amount for miscellaneous personal expenses in the amount of \$138, or manually updated a COA budget using an outdated budget. Those errors occurred because of manual errors the University made in updating COA budgets.
- The University did not document its professional judgment when it adjusted a COA budget component for one student. The University adjusted that student’s COA budget for books and supplies by \$300; however, it did not document the reason for that adjustment. That error occurred because the University’s policy does not require staff to document the reasons for professional judgment decisions.

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.

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 *2015-2016 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 \$1,637 Subsidized Direct Loan that the student was not eligible to receive. That error occurred because the University made a manual data entry error. The University did not properly cancel the Subsidized Direct Loan for the Spring term when it updated the student's awards to reflect a graduate status for that term. After auditors brought the error to the University's attention, it adjusted the student's award and returned the overaward to the U.S. Department of Education; therefore, there were no questioned costs.

Recommendations:

The University should:

- Strengthen its process to ensure that manual COA budget adjustments are accurate, and sufficiently document the reasons for its professional judgments regarding those adjustments.
- Award Subsidized Direct Loans only to eligible undergraduate students.

Views of Responsible Officials:

Texas Tech University acknowledges and agrees with the findings. Texas Tech University has worked to develop and implement corrective action to further improve processes.

Corrective Action Plan:

- *The University has already implemented significant process enhancements in this area.*
- *We have added the following statement to our policies and procedures for documentation of cost of attendance budget adjustments: Advisors will ensure notes on RHACOMM and documentation in imaging if applicable.*
- *For changes to budget components as a result of enrollment changes, we have added the following statements to our policies and procedures: Documentation of student requested changes to the enrollment certifications are saved in RHACOMM. Upon receipt of documentation, students are re-budgeted by dedicated enrollment certification advisors.*
- *Packaging rules are in place to prevent awarding of undergraduate direct loan funds to graduate students. We updated our fund disbursement rules for all direct loan funds to ensure graduate students are not disbursed undergraduate loan funds*

Implementation Dates: September 2016 and January 2017

Responsible Person: Shannon Crossland

Reference No. 2016-118

Special Tests and Provisions – Enrollment Reporting

(Prior Audit Issues 2015-119, 2014-129, 2013-152, 13-132, 12-138, 11-139, and 09-75)

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P152328; CFDA 84.268, Federal Direct Student Loans, P268K162328; and CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable

Statistically valid sample – No

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 Perkins Loan, 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 674.19(f), 685.309(b) and 682.610(c)). Enrollment reporting roster files must also include Federal Pell Grant-only 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 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 9 (15 percent) of 60 students tested who had a status change, the University did not report status changes or effective dates to NSLDS accurately. Specifically:

- The University did not report the status change or effective date for one student to NSLDS. That error occurred because the student did not have a Social Security number in the University’s student financial assistance system, Banner. As a result, when the University reported status changes to NSC, the student was not identified by NSC and was reported to NSLDS as “No Record Found.”
- The University reported incorrect effective dates for seven 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, the University reported the day after the final day of the term in which those students were last enrolled.
- The University reported an incorrect effective date for one student who unofficially withdrew from the Fall term. The University reported the effective date as December 9, 2015, to NSLDS; however, the student’s last date of attendance was November 20, 2015.

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 report accurate status changes and effective dates to NSLDS.

Views of Responsible Officials:

Texas Tech University acknowledges and agrees with the findings. Texas Tech University has worked to develop and implement corrective action to further improve processes.

Corrective Action Plan:

- *The University has already implemented significant process enhancements in this area.*
- *Registrar reaches out to students to provide Social Security numbers. Registrar will provide list to Student Financial Aid to cross check financial aid tables for Social Security numbers.*
- *We have created a one-page reference document to utilize for consistency for enrollment reporting in terms of withdrawals, scheduled breaks, suspensions, continuous enrollment and graduates to ensure reporting of effective dates and enrollment changes to NSLDS.*
- *The last day of the term (last day of finals) will be the date used for students who complete a term and do not return for the following term.*
- *We will continue to ensure the enrollment information uploaded is accurate and timely.*

Implementation Date: September 2016

Responsible Persons: Bobbie Brown and Shannon Crossland

Texas Tech University Health Sciences Center

Reference No. 2016-119

Eligibility

Activities Allowed or Unallowed

Reporting

Special Tests and Provisions – Verification

Special Tests and Provisions – Institutional Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A155175; CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P153367; CFDA 84.268, Federal Direct Student Loans, P268K163367; and CFDA 93.264, Nurse Faculty Loan Program, Award Number Not Applicable

Statistically valid sample – No

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 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, 673.5, and 685.301).

The Texas Tech University Health Sciences Center (Health Sciences Center) uses algorithmic budgeting to build COA budgets based on classification, academic program, admission term, enrollment level, living status, and residency. Budgeting rules within the Health Sciences Center’s student financial assistance system, Banner, are established to assign various budget components based on the student’s reported expected enrollment, as well as program and admission information within the system.

For 17 (27 percent) of 64 students tested, the Health Sciences Center incorrectly calculated the COA. Those errors occurred because the Health Sciences Center did not configure its algorithmic budgeting rules to assign the correct budget component amount based on a student’s program and admission information. Additionally, the Health Sciences Center made manual errors when adjusting student budgets. Specifically:

- For 9 students, the Health Sciences Center incorrectly sequenced the algorithmic budgeting rules and did not consider the term in which the students were admitted to the School of Medicine. As a result, the Health Sciences Center assigned those students an incorrect budget amount for room and board. It overawarded one of those students \$534 as a result of the incorrect budget amount for room and board. After auditors brought that error to its attention, the Health Sciences Center used professional judgment to increase that student’s COA based on a previously submitted budget increase request from that student; therefore, there were no questioned costs.
- For 7 students, the Health Sciences Center incorrectly sequenced the algorithmic budgeting rules and did not consider the term in which the students were admitted to the School of Health Professions. As a result, the Health Sciences Center assigned those students an incorrect budget amount for books and supplies. Those errors did not result in an overaward; therefore, there were no questioned costs.

- For 1 student, the Health Sciences Center made errors when manually adjusting the student's COA. The Health Sciences Center manually assigned that student a full-time budget for the Spring 2016 term; however, the student was enrolled only three-quarter time. That error did not result in an overaward; therefore, there were no questioned costs.

Incorrectly calculating COA budgets 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 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 668.34 (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 *2015-2016 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. For a graduate program, a period defined by the institution that is based on the length of the educational program should be used to determine the maximum time frame for the quantitative component of SAP (Title 34, CFR, Section 668.34(b)).

The Health Sciences Center evaluates SAP at the end of each term, with the exception of students enrolled in the School of Medicine. The Health Sciences Center allows students who do not meet the minimum requirements, other than maximum time frame, one warning term to restore satisfactory standing. At the end of the warning term, the student must have regained satisfactory SAP status to continue receiving financial assistance. Students who have reached the maximum time frame to complete a program cannot receive a warning term and are no longer eligible to receive financial assistance. The Health Sciences Center evaluates students enrolled in the School of Medicine once per academic year, and it does not give them a warning term.

The Health Sciences Center'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 single term or in an academic year; however, the policy does not consider cumulative hours, which could result in a pace that would not ensure that the 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.

Additionally, for 13 (20 percent) of 64 students tested, the Health Sciences Center did not assign SAP statuses for the correct term or assign SAP statuses in a timely manner. Specifically:

- The Health Sciences Center did not post a SAP status for two students for the Summer 2015 term in its student financial assistance system, Banner. The Health Sciences Center asserted that it performed the SAP review in a timely manner; however, it did not update Banner with the results of that review. After auditors brought those errors to the Health Sciences Center's attention, it updated the SAP status for both students. Those two students met SAP requirements and were eligible to receive financial assistance in that term; therefore, there were no questioned costs.
- The Health Sciences Center did not post a SAP status for two students for the Fall 2015 term because it had not reviewed SAP for those students due to an oversight in the SAP review process. The Health Sciences Center did not review SAP for a total of 245 students for the Fall 2015 term. After auditors brought those errors to the Health Sciences Center's attention, it reviewed all 245 students and determined that one of those 245 students was ineligible to receive financial assistance. That student did not enroll in the Fall 2015 term and did not receive financial assistance; therefore, there were no questioned costs.

- The Health Sciences Center assigned one student a SAP status for a term that did not correspond to the student's academic program. That student was enrolled in the Paul L. Foster School of Medicine in El Paso, but the Health Sciences Center assigned SAP statuses for the Lubbock School of Medicine. Additionally, the student was not assigned a SAP status for the Fall 2015 term, as required by the Health Sciences Center's SAP policy. Those errors occurred because of manual errors the Health Sciences Center made when updating that student's account. The student met SAP requirements and was eligible to receive financial assistance in those terms; therefore, there were no questioned costs.
- For eight students, the Health Sciences Center did not assign a SAP status for those students until after the Fall 2015 term had begun. The Health Sciences Center asserted that it performed the review in a timely manner; however, it did not update Banner with the results of that review until November 13, 2015. Those students met SAP requirements and were eligible to receive financial assistance in that term; therefore, there were no questioned costs.

Although none of the above students received financial assistance for which they were not eligible, not following the established policies and procedures increases the risk that students could receive financial assistance for which they are not eligible.

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 *2015-2016 Federal Student Aid Handbook*, and Title 34, CFR, Section 690.63(b)).

For 1 (13 percent) of 8 students tested who received Federal Pell Grants, the Health Sciences Center did not award the correct amount of Federal Pell Grant assistance. Specifically, the Health Sciences Center awarded the student an amount that was less than the amount the student was eligible to receive. That occurred because the Health Sciences Center manually awarded Federal Pell Grants to students enrolled in its Traditional Nursing Program and it did not include the student in that process. As a result, the student was underawarded \$904 in Federal Pell Grant assistance that the student was eligible to receive.

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 *2015-2016 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 Health Sciences Center disbursed one graduate student a \$1,815 Subsidized Direct Loan that the student was not eligible to receive. The student graduated from an undergraduate program in the Fall 2015 term and was admitted to a graduate program for the Spring 2016 term. The Health Sciences Center did not have controls to identify students who changed classifications mid-year and adjust awards as necessary. After auditors brought that error to its attention, the Health Sciences Center returned the loan funds to the U.S. Department of Education; therefore, there were no questioned costs.

Other Compliance Requirements

Although the general control weaknesses described below apply to activities allowed or unallowed, reporting, and special tests and provisions – verification, auditors identified no compliance issues regarding those compliance requirements.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The Health Sciences Center did not appropriately restrict access to its student financial assistance system, Banner. Specifically:

- Two programmers had inappropriate access to modify fund rules, tracking requirements, disbursement locks, budget tables, and default disbursement dates.
- Four financial assistance advisors had inappropriate access to budget tables, default disbursement dates, and programmable rules.

Those errors occurred because the Health Sciences Center did not restrict user access to high-profile roles within its student financial assistance system based on user job responsibilities. After auditors brought those errors to the Health Sciences Center's attention, it removed the inappropriate access for the users discussed above.

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 Sciences Center should:

- Configure automated algorithmic budgeting rules to assign correct budget component amounts to students.
- Assign students the correct COA budgets according to their enrollment status.
- Update its SAP policy to meet federal requirements by calculating the quantitative pace requirement on a cumulative basis, rather than on a term or annual basis, and by ensuring that the policy requires students to graduate within the maximum time frame.
- Consistently and accurately apply its SAP policy to ensure that it assigns students the correct SAP status in a timely manner.
- Award students the correct amount of Federal Pell Grant funds according to their enrollment status for all terms.
- Award Subsidized Direct Loans only to eligible undergraduate students.
- Appropriately limit access to its student financial assistance system to users based on their job responsibilities.

Views of Responsible Officials:

The University acknowledges and agree with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

The algorithmic budgeting process has been reviewed and revised to verify accuracy. Additional safeguards, such as periodic reviews have been put in place to maintain system accuracy. While it remains necessary to occasionally award a student manually, this capability is highly restricted and exercised only when necessary.

Implementation Date: November 2016

Responsible Person: Fabian Vasquez

The Texas Tech University Health Sciences Center's Satisfactory Academic Progress (SAP) policies have been updated to include all federal requirements, including the quantitative pace requirement regarding a cumulative basis.

To ensure the consistent, accurate and timely review and documentation of SAP reviews, checklists have been added to document and track the processes.

Implementation Dates: November 2016 and January 2017

Responsible Person: Teresa Diaz

Federal Pell eligible or potentially eligible students enrolled for summer terms are manually reviewed to determine eligibility for awards as "regular" awards or Crossover Pell awards. This includes all levels of enrollment. Documentation is maintained.

Implementation Dates: November 2016

Responsible Persons: Fabian Vasquez and Karen Burnett

Additional reviews have been added to identify students receiving federal awards designated for undergraduates while enrolled in a graduate or professional program.

Implementation Date: November 2016

Responsible Person: Karen Burnett

All users' job responsibilities and system access requirements were reevaluated. The two programmers were assigned to a new user group. All advisors were assigned to one of two different user groups. User access will be reviewed at least twice per year, during the TTUS EAS (Enterprise Application Security) audit. Additional reviews will be performed as needed.

Implementation Date: September 2016

Responsible Person: Marcus Wilson

Reference No. 2016-120

Special Tests and Provisions – Disbursements To or On Behalf of Students

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P153367; and CFDA 84.268, Federal Direct Student Loans, P268K163367

Statistically valid sample – No

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).

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

The Texas Tech University Health Sciences Center (Health Sciences Center) did not always perform required reviews of transfer students prior to disbursing student financial assistance. For 21 (91 percent) of 23 students tested who transferred to the Health Sciences Center during the academic year, the Health Sciences Center did not obtain updated financial assistance history from NSLDS for the current year before it disbursed student financial assistance. The Health Sciences Center had a manual process to perform transfer monitoring; however, it did not

perform that process on a routine basis during the award year and it did not perform that process prior to disbursing financial assistance. The Health Sciences Center performed transfer monitoring for those 21 students in November 2015 or October 2016, but that monitoring occurred after the Health Sciences Center had disbursed funds to those students.

During audit testing, auditors did not identify students to whom the Health Sciences Center overawarded financial assistance as a result of the issues discussed above. However, not obtaining updated NSLDS information prior to disbursing funds increases the risk that the Health Sciences Center could overaward financial assistance to students who received financial assistance at another institution.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The Health Sciences Center did not appropriately restrict access to its student financial assistance system, Banner. Specifically:

- Two programmers had inappropriate access to modify fund rules, tracking requirements, disbursement locks, budget tables, and default disbursement dates.
- Four financial assistance advisors had inappropriate access to budget tables, default disbursement dates, and programmable rules.

Those errors occurred because the Health Sciences Center did not restrict user access to high-profile roles within its student financial assistance system based on user job responsibilities. After auditors brought those errors to the Health Sciences Center's attention, it removed the inappropriate access for the users discussed above.

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 Sciences Center should:

- Develop and implement a process to review information from NSLDS before it disburses financial assistance for all students who transfer to the Health Sciences Center during the award year.
- Appropriately limit access to its student financial assistance system to users based on their job responsibilities.

Views of Responsible Officials:

The University acknowledges and agree with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

Transfer Monitoring is being processed on a weekly basis (some exceptions apply) for each term. As ISIR's are loaded into the system, they are reviewed for aggregate loan flags as well as C-Flags issues. These issues prevent disbursement until they are resolved. In addition, as loan origination/disbursement files are processed, any rejected records are reviewed and if an overpayment is identified, the loan amount is de-fed and loan eligibility adjusted.

Implementation Date: November 2016

Responsible Person: Fabian Vasquez

All users' job responsibilities and system access requirements were reevaluated. The two programmers were assigned to a new user group. All advisors were assigned to one of two different user groups. User access will be reviewed at least twice per year, during the TTUS EAS (Enterprise Application Security) audit. Additional reviews will be performed as needed.

Implementation Date: September 2016

Responsible Person: Marcus Wilson

Reference No. 2016-121

Special Tests and Provisions – Return of Title IV Funds

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A155175; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P153367; and CFDA 84.268, Federal Direct Student Loans, P268K163367

Statistically valid sample – No

Type of finding – Significant Deficiency and Non-Compliance

Return of Title IV Funds

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)). 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 the institution determined that a student withdrew (Title 34, CFR, Section 668.22(j)(1)).

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

The Texas Tech University Health Sciences Center (Health Sciences Center) did not always return Title IV funds within the required time frames. For 1 (13 percent) of 8 students tested who had a return of Title IV funds, the Health Sciences Center returned funds 393 days after it determined the student withdrew. Although the Health Sciences Center asserted that it performed reviews of its return calculations, that review process was not documented.

Not having an adequate system to monitor the return calculation process increases the risk that the Health Sciences Center will not return funds a timely manner.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The Health Sciences Center did not appropriately restrict access to its student financial assistance system, Banner. Specifically:

- Two programmers had inappropriate access to modify fund rules, tracking requirements, disbursement locks, budget tables, and default disbursement dates.
- Four financial assistance advisors had inappropriate access to budget tables, default disbursement dates, and programmable rules.

Those errors occurred because the Health Sciences Center did not restrict user access to high-profile roles within its student financial assistance system based on user job responsibilities. After auditors brought those errors to the Health Sciences Center’s attention, it removed the inappropriate access for the users discussed above.

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 Sciences Center should:

- Return Title IV funds within required time frames.
- Document its process for reviewing calculations for returns of Title IV funds.
- Appropriately limit access to its student financial assistance system to users based on their job responsibilities.

Views of Responsible Officials:

The University acknowledges and agree with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

The Texas Tech University Health Sciences Center’s Financial Aid Office has revised R2T4 processes. This includes having three reviewers; the initial review, a secondary review, and a weekly review and signoff. This will address any lapses regarding the time frame issue as well as compiling the necessary documentation.

Implementation Date: November 2016

Responsible Persons: Mia Myers and Lena Hooker

All users’ job responsibilities and system access requirements were reevaluated. The two programmers were assigned to a new user group. All advisors were assigned to one of two different user groups. User access will be reviewed at least twice per year, during the TTUS EAS (Enterprise Application Security) audit. Additional reviews will be performed as needed.

Implementation Date: September 2016

Responsible Person: Marcus Wilson

Reference No. 2016-122

Special Tests and Provisions – Enrollment Reporting

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P153367; and CFDA 84.268, Federal Direct Student Loans, P268K163367

Statistically valid sample – No

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 within the next 60 days, it must notify the Secretary within 30 days if it discovers that a Federal Perkins Loan, 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 674.19(f), 685.309(b), and 682.610(c)). Enrollment reporting roster files must also include Federal Pell Grant-only 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. 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 (*NSLDS Enrollment Reporting Guide*, Appendix C).

The Texas Tech University Health Sciences Center (Health Sciences Center) uses the services of the National Student Clearinghouse (NSC) to report status changes to NSLDS. Under this arrangement, the Health Sciences Center 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 Health Sciences Center's behalf and communicates status changes to NSLDS, as applicable. Although the Health Sciences Center uses the services of NSC, it is still ultimately the Health Sciences Center's responsibility to submit timely, accurate, and complete responses to roster files and to maintain proper documentation (*NSLDS Enrollment Reporting Guide*, Chapter 3).

The Health Sciences Center did not report student status changes or effective dates to NSLDS accurately. For 37 (62 percent) of 60 students tested with a status change, the Health Sciences Center reported inaccurate status changes or reported a status change when there was none. Specifically:

- For 30 of those students, the Health Sciences Center reported those students' status changes inaccurately or reported a status change when the student did not have a status change. Those errors occurred because the Health Sciences Center inaccurately established the minimum number of credit hours required for different enrollment levels in its student financial assistance system, Banner. As a result, its submissions to NSLDS included inaccurate information.
- For 7 of those students, the Health Sciences Center did not report the withdrawn status and effective date accurately. Those errors occurred because the Health Sciences Center did not process those withdrawals in Banner and, as a result, it did not include those withdrawals in its reporting process or its last submission date occurred prior to the withdrawal. In addition, for two of those students, the Health Sciences Center also reported an inaccurate status change for a term that differed from the term in which the student withdrew.

The Health Sciences Center did not report status changes to NSLDS in a timely manner. For 16 (27 percent) of 60 students tested who had a status change, the Health Sciences Center did not report status changes to NSLDS in a timely manner. Specifically:

- For 6 of those students, the Health Sciences Center reported those students' status changes between 66 and 267 days after the status change occurred.
- For 10 of those students, the Health Sciences Center did not report those students' status changes to NSLDS.

For 8 of those students, the errors discussed above resulted in the Health Sciences Center not reporting status changes in a timely manner. For the remaining 8 students, the Health Sciences Center asserted that it reported those status changes in a timely manner to NSC; however, NSC did not report those status changes to NSLDS or did not report those status changes to NSLDS within the required time frame.

Not reporting student status changes accurately and in a timely manner 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.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The Health Sciences Center did not appropriately restrict access to its student financial assistance system, Banner. Specifically:

- Two programmers had inappropriate access to modify fund rules, tracking requirements, disbursement locks, budget tables, and default disbursement dates.

- Four financial assistance advisors had inappropriate access to budget tables, default disbursement dates, and programmable rules.

Those errors occurred because the Health Sciences Center did not restrict user access to high-profile roles within its student financial assistance system based on user job responsibilities. After auditors brought those errors to the Health Sciences Center's attention, it removed the inappropriate access for the users discussed above.

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 Sciences Center should:

- Accurately report all status changes and effective dates to NSLDS in a timely manner.
- Strengthen controls over the establishment of the minimum number of credit hours required for different enrollment levels in Banner to ensure that students' statuses are accurate.
- Appropriately limit access to its student financial assistance system to users based on their job responsibilities.

Views of Responsible Officials:

The University acknowledges and agree with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

Procedures have been modified to ensure all student status changes are reported correctly and in a timely manner. Clearinghouse reports are submitted every 30 days.

Implementation Date: November 2016

Responsible Person: Mike Carpenter

Procedures have been added that strengthen the controls for the SFATMST table in Banner. This is the table that controls the credit hour requirements for the enrollment levels. In addition, this table will be reviewed prior to the beginning of each term for accuracy.

Implementation Date: December 2016

Responsible Person: Tamara Krauser

All users' job responsibilities and system access requirements were reevaluated. The two programmers were assigned to a new user group. All advisors were assigned to one of two different user groups. User access will be reviewed at least twice per year, during the TTUS EAS (Enterprise Application Security) audit. Additional reviews will be performed as needed.

Implementation Date: September 2016

Responsible Person: Marcus Wilson

Texas Woman's University

Reference No. 2016-123

Eligibility

Activities Allowed or Unallowed

Cash Management

Reporting

Special Tests and Provisions – Disbursements To or On Behalf of Students

Special Tests and Provisions – Institutional Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A154153; CFDA 84.033, Federal Work-Study Program, P033A154153; CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P152330; CFDA 84.268, Federal Direct Student Loans, P268K162330; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T162330; CFDA 93.364, Nursing Student Loans, 4 E4CHP27339-02-00; and CFDA 93.925, Scholarships for Health Professions Students from Disadvantaged Backgrounds, 5 T08HP25248-04-00 and 5 T08HP25296-04-00

Statistically valid sample – No

Type of finding – Material Weakness 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 1087II).

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

In determining whether a student is in need of a nursing student loan to pursue a full-time or half-time course of study, the institution will take into consideration (1) the financial resources available to the student by using one of the national need analysis systems or any other procedure approved by the U.S. Department of Education Secretary in combination with other information the institution has regarding the student's financial status; (2) and the costs reasonably necessary for the student's attendance at the institution, including any special needs and obligations which directly affect the student's financial ability to attend the school on a full-time or half-time basis. The institution must document the criteria used for determining those costs (Title 42, Code of Federal Regulations (CFR), Section 57.306(b), and Title 42, USC, Chapter 6A, Subchapter V, Section 293a).

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, CFR, Sections 668.2, 673.5, and 685.301).

Texas Woman's University (University) has established different COA budgets for undergraduate and graduate students based on term enrollment, residency, living status, and degree program. The University's student financial assistance system, Colleague, budgets students based on students' certification of anticipated enrollment. If the students' anticipated enrollment changes, the University will manually adjust students' budgets to reflect students' actual enrollment.

For 1 (2 percent) of 63 students tested, the University incorrectly calculated the COA. That error occurred because the University manually adjusted the student's COA for the Fall term based on actual enrollment and it incorrectly applied the same adjustment to the Spring term. As a result, the student's Spring COA was overstated by \$1,770;

however, the University did not overaward financial assistance to that student. After auditors brought that error to the University's attention, it adjusted the student's COA budget. Therefore, there were no questioned costs.

Federal Supplemental Educational Opportunity Grants

An institution may award Federal Supplemental Educational Opportunity Grant (FSEOG) funds in an amount determined by the institution in accordance with a student's need to continue the student's studies, with a minimum annual amount of \$100 and a maximum annual amount of \$4,000 (Title 34, CFR, Section 676.20).

The University did not disburse the minimum amount of FSEOG assistance to 1 (20 percent) of 5 students tested who received FSEOG. The University awarded \$400 to the student; however, it disbursed only \$48 for the award year, which was less than the minimum of \$100. That occurred because the University reduced the student's disbursement to prevent an overaward of financial assistance to that student.

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 668.34 (Title 34, CFR, Section 668.32(f); Title 42, CFR, Section 57.306(a)(1)(iv); and Title 42, USC, Section 293a(d)(2)). 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 *2015-2016 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)).

The SAP policy should also 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)).

The University's SAP policy did not meet all federal requirements. The policy allowed students to progress through an academic program at a pace that did not ensure that they will graduate within the maximum time frame. The policy specified a minimum number of hours that a student must complete based on the number of hours enrolled in a term. The University asserted that its SAP policy was more strict than federal requirements for Title IV recipients and, therefore, prevented financial aid abuse. However, 1 (2 percent) of 63 students tested would be ineligible for student financial assistance if the student's pace was calculated on a cumulative basis, as required. In addition, 1 (2 percent) of 63 students tested would have been eligible for student financial assistance if the student's pace were calculated on a cumulative basis, as required.

Calculating the pace of progression through an academic program by each term, rather than by a student's cumulative hours, increases the risk that the University could deny financial assistance to eligible students. In addition, calculating pace on a term 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.

Federal Direct 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 *2015-2016 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 Students (PLUS) Loans.

Based on a review of the full population of student financial assistance recipients, the University awarded \$12,712 in Subsidized Direct Loans to 4 students who were not eligible for that assistance. The University did not have controls during the 2015-2016 award year to ensure that graduate students did not receive Subsidized Direct Loans. Those errors occurred because the University did not cancel Subsidized Direct Loans when those students became graduate students. After auditors brought those errors to the University's attention, it returned the funds to the U.S. Department of Education; therefore, there were no questioned costs.

Federal Pell Grants

In selecting students for Federal Pell Grants, an institution must determine whether students are eligible to receive Federal Pell Grants for the period of time required to complete their 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 \$2,166 in Federal Pell Grant funds to a student who was not eligible for that assistance. That error occurred because the University did not cancel the Federal Pell Grant funds when the student graduated and became a post-baccalaureate student. After auditors brought that error to the University's attention, it returned the Federal Pell Grant funds to the U.S. Department of Education; therefore, there were no questioned costs.

Federal Pell Grant and Direct Loan Limits

The amount of a student's Federal Pell Grant for an academic year is based on schedules published by the U.S. Department of Education for each award year (Title 34, CFR, Section 690.62(a)). The amount of the award is obtained from the payment schedule, and it is based on the student's enrollment level, EFC, and COA (U.S. Department of Education *2015-2016 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 COA, the borrower's maximum borrowing limit, or the borrower's unmet financial need (U.S. Department of Education *2015-2016 Federal Student Aid Handbook*).

The University's controls over Direct Loans and Federal Pell Grants did not ensure that manually entered awards complied with federal financial assistance limits. The automated packaging process within Colleague had limits to prevent awarding more student financial assistance than a student is eligible to receive. However, if the University manually awarded student financial assistance, Colleague did not prevent students from being awarded more than the limits. The University did have a compensating control in place that correctly identified students with annual overawarded Federal Pell Grants. Overall this increases the risk that students could be overawarded federal financial assistance. Auditors tested 63 students and did not identify any students who were awarded federal financial assistance that exceeded their annual or aggregate award limits.

Other Compliance Requirements

Although the general control weaknesses described below apply to activities allowed or unallowed, cash management, reporting, and special tests and provisions – disbursements to or on behalf of students, auditors identified no compliance issues regarding those compliance requirements.

General Controls

Institutions must establish and maintain effective internal control over the federal award that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not have sufficient controls or proper segregation of duties over its change management process. Specifically, 11 members of the application development team had access to migrate code changes to the production environment for its student financial assistance application, Colleague, and its financial accounting application, Oracle. Five of those team members also had access to migrate changes to the Colleague application servers. One of those team members also had administrator access to the Oracle application. The University's change management process allows developers to migrate their own code into the production environment, and it does not have appropriate controls to track who migrates code or to document the review and approval of changes prior to migrating code to the production environment.

Not maintaining appropriate segregation of duties or having appropriate controls to track migration and document reviews and approvals increases the risk of unauthorized and unintended programming changes being made to critical information systems.

In addition, the University did not consistently maintain appropriate user access controls to Colleague. Specifically, two users had access to Colleague screens that allowed them to award and disburse federal financial assistance. After auditors brought that issue to its attention, the University removed the inappropriate access for those two individuals. Those errors occurred because the University did not have sufficient policies and procedures over user access and it had not implemented a formal, documented, periodic review of user access to critical information systems.

Not maintaining appropriate access increases the risk of unauthorized access to key processes.

Recommendations:

The University should:

- Calculate each student's COA based on the correct budget and apply manual adjustments accurately.
- Award and disburse at least the minimum required amount of FSEOG assistance to students.
- Update its SAP policy to meet federal requirements by calculating the quantitative pace requirement on a cumulative basis, rather than on term basis, and ensure that its SAP policy requires students to graduate within the maximum time frame.
- Award Subsidized Direct Loans only to undergraduate students.
- Award Federal Pell Grants only to undergraduate students.
- Establish and implement a process to ensure that manual student financial assistance awards do not cause students' total awards to exceed annual and aggregate award limits.
- Strengthen controls for change management and remove individuals' access to migrate the code changes that they make to the production environment.
- Strengthen controls over user access to ensure that access is appropriate based on users' job functions.

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

- *The University will modify its procedures to ensure that the calculation of each student's COA is based on the correct budget and that manual adjustments are applied correctly.*
- *The University will modify its disbursement process to ensure that no FSEOG is disbursed for less than the \$100 minimum amount.*
- *The University will update its SAP policy to meet federal requirements by calculating the quantitative pace requirement on a cumulative basis, rather than on term basis, and ensure that its SAP policy requires students to graduate within the maximum time frame.*
- *The University will strengthen its controls to ensure that Subsidized Direct Loans are only awarded to undergraduate students.*
- *The University will strengthen its controls to ensure that Federal Pell Grants are only awarded to first-time undergraduate students.*
- *The University will establish and implement a process to ensure that manual student financial assistance awards do not cause students' total awards to exceed annual and aggregate award limits.*
- *The University will implement appropriate segregation of duties, controls to track migration and document reviews, and approvals of changes to critical information systems.*
- *The University will strengthen controls over user access to ensure that access is appropriate based on users' job functions.*

Implementation Date: April 2017

Responsible Persons: Governor Jackson
Dr. Robert Placido

Reference No. 2016-124

Special Tests and Provisions – Verification

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A154153; CFDA 84.033, Federal Work-Study Program, P033A154153; CFDA 84.038, Federal Perkins Loan – Federal Capital Contribution, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P152330; CFDA 84.268, Federal Direct Student Loans, P268K162330; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T162330

Statistically valid sample – No

Type of finding – Material Weakness 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, Supplemental Nutrition Assistance Program (SNAP), 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 79, Number 122).

Questioned Cost:	\$ 70,102
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).

An institution must require an applicant scheduled for verification to submit to it, within the period of time it or the Secretary of the U.S. Department of Education specifies, the documentation requested by the institution. If an applicant fails to provide the requested documentation within a reasonable time period established by the institution, the institution may not disburse any additional Federal Perkins Loan or Federal Supplemental Educational Opportunity Grant program funds, employ or continue to employ the applicant under the Federal Work-Study Program, originate or disburse any additional Direct Subsidized Loans, or disburse any additional Federal Pell Grant Program funds (Title 34, CFR, Section 668.60).

A Federal Pell Grant recipient selected for verification must complete the process by the earlier of the last date that the student was enrolled and eligible for payment or the deadline established by the Secretary of the U.S. Department of Education in the *Federal Register*. Campus-Based and Stafford Loan applicants must complete verification by the same deadline or by an earlier one established by the institution. Verification is complete when all of the requested documentation and a valid ISIR (one on which all the information is accurate and complete) has been received. This includes any necessary corrections, which must be made by the deadlines published in the *Federal Register* for the submission of paper or electronic corrections (Title 34, CFR, Sections 690.61 and 668.60; *Federal Register*, Volume 80, Number 47; and U.S. Department of Education *2015-2016 Federal Student Aid Handbook*).

An institution need not verify an applicant's FAFSA information if: (1) the applicant dies; (2) the applicant does not receive assistance under Title IV for other reasons than not verifying FAFSA information; (3) the applicant is eligible to receive only unsubsidized loans; or (4) the applicant transfers and verification had been completed at the previous institution (Title 34, CFR, Section 668.54(b)). In addition, an institution would not need to complete verification if a student was selected for verification after ceasing to be enrolled at that institution and all (including late) disbursements were made (U.S. Department of Education *2015-2016 Federal Student Aid Handbook*).

For 3 (5 percent) of 59 students tested, Texas Woman's University (University) did not accurately verify certain required items on the FAFSA; therefore, it did not subsequently update its records and request updated ISIRs, as required. Specifically, the University did not accurately verify education credits or income tax paid. After auditors brought those errors to the University's attention, it asserted that those students were not overawarded financial assistance; however, it did not request updated ISIRs for those students because the deadline for the University to submit corrections had passed.

In addition, for 29 students in the population of Title IV recipients that were selected for verification by the U.S. Department of Education, the University did not follow its procedures. Those 29 students were selected for verification after the University had disbursed assistance to them. The University did not identify all students selected for verification because of manual errors it made, and it did not consistently apply its verification policies and procedures. Specifically:

- For 12 students, the University did not update its student financial assistance system, Colleague, to reflect that those students were no longer enrolled at the University, and it did not document its reason for not completing verification. Because those students were no longer enrolled, the University would not have been required to complete verification; therefore, there were no questioned costs.
- For 17 students, the University did not identify those students as requiring verification. After auditors brought those errors to the University's attention, it did not verify those students' FAFSA information and did not request updated ISIRs, as required, because the deadline for the University to submit corrections had passed. Therefore, the funds disbursed to those students were not based on valid ISIRs, which resulted in questioned costs totaling \$70,102 (of that amount, \$66,902 was associated with CFDA 84.063, Federal Pell Grants, award number P063P152330 and \$3,200 was associated with CFDA 84.007, Federal Supplemental Educational Opportunity Grants, award number P007A154153). Auditors determined that the University did not award further federal assistance to those students after they were selected for verification.

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.

General Controls

Institutions must establish and maintain effective internal control over the federal award that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not have sufficient controls or proper segregation of duties over its change management process. Specifically, 11 members of the application development team had access to migrate code changes to the production environment for its student financial assistance application, Colleague, and its financial accounting application, Oracle. Five of those team members also had access to migrate changes to the Colleague application servers. One of those team members also had administrator access to the Oracle application. The University's change management process allows developers to migrate their own code into the production environment, and it does not have appropriate controls to track who migrates code or to document the review and approval of changes prior to migrating code to the production environment.

Not maintaining appropriate segregation of duties or having appropriate controls to track migration and document reviews and approvals increases the risk of unauthorized and unintended programming changes being made to critical information systems.

In addition, the University did not consistently maintain appropriate user access controls to Colleague. Specifically, two users had access to Colleague screens that allowed them to award and disburse federal financial assistance. After auditors brought that issue to its attention, the University removed the inappropriate access for those two individuals. Those errors occurred because the University did not have sufficient policies and procedures over user access and it had not implemented a formal, documented, periodic review of user access to critical information systems.

Not maintaining appropriate access increases the risk of unauthorized access to key processes.

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 process to obtain required documentation to complete its verification of students' FAFSA information.
- Strengthen controls for change management and remove individuals' access to migrate the code changes that they make to the production environment.
- Strengthen controls over user access to ensure that access is appropriate based on users' job functions.

Views of Responsible Officials:

The University acknowledges and agrees with the findings, but does not agree with the total questioned costs assigned to these findings. As additional information, seven students were selected for verification after they had completed enrollment in the academic/award year. Additionally, five of the students who were not verified by the institutional deadline were verified after the deadline during the audit, and there was no change in any of the EFCs. Since there were no changes to the five EFCs, the five ISIRs on hand were determined to be valid ISIRs after the verifications were completed. The Ellucian software used to recalculate the five ISIRs met all of the CPS specifications and had been validated against all CPS test cases for recalculating valid EFCs. The University believes that questioned costs should be re-evaluated on the basis of that information. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Auditor Follow-up Comment:

The University did not receive verification documents from the students in question prior to the due date established in the *Federal Register*. After review and consideration of management's response, the State Auditor's Office stands by its conclusions based on the evidence presented and compiled during this audit.

Corrective Action Plan:

- *The University will modify its procedures to ensure verification of all required FAFSA information for students selected for verification and request updated ISIRs when required.*
- *The University will strengthen its controls over its process to obtain required documentation to complete its verification of students' FAFSA information.*
- *The University will implement appropriate segregation of duties, controls to track migration and document reviews, and approvals of changes to critical information systems.*
- *The University will strengthen controls over user access to ensure that access is appropriate based on users' job functions.*

Implementation Date: April 2017

Responsible Persons: Governor Jackson
Dr. Robert Placido

Reference No. 2016-125

Special Tests and Provisions – Return of Title IV Funds

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A154153; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P152330; CFDA 84.268, Federal Direct Student Loans, P268K162330; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T162330

Statistically valid sample – No

Type of finding – Material Weakness and Non-Compliance

Return of Title IV Funds

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 68.22(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)).

Texas Woman's University (University) did not consistently determine the amount of Title IV funds to return. For 6 (10 percent) of 60 students tested who had returns of Title IV funds, the University made errors in its return calculations. Specifically:

- The University incorrectly calculated the amount of institutional charges used to determine the amount that should have been returned for one student. As a result, the student returned more funds than required; however, the overall amount to be returned was accurate. Therefore, there were no questioned costs.
- For three students, the University used an incorrect number of days completed for the term in its return calculation. As a result, the University returned more funds than required for two of those students and less funds than required for one student. After auditors brought those errors to the University's attention, it returned the additional funds for one student; therefore, there were no questioned costs.
- The University used an incorrect withdrawal date for one student. As a result, the University returned less funds than required. After auditors brought that error to the University's attention, it returned the additional funds for that student; therefore, there were no questioned costs.
- For one student, the University incorrectly included non-federal funds in its return calculation. As a result, the University returned more funds than required.

Those errors occurred because of manual errors the University made in performing the return calculations, which resulted in miscalculations on its return worksheet; in addition, the University's review of return calculations was not sufficient to identify those errors. Not accurately 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.

General Controls

Institutions must establish and maintain effective internal control over the federal award that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not have sufficient controls or proper segregation of duties over its change management process. Specifically, 11 members of the application development team had access to migrate code changes to the production environment for its student financial assistance application, Colleague, and its financial accounting application, Oracle. Five of those team members also had access to migrate changes to the Colleague application servers. One of those team members also had administrator access to the Oracle application. The University's change management process allows developers to migrate their own code into the production environment, and it does not have appropriate controls to track who migrates code or to document the review and approval of changes prior to migrating code to the production environment.

Not maintaining appropriate segregation of duties or having appropriate controls to track migration and document reviews and approvals increases the risk of unauthorized and unintended programming changes being made to critical information systems.

In addition, the University did not consistently maintain appropriate user access controls to Colleague. Specifically, two users had access to Colleague screens that allowed them to award and disburse federal financial assistance. After auditors brought that issue to its attention, the University removed the inappropriate access for those two individuals. Those errors occurred because the University did not have sufficient policies and procedures over user access and it had not implemented a formal, documented, periodic review of user access to critical information systems.

Not maintaining appropriate access increases the risk of unauthorized access to key processes.

Recommendations:

The University should:

- Enhance the reviews of its calculations of Title IV funds required to be returned to the U.S. Department of Education, including the variables it uses in those calculations.
- Strengthen controls for change management and remove individuals' access to migrate the code changes that they make to the production environment.
- Strengthen controls over user access to ensure that access is appropriate based on users' job functions.

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

- *The University will enhance the reviews of its calculations of Title IV funds required to be returned to the U.S. Department of Education, including the variables it uses in those calculations.*
- *The University will implement appropriate segregation of duties, controls to track migration and document reviews, and approvals of changes to critical information systems.*
- *The University will strengthen controls over user access to ensure that access is appropriate based on users' job functions.*

Implementation Date: April 2017

Responsible Persons: Governor Jackson
Dr. Robert Placido

Reference No. 2016-126

Special Tests and Provisions – Enrollment Reporting

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P152330; and CFDA 84.268, Federal Direct Student Loans, P268K162330

Statistically valid sample – No

Type of finding – Material Weakness 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 within the next 60 days, it must notify the Secretary within 30 days if it discovers that a Federal Perkins Loan, 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 674.19(f), 685.309(b), and 682.610(c)). Enrollment reporting roster files must also

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

include Federal Pell Grant-only recipients (Title 34, CFR, Section 690.83(b)(2), and *Dear Colleague Letter*, March 30, 2012 (GEN-12-06)).

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).

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 30, 2012 (GEN-12-06)).

To protect a student's interest subsidy, institutions are required to report a graduated status for students who have completed their course of study (*National Student Loan Data System (NSLDS) Enrollment Reporting Guide*, Appendix C and Chapter 4, and *Dear Colleague Letter*, April 14, 2014 (GEN-14-07)).

Texas Woman's 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 5 (8 percent) of 61 students tested who had a status change, the University did not report status changes and effective dates to NSLDS accurately. Specifically:

- For two students who unofficially withdrew, the University reported the effective date of the withdrawals as the last day of the Spring term; however, it should have reported the effective date as the final day of academic activity. In addition, the University did not report another student's unofficial withdrawal. Those errors occurred because the Registrar's Office did not receive information regarding the last date of attendance from the Office of Financial Aid for unofficial withdrawals.
- For one student, the University did not report the student's graduated status to NSLDS. The student graduated and enrolled in a subsequent term. The University asserted that it reported the graduated status to NSC; however, because the student enrolled in a subsequent term and was not reported as graduated on two consecutive roster files, NSC did not report the graduated status to NSLDS.
- For one student, the University did not report the student's graduated status to NSLDS. The University asserted that it reported the student to NSC; however, because the student had withdrawn from the University in a prior term, NSC did not report the student to NSLDS.

For 14 (23 percent) of 61 students tested who had a status change, the University did not report those status changes to NSLDS in a timely manner. The University reported those status changes between 63 and 246 days after the effective date. Five of those students were the students discussed above and the errors discussed above resulted in those status changes not being reported to NSLDS in a timely manner. For the remaining nine students:

- For five students, the University did not report the status changes in a timely manner because NSC did not submit updated information to NSLDS until after it had received and replied to an NSLDS roster update.
- For four students, the University asserted that it reported the status changes for those students to NSC; however, NSC did not report the status changes to NSLDS in a timely manner.

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.

General Controls

Institutions must establish and maintain effective internal control over the federal award that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not have sufficient controls or proper segregation of duties over its change management process. Specifically, 11 members of the application development team had access to migrate code changes to the production environment for its student financial assistance application, Colleague, and its financial accounting application, Oracle. Five of those team members also had access to migrate changes to the Colleague application servers. One of those team members also had administrator access to the Oracle application. The University's change management process allows developers to migrate their own code into the production environment, and it does not have appropriate controls to track who migrates code or to document the review and approval of changes prior to migrating code to the production environment.

Not maintaining appropriate segregation of duties or having appropriate controls to track migration and document reviews and approvals increases the risk of unauthorized and unintended programming changes being made to critical information systems.

In addition, the University did not consistently maintain appropriate user access controls to Colleague. Specifically, two users had access to Colleague screens that allowed them to award and disburse federal financial assistance. After auditors brought that issue to its attention, the University removed the inappropriate access for those two individuals. Those errors occurred because the University did not have sufficient policies and procedures over user access and it had not implemented a formal, documented, periodic review of user access to critical information systems.

Not maintaining appropriate access increases the risk of unauthorized access to key processes.

Recommendations:

The University should:

- Accurately report status changes and effective dates to NSLDS in a timely manner.
- Establish and implement a process to communicate accurate attendance information regarding students who unofficially withdraw.
- Strengthen controls for change management and remove individuals' access to migrate the code changes that they make to the production environment.
- Strengthen controls over user access to ensure that access is appropriate based on users' job functions.

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

- *The University has worked with the National Student Clearinghouse (NSC) to identify the necessary changes to ensure that status changes and effective dates to NSLDS will be reported in a timely manner. Specifically, additional end-of-term report submissions to the NSC will ensure graduated statuses are reported to the NSLDS regardless if the student re-enrolls or had fallen off previous SSCR submissions.*
- *The University will establish and implement a process to communicate accurate attendance information regarding students who unofficially withdraw.*
- *The University will implement appropriate segregation of duties, controls to track migration and document reviews, and approvals of changes to critical information systems.*

- *The University will strengthen controls over user access to ensure that access is appropriate based on users' job functions.*

Implementation Date: April 2017

Responsible Persons: Governor Jackson
Robert Lothringer
Dr. Robert Placido

Reference No. 2016-127

Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award number – CFDA 84.268, Federal Direct Student Loans, P268K162330

Statistically valid sample – No

Type of finding – Material Weakness and Non-Compliance

Borrower Data Transmission and Reconciliations

Institutions must report all loan disbursements and submit required records to the Direct Loan Servicing System (DLSS) via the Common Origination and Disbursement (COD) System within 15 days of disbursement (*Office of Management and Budget No. 1845-0021*). Each month, the COD System provides institutions with a School Account Statement (SAS) data file, which consists of a cash summary, cash detail, and (optional at the request of the institution) loan detail records. The institution is required to reconcile those files to its financial records on a monthly basis. Because up to three Direct Loan program years may be open at any given time, institutions may receive three SAS data files each month (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087e(k)(2), and U.S. Department of Education *2015-2016 Federal Student Aid Handbook*).

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

Texas Woman’s University (University) did not perform complete, monthly reconciliations during the award year for Direct Loan disbursements; it also did not reconcile required information. The University used an automated process in its student financial assistance system, Colleague, to reconcile SAS files with Colleague information. The automated process produced an error report that staff used to review and correct errors in student-level detail. However, the University did not perform complete monthly reconciliations, and its reconciliations did not include the required review of cash detail or cash summary records.

Not performing reconciliations increases the risk that the University could report inaccurate and incomplete Direct Loan disbursement data to the DLSS.

General Controls

Institutions must establish and maintain effective internal control over the federal award that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, Code of Federal Regulations, Section 200.303).

The University did not have sufficient controls or proper segregation of duties over its change management process. Specifically, 11 members of the application development team had access to migrate code changes to the production environment for its student financial assistance application, Colleague, and its financial accounting application, Oracle. Five of those team members also had access to migrate changes to the Colleague application servers. One of those team members also had administrator access to the Oracle application. The University’s change management process allows developers to migrate their own code into the production environment, and it does not have appropriate controls to track who migrates code or to document the review and approval of changes prior to migrating code to the production environment.

Not maintaining appropriate segregation of duties or having appropriate controls to track migration and document reviews and approvals increases the risk of unauthorized and unintended programming changes being made to critical information systems.

In addition, the University did not consistently maintain appropriate user access controls to Colleague. Specifically, two users had access to Colleague screens that allowed them to award and disburse federal financial assistance. After auditors brought that issue to its attention, the University removed the inappropriate access for those two individuals. Those errors occurred because the University did not have sufficient policies and procedures over user access and it had not implemented a formal, documented, periodic review of user access to critical information systems.

Not maintaining appropriate access increases the risk of unauthorized access to key processes.

Recommendations:

The University should:

- Perform and document complete monthly reconciliations, including reviews of cash detail and cash summary records, between the financial assistance information in Colleague and the monthly SAS files it receives.
- Strengthen controls for change management and remove individuals' access to migrate the code changes that they make to the production environment.
- Strengthen controls over user access to ensure that access is appropriate based on users' job functions.

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

- *The University will perform and document complete monthly reconciliations, including reviews of cash detail and cash summary records, between the financial assistance information in Colleague and the monthly SAS files it receives.*
- *The University will implement appropriate segregation of duties, controls to track migration and document reviews, and approvals of changes to critical information systems.*
- *The University will strengthen controls over user access to ensure that access is appropriate based on users' job functions.*

Implementation Date: April 2017

*Responsible Persons: Governor Jackson
Colette Woods/Carolyn Whitlock
Dr. Robert Placido*

University of Houston

Reference No. 2016-128

Eligibility

Activities Allowed or Unallowed

Cash Management

Reporting

Special Tests and Provisions – Disbursements To or On Behalf of Students

Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)

Special Tests and Provisions – Institutional Eligibility

(Prior Audit Issue 2015-120)

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A154166; CFDA 84.033, Federal Work-Study Program, P033A154166; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P152333; CFDA 84.268, Federal Direct Student Loans, P268K162333; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T162333

Statistically valid sample – No

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: \$ 73,751
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, 673.5, and 685.301).

Federal Direct Student 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 *2015-2016 Federal Student Aid Handbook*).

The University of Houston (University) has established different COA budgets for undergraduate and graduate students based on term enrollment, residency, living status, and degree program. The University’s student financial assistance system, PeopleSoft, initially budgets students based on anticipated full-time Fall and Spring enrollment. As a student’s enrollment changes throughout the enrollment process, the budget continues to rebuild prior to the start of the Fall and Spring terms. After a term begins, the budgets are rebuilt to reflect students’ actual enrollment, and they will continue to rebuild as students drop and add courses until the official reporting day. If a student is not enrolled when the budget rebuild process runs, the student’s budget is not updated. However, financial aid administrators can manually adjust the budgets if students self-report enrollment level changes prior to the census date.

For 21 (32 percent) of 65 students tested, the University incorrectly calculated the COA. Specifically:

- For 20 students, the COA that the University calculated was higher than it should have been. Those errors occurred because the University overstated either the transportation or miscellaneous expenses for those students by amounts ranging from \$275 to \$1,050.

- For one student, the COA that the University calculated was lower than it should have been. That error occurred because the University understated the amount of room and board expense by \$2,669 and overstated the student's transportation costs by \$775.

In addition to the students identified in testing, all less-than-half-time students had incorrect transportation expenses included in their COAs, and all three-quarter time students in the Summer term had incorrect miscellaneous expenses included in their COAs.

After auditors brought those errors to the University's attention, it adjusted the students' COA calculations and determined that the students were not underawarded or overawarded financial assistance. However, incorrect COA calculations could result in underawards or overawards of financial assistance.

In addition, for 1 (2 percent) of 65 students tested, the University awarded federal financial assistance in excess of the student's COA. The University awarded that student an unsubsidized Federal Direct Student Loan that exceeded the student's COA by \$4,918. That error occurred because of manual errors the University made during the award process. After auditors brought that error to the University's attention, it adjusted the student's award and reduced the amount of the unsubsidized Federal Direct Student Loan; 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 668.34 (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 *2015-2016 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)).

The University did not configure its student financial assistance system in accordance with its SAP policy. For the majority of the active academic programs in the University's student financial assistance system, PeopleSoft, the University did not have accurate or established master- and doctoral-level rules to identify students who exceeded 150 percent of their program hours. 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 did not configure PeopleSoft to limit the maximum time frame for some graduate and law programs to 150 percent of the academic program hours. Specifically:

- The University did not have accurate 150 percent maximum hour limit rules for 96 (55 percent) of 175 active master- and doctoral-level programs in PeopleSoft.
- The University did not establish 150 percent maximum hour limit rules for 42 (24 percent) of 175 active master- and doctoral-level programs in PeopleSoft.
- The University did not establish the corresponding SAP status code for exceeding maximum hours in PeopleSoft for the seven maximum hour rules established for law students; that error made the maximum hour rules ineffective for all students in the University's law programs.

During audit testing, auditors did not identify students who were ineligible for student financial assistance as a result of the issues discussed above. However, not determining maximum time frames correctly increases the risk that master- and doctoral-level students could receive financial assistance for which they are not eligible or be denied financial assistance for which they are eligible.

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 *2015-2016 Federal Student Aid Handbook*, and Title 34, CFR, Section 690.63(b)).

For 1 (3 percent) of 40 students tested who received a Federal Pell Grant, the University did not award the correct amount of Federal Pell Grant assistance. The University awarded that student \$2,887 in Federal Pell Grant assistance for the Spring term; however, the student was eligible to receive only \$1,444. That error occurred because the University disbursed a second Federal Pell Grant award to the student for the Spring term in the amount that a student enrolled full-time would be eligible to receive; however, that student was enrolled only half-time for the Spring term. After auditors brought that error to the University's attention, it corrected the student's award and returned \$1,443 in Federal Pell Grant funds to the U.S. Department of Education; therefore, there were no questioned costs.

Teacher Education Assistance for College and Higher Education Grants

A student who has submitted a completed application and meets the requirements of Title 34, CFR, Part 668, Subpart C, is eligible to receive a Teacher Education 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 enrolled in a TEACH grant-eligible institution in a TEACH grant-eligible program; and is completing coursework and other requirements necessary to begin a career in teaching or plans to complete such coursework prior to graduation (Title 34, CFR, Section 686.11(a)).

The University awarded TEACH grant funds to one student who was not eligible for those funds. The University disbursed \$3,728 in TEACH grant funds to that student without evidence the student was enrolled in one of the University's TEACH grant-eligible programs. The student was enrolled in Mathematics, which is a high-need subject area according to the University's policy; however, that policy also requires a student to be enrolled within specific programs with an emphasis in a high-need subject area, and it does not allow for eligibility based solely on a student being enrolled in a high-need subject area. The University did not have documentation showing that the student was enrolled in one of those specific programs. The disbursement of \$3,728 was associated with CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, award number P379T162333 and was considered a questioned cost.

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 if the institution wants to disburse Title IV, HEA program funds to students enrolled at 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)).

The University's most recent ECAR did not include all additional locations. Specifically, the University had two additional locations in Houston that offered more than 50 percent of an eligible program. However the University did not include those locations on its most recent ECAR and it did not notify the U.S. Department of Education about those locations. The University disbursed \$70,023 in federal student financial assistance to 8 students at the unreported Houston locations during the Fall 2015 term. Those disbursements were associated with CFDA 84.268, Federal Direct Student Loans, award number P268K162333 and were considered questioned costs. The University asserted that it moved the eligible program to an approved location for the Spring 2016 term.

That error occurred because the University did not adequately review its ECAR to ensure that it reported all locations at which it offered more than 50 percent of an eligible program with the intention to disburse federal student financial assistance. 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.

Other Compliance Requirements

Although the general controls weaknesses described below apply to activities allowed or unallowed, cash management, reporting, special tests and provisions – disbursements to or on behalf of students, and special tests and provisions – borrower data transmission and reconciliation (direct loan), auditors identified no compliance issues regarding those compliance requirements.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not appropriately restrict access to its financial assistance information system, PeopleSoft, or its change management system, Stat. Specifically, one individual had inappropriate access to the PeopleSoft packaging awards role, which assigns different types of federal financial assistance. That occurred because the University did not appropriately review user access to PeopleSoft across all departments to determine the appropriateness of users' access based on their job responsibilities.

In addition, one former student worker had inappropriate access to Stat and PeopleSoft, which gave that individual the authority to make changes to PeopleSoft. That occurred because the supervising department did not remove the student worker's access when it was no longer appropriate.

After auditors brought those issues to its attention, the University removed the inappropriate access for those two individuals. Allowing inappropriate or excessive access to a system increases the risk of inappropriate changes to the system and does not allow for proper segregation of duties.

Recommendations:

The University should:

- Calculate each student's COA based on the correct budget.
- Configure PeopleSoft to align with its SAP policy by defining a maximum time frame based on 150 percent of the educational program hours for master- and doctoral-level students.
- Award students the correct amount of Federal Pell Grant assistance for an award year.
- Award TEACH grants only to eligible students.
- Update its ECAR as required, and ensure that it does not disburse financial assistance to students at locations that are not on its ECAR.
- Strengthen its periodic access review process to ensure that it is comprehensive across all departments and includes each role to which a user is assigned.
- Limit access to its information systems based on users' job responsibilities.

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

Calculate each student's COA based on the correct budget.

In order to help ensure the accuracy and compliance of our cost of attendance calculations, we have changed our internal process of calculating cost of attendance. We have done this by adding layers of approval to the process of budget development which will help ensure that, at the beginning of each payment period, COAs will be reviewed. Policies and procedures will be updated with the new process. In addition, SFA has a new director of IT, who will be more actively involved in the budget formula process to help ensure that PeopleSoft is accurately set up.

In addition, staff have been advised to be more careful when manually adjusting a student's cost of attendance. Finally, to assist in developing accurate figures for non-tuition components of the budget, students were surveyed.

Implementation Date: March 2017

Responsible Person: Scott A. Moore

Configure PeopleSoft to align with its SAP policy by defining a maximum time frame based on 150 percent of the educational program hours for master- and doctoral-level students.

We have changed our internal process to help ensure compliance with the maximum hours requirements. A query has been created to help ensure that the hours requirements within our SAP programming match those listed in the PeopleSoft system for each academic program.

A second query will search for students who are enrolled in programs for which there are no maximum hours rules within our SAP programming. If a student is enrolled in a program with no maximum hours rule, the student will appear on an authentication fail report which is manually reviewed and corrected.

These two queries will be reviewed by staff prior to the start of each term, and will help ensure accuracy in the calculation of the 150% hours rules.

In addition, policies and procedures will be updated with the new process.

Implementation Date: November 2016

Responsible Person: Scott A. Moore

Award students the correct amount of Federal Pell Grant assistance for an award year.

This incident resulted from an isolated manual error. Staff have been advised to be more cautious in manual awarding processes.

Implementation Date: September 2016

Responsible Person: Candida DuBose

Award TEACH grants only to eligible students.

Schools that participate in the TEACH Grant Program determine which of the programs they offer are TEACH Grant-eligible. The University of Houston will update its website and policies to clarify which academic programs are TEACH-eligible and will confirm that all applicants are enrolled only in eligible programs, prior to awarding.

Implementation Date: February 2017

Responsible Person: Briget A. Jans

Update its ECAR as required, and ensure that it does not disburse financial assistance to students at locations that are not on its ECAR.

Prior to the auditors on site visit, the University of Houston 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 prior to the start of each payment period.

For international locations, we have created a query which will run monthly to help ensure that no students at international locations are eligible for federal aid.

Implementation Date: January 2016

Responsible Persons: Chris Stanich and Briget A. Jans

Strengthen its periodic access review process to ensure that it is comprehensive across all departments and includes each role to which a user is assigned.

Limit access to its information systems based on users' job responsibilities.

The Office of Scholarships and Financial Aid implemented new PeopleSoft financial aid security roles that are more restrictive and dynamic, as part of a three-month project that included reviewing all financial aid pages, designing new financial aid security roles for all job levels, and areas in our office. In addition, SFA revamped quarterly PeopleSoft security audit reviews to include all staff members, regardless of department, that have financial aid roles.

Implementation Date: September 2016

Responsible Person: Leticia Gallegos

Reference No. 2016-129

Special Tests and Provisions – Verification

(Prior Audit Issues 2015-121 and 2014-139)

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A154166; CFDA 84.033, Federal Work-Study Program, P033A154166; CFDA 84.063, Federal Pell Grant Program, P063P152333; CFDA 84.268, Federal Direct Student Loans, P268K162333; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T162333; and CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable.

Statistically valid sample – No

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, Supplemental Nutrition Assistance Program (SNAP), 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 79, Number 122).

Questioned Cost: Unknown
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, the 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).

An institution must require an applicant scheduled for verification to submit to it, within the period of time it or the Secretary of the U.S. Department of Education specifies, the documentation requested by the institution. If an applicant fails to provide the requested documentation within a reasonable time period established by the institution, the institution may not disburse any additional Federal Perkins Loan or Federal Supplemental Educational Opportunity Grants Program funds, employ or continue to employ the applicant under Federal Work-Study, originate or disburse any additional Direct Subsidized Loans, or disburse any additional Federal Pell Grant Program funds (Title 34, CFR, Section 668.60).

For 5 (8 percent) of 63 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. Specifically, the University did not accurately verify education credits, adjusted gross income, or child support paid. After auditors brought those errors to the University’s attention, it did not make corrections to those students’ ISIRs when required. Therefore, auditors were unable to determine whether there were any questioned costs.

Those errors occurred because the University did not have an effective monitoring process during the award year. Not properly verifying FAFSA information could result in the University overawarding or underawarding student financial assistance.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not appropriately restrict access to its financial assistance information system, PeopleSoft, or its change management system, Stat. Specifically, one individual had inappropriate access to the PeopleSoft packaging awards role, which assigns different types of federal financial assistance. That occurred because the University did not appropriately review user access to PeopleSoft across all departments to determine the appropriateness of users' access based on their job responsibilities.

In addition, one former student worker had inappropriate access to Stat and PeopleSoft, which gave that individual the authority to make changes to PeopleSoft. That occurred because the supervising department did not remove the student worker's access when it was no longer appropriate.

After auditors brought those issues to its attention, the University removed the inappropriate access for those two individuals. Allowing inappropriate or excessive access to a system increases the risk of inappropriate changes to the system and does not allow for proper segregation of duties.

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, and properly document its verification process.
- Strengthen its periodic access review process to ensure that it is comprehensive across all departments and includes each role to which a user is assigned.
- Limit access to its information systems based on users' job responsibilities.

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

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, and properly document its verification process.

Subsequent to the auditors' visit, SFA reviewed the five students identified in the finding. Three of the five students had no change to their EFCs and did not require a correction. Two required corrections that would have resulted in a decrease to the students' EFCs. UH has since replaced the additional Pell Grant funds to which the students would have been entitled with institutional funds to make the students whole.

To help ensure compliance going forward, SFA moved to a two-step process that results in complicated verification situations being reviewed by two staff members. In addition, SFA has provided additional training to the quality control staff responsible for verification. Staff meets regularly with the Executive Director of SFA to help ensure clarity in both processing and in student-specific documentation requirements. Staff is aware of the need to take action when verification documents are received.

In addition, policies and procedures will be updated with the new process.

Implementation Date: November 2016

Responsible Person: Candida DuBose

Strengthen its periodic access review process to ensure that it is comprehensive across all departments and includes each role to which a user is assigned.

Limit access to its information systems based on users' job responsibilities.

The Office of Scholarships and Financial Aid implemented new PeopleSoft financial aid security roles that are more restrictive and dynamic, as part of a three-month project that included reviewing all financial aid pages, designing new financial aid security roles for all job levels, and areas in our office. In addition, SFA revamped quarterly PeopleSoft security audit reviews to include all staff members, regardless of department, that have financial aid roles.

Implementation Date: September 2016

Responsible Person: Leticia Gallegos

Reference No. 2016-130

Special Tests and Provisions – Return of Title IV Funds

(Prior Audit Issue 2015-123)

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A154166; CFDA 84.063, Federal Pell Grant Program, P063P152333; CFDA 84.268, Federal Direct Student Loans, P268K162333; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T162333, and CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable

Statistically valid sample – No

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 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:	\$ 5,558
U.S. Department of Education	

The amount of earned Title IV grant or loan assistance is calculated by determining the percentage of Title IV grant or loan assistance that has been earned by the student and 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 more than 60 percent of (1) the calendar days in the payment period or period of enrollment for a program measured in credit hours or (2) the clock hours scheduled to be completed for the payment period or period of enrollment for a program measured in clock hours (Title 34, CFR, Section 668.22(e)(2)).

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 the period (Title 34, CFR, Section 668.22(f)(2)(i)).

For 8 (13 percent) of 63 students tested for whom the University of Houston (University) should have returned funds, the University did not accurately determine the withdrawal dates and, as a result, it did not calculate the amounts of Title IV funds to return correctly. Specifically:

- The University inaccurately backdated withdrawal dates for two students. For one of those students, the University used the day after the last date of academic activity as the withdrawal date. As a result, the University returned less than it was required to return. After auditors brought that error to the University's attention, it corrected the return calculation and returned the additional funds; therefore, there were no questioned costs. For the other student, the University used the day prior to the last day of classes before Spring break as the withdrawal date. As a result, the University returned more funds than was required; therefore, there were no questioned costs.
- The University incorrectly used the date that five students dropped courses online as the last academic activity date for unofficial withdrawals. However, dropping courses is not considered an academic activity and the University should have determined those students' last date of attendance.
- The University determined that one student did not attend courses, and it did not follow its policy to identify or document that student's last date of attendance. The University should have used the 50 percent date of the term to calculate the return amount.

In addition, for 12 (19 percent) of 63 students tested for whom the University should have returned funds, the University did not return the correct amount of funds. The errors discussed above resulted in the University returning an incorrect amount of funds for 8 of those 12 students. The University disbursed funds to the four remaining students for a term in which those students withdrew. Those students enrolled in a subsequent term and the University's student financial assistance system, PeopleSoft, disbursed Federal Pell Grant funds to those students for the term in which they withdrew. That resulted in questioned costs of \$5,211 associated with those four students for CFDA 84.063, Federal Pell Grant Program, award number P063P152333.

Auditors identified three additional students in the sample to whom the University disbursed funds for a term in which they withdrew; however, the University identified two of those errors prior to the audit and returned the funds for two of those students. The error associated with the third student resulted in questioned costs of \$347 for CFDA 84.063, Federal Pell Grant Program, award number P063P152333.

The University also did not correctly determine the 60 percent completion point for the Spring term. Specifically, for 1 (2 percent) of 63 students tested, the University did not correctly calculate the amount of Title IV funds earned or the amount of funds to be returned because it incorrectly determined the number of days in the payment period. Specifically, the University incorrectly used 9 days for its Spring break period when it should have used 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. That error affected the percent completion used in the return calculation by less than half a percent. The University identified the error at the end of the Spring term and performed recalculations for all withdrawn students and made corrections to students' accounts as necessary.

Auditors identified an additional 16 (25 percent) of the 63 students tested who withdrew at or after the 60 percent completion point. However, either (1) the University's recalculation of returns for those students did not result in additional funds needing to be returned or (2) the University made corrections within required time frames.

Auditors determined that the error regarding the Spring break period discussed above affected all students who withdrew on or before March 31, 2016, for the Spring term. Depending on the withdrawal date, those students may have earned more 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.

Those errors occurred because the University did not have a process to review the term dates prior to performing return calculations or assessing return calculations for accuracy. Not accurately 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.

Timeliness of Returns

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)).

For 8 (13 percent) of 63 students tested for whom the University should have returned funds, the University did not return funds within the required time frame. The University returned those funds between 46 and 209 days after the students had withdrawn. Specifically:

- The University returned one student's funds 190 days after the student withdrew. That error occurred because the student's withdrawal was not completely processed until March 2016, after the student declared an intent to withdraw in October 2015. The University promptly performed the return calculation and returned funds after its Office of Scholarships and Financial Aid was notified of the withdrawal.
- The University returned funds for three students 46 days after the date it determined those students withdrew.
- The University inappropriately disbursed loan funds to one student for a term in which that student withdrew. The University appropriately determined that a return was not necessary when the student appeared to have received all failing grades for the Fall term and because the student had not been disbursed any Title IV funds. While the student had been offered Direct Loan funds, the student did not accept those loan funds until the subsequent term. As a result, the University originated and disbursed the loan funds for the Fall term at the same time it disbursed funds for the Spring term. At the time of disbursement of the Fall funds, however, the student was no longer eligible for those funds and the University should not have disbursed those funds. After auditors brought the error to its attention, the University returned those funds, which occurred 192 days after it had disbursed those funds.
- One student had not completed entrance counseling and did not have a signed master promissory note at the time the University disbursed loan funds to that student; therefore, the student was not eligible for those funds, and the University should have returned those funds. However, the University did not return those funds until after auditors brought that error to its attention, which occurred 209 days after the term had ended.
- As discussed above in the section on return calculations, the University determined that one student did not attend courses, but it did not follow its policy to identify or document that student's last date of attendance. After auditors brought that error to the University's attention, it canceled all funds for the term; that occurred 62 days after the term had ended.
- As a result of the error regarding the Spring break period discussed above, the University was required to return additional funds for one student. The University returned those funds 112 days after the date it determined that student withdrew.

Not making returns within required time frames reduces the information available to the U.S. Department of Education for its program management.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not appropriately restrict access to its financial assistance information system, PeopleSoft, or its change management system, Stat. Specifically, one individual had inappropriate access to the PeopleSoft packaging awards role, which assigns different types of federal financial assistance. That occurred because the University did not appropriately review user access to PeopleSoft across all departments to determine the appropriateness of users' access based on their job responsibilities.

In addition, one former student worker had inappropriate access to Stat and PeopleSoft, which gave that individual the authority to make changes to PeopleSoft. That occurred because the supervising department did not remove the student worker's access when it was no longer appropriate.

After auditors brought those issues to its attention, the University removed the inappropriate access for those two individuals. Allowing inappropriate or excessive access to a system increases the risk of inappropriate changes to the system and does not allow for proper segregation of duties.

Recommendations:

The University should:

- Accurately determine students' withdrawal dates and calculate the amount of Title IV funds to be returned.
- 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.
- Return Title IV funds within required time frames.
- Strengthen its periodic access review process to ensure that it is comprehensive across all departments and includes each role to which a user is assigned.
- Limit access to its information systems based on users' job responsibilities.

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

Accurately determine students' withdrawal dates and calculate the amount of Title IV funds to be returned.

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.

Return Title IV funds within required time frames.

The University has already implemented significant process enhancements in this area. The staff member primarily responsible for the Return of Title IV Funds processing has received additional training and support to help ensure that he understands the importance of properly calculating and returning the funds in a timely manner. Processes are now being run more frequently to help ensure that funds are being returned timely.

In addition, SFA has worked more closely with the Office of the University Registrar to help ensure we are using accurate dates, as well as stressed to the academic departments the need to process student withdrawals in a timely manner.

In addition, policies and procedures will be updated with the new process.

Implementation Date: September 2016

Responsible Person: Candida DuBose

Strengthen its periodic access review process to ensure that it is comprehensive across all departments and includes each role to which a user is assigned.

Limit access to its information systems based on users' job responsibilities.

The Office of Scholarships and Financial Aid implemented new PeopleSoft financial aid security roles that are more restrictive and dynamic, as part of a three-month project that included reviewing all financial aid pages, designing new financial aid security roles for all job levels, and areas in our office. In addition, SFA revamped quarterly PeopleSoft security audit reviews to include all staff members, regardless of department, that have financial aid roles.

Implementation Date: September 2016

Responsible Person: Leticia Gallegos

Reference No. 2016-131

Special Tests and Provisions – Enrollment Reporting

(Prior Audit Issues 2015-124, 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, 2015 to June 30, 2016

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P152333; CFDA 84.268, Federal Direct Student Loans, P268K162333; and CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable

Statistically valid sample – No

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 within the next 60 days, it must notify the Secretary within 30 days if it discovers that a Federal Perkins Loan, 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 674.19(f), 685.309(b) and 682.610(c)). Enrollment reporting roster files must also include Federal Pell Grant-only 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 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 2 (3 percent) of 60 students tested who had a status change, the University did not report status changes or effective dates to NSLDS accurately. For those two students, the University did not report correct effective dates to NSLDS. In addition, for one of those two students, the University reported an incorrect enrollment status to NSLDS. The University initially reported correct enrollment statuses with accurate effective dates; however, a later submission to NSLDS caused the initial status for one student and effective dates for both students to be overwritten with inaccurate information. That submission could have affected additional students; however, the University did not have the ability to identify those additional students.

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.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not appropriately restrict access to its financial assistance information system, PeopleSoft, or its change management system, Stat. Specifically, one individual had inappropriate access to the PeopleSoft packaging awards role, which assigns different types of federal financial assistance. That occurred because the University did not appropriately review user access to PeopleSoft across all departments to determine the appropriateness of users’ access based on their job responsibilities.

In addition, one former student worker had inappropriate access to Stat and PeopleSoft, which gave that individual the authority to make changes to PeopleSoft. That occurred because the supervising department did not remove the student worker’s access when it was no longer appropriate.

After auditors brought those issues to its attention, the University removed the inappropriate access for those two individuals. Allowing inappropriate or excessive access to a system increases the risk of inappropriate changes to the system and does not allow for proper segregation of duties.

Recommendations:

The University should:

- Accurately report all status changes and effective dates to NSLDS.
- Strengthen its periodic access review process to ensure that it is comprehensive across all departments and includes each role to which a user is assigned.
- Limit access to its information systems based on users' job responsibilities.

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

Accurately report all status changes and effective dates to NSLDS.

The University has implemented significant process enhancements in this area. The Office of Scholarships and Financial Aid is working more closely with the Office of the University Registrar (OUR) to help ensure that OUR is advised of students who are identified as unofficial withdrawals at the end of each term. With this information, OUR can help ensure that enrollment statuses are properly reported to NSLDS.

Implementation Date: January 2017

Responsible Person: Debbie Henry

Strengthen its periodic access review process to ensure that it is comprehensive across all departments and includes each role to which a user is assigned.

Limit access to its information systems based on users' job responsibilities.

The Office of Scholarships and Financial Aid implemented new PeopleSoft financial aid security roles that are more restrictive and dynamic, as part of a three-month project that included reviewing all financial aid pages, designing new financial aid security roles for all job levels, and areas in our office. In addition, SFA revamped quarterly PeopleSoft security audit reviews to include all staff members, regardless of department, that have financial aid roles.

Implementation Date: September 2016

Responsible Person: Leticia Gallegos

University of North Texas

Reference No. 2016-132

Special Tests and Provisions – Verification

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A154085; CFDA 84.033, Federal Work-Study Program, P033A154085; CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P152293; CFDA 84.268, Federal Direct Student Loans, P268K162293; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T162293

Statistically valid sample – No

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, Supplemental Nutrition Assistance Program (SNAP), 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 79, Number 122).

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, the 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 61 students tested, the University of North Texas (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. The University did not accurately verify one or more of the following items for those students: household size, number of household members who are in college, education credits, and other untaxed income.

When auditors brought the errors to the University’s attention, it made corrections to those students’ ISIRs. Specifically:

- For three students, the errors resulted in the students’ EFCs being understated, which resulted in a total of \$2,300 in overawards of Federal Pell Grant funds. The University subsequently adjusted those students’ awards; therefore, there were no questioned costs.
- For one student, the error did not result in a change to the student’s EFC or to the financial assistance that was awarded.

Those errors occurred because of manual errors the University made during the verification process, and because the University’s monitoring of completed verifications was not adequately designed to identify those errors.

Not properly verifying FAFSA information could result in the University overawarding or underawarding 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.
- Improve its process for monitoring completed verifications to ensure that it identifies and corrects errors.

Views of Responsible Officials:

Management acknowledges and agrees with the findings and recommendations. Through analysis of the exceptions identified in the audit, the University will work to develop and implement the corrective action plan.

Corrective Action Plan:

Management reviewed manual errors with employees and made changes to improve its verification entry, review and monitoring process of completed verifications.

Implementation Date: June 2016

Responsible Persons: Dena Guzman-Torres and Lacey Thompson

Reference No. 2016-133

Special Tests and Provisions – Return of Title IV Funds

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A154085; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P152293; CFDA 84.268, Federal Direct Student Loans, P268K162293; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T162293

Statistically valid sample – No

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 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 that the institution determined 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 as described 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)).

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 the institution determined that a student withdrew (Title 34, CFR, Section 668.22(j)(1)).

The University of North Texas (University) did not correctly determine the 60 percent completion point for the Spring 2016 term. Specifically, for 13 (21 percent) of 63 students tested for whom the University should have returned Title IV funds, the University did not correctly calculate the amount of Title IV funds earned or the amount of funds to be returned because it incorrectly determined the number of days in the payment period. The University incorrectly used 5 days (instead of 8 days) for its spring break period when it determined the length of enrollment for the Spring 2016 term. As a result, it 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. For all 13 of those students, the University returned to the U.S. Department of Education more funds than it was required to return; therefore, there were no questioned costs.

In addition, for 1 (2 percent) of those 63 students tested for whom the University should have returned Title IV funds, the University did not return Title IV funds within the required time frame. After the University identified the error regarding the 60 percent completion point, it manually performed a return calculation and returned additional funds to the U.S. Department of Education for that student. However, it returned those funds more than 45 days after the University became aware that the student had withdrawn.

The University identified the error in its determination of the 60 percent completion point in April 2016 and then identified students affected by that error. The University subsequently corrected the number of days for spring break in its financial aid system for the Spring 2016 term, manually performed the return calculations again for 92 students, and made adjustments to the amount of funds it returned, as necessary. The University provided auditors with its updated guidelines for entering the academic calendar in its financial aid system to ensure that spring break dates are correct. Auditors confirmed that 92 students in the Spring 2016 term had been affected by the error in the University's determination of the 60 percent completion point and that the University performed manual recalculations for all students included in testing.

Recommendations:

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.
- Return Title IV funds within required time frames.

Views of Responsible Officials:

Management acknowledges and agrees with the findings and recommendations. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

The Office of the Registrar and the Office of Financial Aid updated its procedures to verify the accuracy of the number of days in scheduled breaks to ensure calculations for the Return of Title IV funds are correct based on the period of enrollment excluding scheduled breaks, and Title IV funds are returned within the required time frames.

Implementation Date: July 2016

Responsible Persons: Bryan Heard, Melissa Boyer and Lacey Thompson

Reference No. 2016-134

Special Tests and Provisions – Enrollment Reporting

(Prior Audit Issue 2015-126)

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P152293; and CFDA 84.268, Federal Direct Student Loans, P268K162293

Statistically valid sample – No

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 Perkins Loan, 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 674.19(f), 685.309(b), and 682.610(c)). Enrollment reporting roster files must also include Pell Grant-only 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 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 3).

For 6 (10 percent) of 61 students tested who had a status change, the University did not report status changes or effective dates to NSLDS accurately. Specifically:

- The University reported one student as withdrawn when the student was deceased. The University asserted that it reported that student as withdrawn because it did not require a death certificate from the student's family.
- The University did not report one student as withdrawn when the student withdrew at the end of the Fall 2015 term. The student was administratively withdrawn after the end of the Fall 2015 term due to medical reasons. The University asserted that it did not report the student as withdrawn because it had a reasonable expectation that the student would continue enrollment because the student was registered for the Spring 2016 term. As a result, the effective date of the status change was also not reported to NSLDS.
- The University reported one student's graduated status to NSC; however, NSC did not report that status change to NSLDS. That error occurred because the student was not included on the roster file from NSLDS, and the University misinterpreted that as meaning that the student was not required to be reported. As a result, the effective date of the status change was also not reported to NSLDS.
- The University reported incorrect effective dates for status changes for two students because of manual errors it made while correcting error reports that NSC provided.
- The University reported an incorrect effective date for one student who withdrew from the prior term. The student unofficially withdrew in the Fall 2015 term and was enrolled in the Spring 2016 term as three-quarter time. The University reported the Spring 2016 term enrollment status of three-quarter time effective as of September 2015 because it was the same status the student had prior to withdrawing from the Fall 2015 term.

For 2 (3 percent) of 61 students tested who had a status change, the University did not report the status change to NSLDS in a timely manner. Those two students were discussed above, and the errors discussed resulted in the status changes not being reported to NSLDS.

Not reporting status changes and effective dates accurately and in a timely manner 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.

Recommendation:

The University should report accurate status changes and effective dates to NSLDS in a timely manner.

Views of Responsible Officials:

Management is attentive to the U.S. Department of Education requirements associated with Student Status Changes. Management has updated and implemented business controls to ensure accurate and timely reporting to the National Student Clearinghouse and the National Student Loan Data System for all students who have status changes.

Corrective Action Plan:

The Office of the Registrar has implemented the following to ensure the timely and accurate reporting of enrollment:

- *New business procedures addressing the reporting of deceased students.*
- *Errors related to the reporting of students enrolled between terms have been corrected via changes to protocols for processing of administrative changes.*
- *New business procedures for the correction of errors for manual error correction processes with the National Student Clearinghouse have also been implemented.*

Implementation Date: December 2016

Responsible Person: Bryan Heard

University of Texas at Arlington

Reference No. 2016-135

Cash Management Reporting

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A154172; CFDA 84.033, Federal Work-Study Program, P033A154172; CFDA 84.063, Federal Pell Grant Program, P063P152335; CFDA 84.268, Federal Direct Student Loans, P268K162335; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T162335

Statistically valid sample – No

Type of finding – Significant Deficiency and Non-Compliance

If an institution submits a request for the advance payment of funds, the request 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 1 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 1 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 \$500 per award year (Title 34, CFR, Section 668.163(c)(3)).

Questioned Cost:	\$ 0
Department of Education	

The University of Texas at Arlington (University) did not always minimize the time between its drawdowns of federal funds and its disbursement of those funds. For 2 (13 percent) of 15 drawdowns tested, the University did not disburse those funds within three business days of drawing down those funds. Specifically:

- The University did not include Federal Supplemental Educational Opportunity Grants refunds totaling \$27,200 in its calculation for one of those drawdowns. The University used institutional funds for the initial disbursements to students, and it then requested reimbursement of those funds from the U.S. Department of Education after it had closed and reconciled the fund account for the month. That error occurred because the University did not make adjustments to its drawdown calculation based on transactions that occurred between the end of the month and the date of the drawdown. Specifically, the drawdown amount was not net of the refunds identified above that the University received after the initial disbursement but before the drawdown request. The University returned the excess funds during the subsequent month’s reconciliation process; therefore, there were no questioned costs.
- The University used an incorrect dollar amount in its reconciliation of funds for one of those drawdowns, which resulted in it drawing \$309,954 in excess Federal Work-Study Program funds. The University identified that error during the subsequent month’s reconciliation process. The University returned all excess funds; therefore, there were no questioned costs. That error occurred because (1) the University used a cumulative number in the calculation instead of the monthly expenditures and (2) the University’s review of the drawdown was not sufficient.

The potential interest obligation resulting from the errors discussed above was less than the threshold for remitting interest to the federal government; therefore, there were no questioned costs.

The University used the U.S. Department of Education’s G5 system to request reimbursement of federal funds based on the reconciliations it performed. For financial reporting purposes, the University is considered to have submitted a financial report at the time it makes a request for reimbursement using the G5 system. Therefore, as a result of the errors discussed above, the University did not accurately report financial information.

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.

Recommendations:

The University should:

- Strengthen controls to help ensure that it minimizes the time between drawdowns of federal funds and the disbursement of those funds.
- Include returns and refunds in its drawdown calculations.
- Immediately return any federal funds that exceed 1 percent of the prior year’s total drawdowns or that remain in its accounts after seven days.

Views of Responsible Officials:

The University agrees with the finding and recommendations.

Corrective Action Plan:

The University has revised its policies and procedures to ensure no excess funds are drawn down from the U.S. Department of Education.

Implementation Date: December 2016

Responsible Persons: Stephanie Scott and Andrea Wright

Reference No. 2016-136

Eligibility

Special Tests and Provisions – Institutional Eligibility

(Prior Audit Issues 2015-128, 2014-148, 2013-170, 13-154, and 12-156)

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A154172; CFDA 84.033, Federal Work-Study Program, P033A154172; CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P152335; CFDA 84.268, Federal Direct Student Loans, P268K162335; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T162335; and CFDA 93.264, Nurse Faculty Loan Program, E01HP28792

Statistically valid sample – No

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 1087II).

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 Regulation (CFR), Sections 668.2, 673.5, and 685.301).

The University of Texas at Arlington (University) has established different COA budgets for undergraduate and graduate students based on term enrollment, residency, living status, and degree program. The University's student financial assistance system, PeopleSoft, initially budgets students based on anticipated half-time Summer enrollment, and full-time Fall and Spring enrollment. Approximately two weeks before the start of the Fall and Spring term, the University "rebuilds" the budgets to reflect each student's actual enrollment. If a student is not enrolled when the budget rebuild process runs, the student's budget is not updated. However, financial aid administrators can manually adjust the budgets if students self-report enrollment changes prior to the census date.

For 2 (3 percent) of 62 students tested, the University incorrectly calculated the COA. Specifically:

- The University manually adjusted the COA budget for one student when that student enrolled in courses after the University had run the budget rebuild process. The University had anticipated that the student would enroll full-time as a graduate student and, therefore, the student had a full-time COA in PeopleSoft; however, the student enrolled only half-time as an undergraduate student. The University's manual adjustment combined the full-time graduate COA with the half-time undergraduate COA, instead of replacing the initial full-time COA budget with the updated half-time COA budget. As a result, the COA for the student was higher than it should have been, and the University overawarded the student \$1,642 in subsidized Federal Direct Student Loans.
- The University assigned one student to a budget group that did not correspond to the student's degree plan. As a result, that student's COA was higher than it should have been, and the University overawarded the student \$734 in unsubsidized Federal Direct Student Loans.

After auditors brought those errors to the University's attention, it adjusted the students' COA budgets and 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 that the U.S. Department of Education provides each year to determine 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 *2015-2016 Federal Student Aid Handbook*, and Title 34, CFR, Section 690.63(b)).

The University did not accurately award Federal Pell Grant funds to 2 (7 percent) of 30 students tested who received Federal Pell Grants. PeopleSoft assigns students a half-time COA budget for the Summer term, and the University performs a post-summer manual review to adjust for actual enrollment. Those errors occurred because the University did not identify those two students in its manual review. Those students were eligible to receive an additional \$1,443 and \$1,444 in Federal Pell Grant funds based on their levels of enrollment.

After auditors brought those errors to the University's attention, it disbursed the additional Federal Pell Grant funds to those 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 meet 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 *2015-2016 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 (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)).

The University's SAP policy did not meet all federal requirements for the entire award year. The policy allowed students to progress through an academic program at a pace that did not ensure that they would graduate within the maximum allowed time frame. The University calculated a student's pace for the Summer and Fall 2015 terms by dividing the number of hours the student completed by the number of hours the student attempted in the prior academic year. However, its SAP 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.

The University asserted that, in September 2015, after it had disbursed financial assistance for the Summer and Fall 2015 terms, it implemented a new SAP policy that met all federal requirements and that it corrected its SAP policy by calculating the quantitative pace requirement on a cumulative basis, rather than on an annual basis. After correcting its SAP policy, the University recalculated students' pace for the award year and identified 61 students who did not meet its SAP policy because of their pace and to whom the University had incorrectly disbursed financial assistance. The University reviewed those students' academic records, and it placed them on SAP probation for the 2015-2016 award year; however, the University did not require those 61 students to submit a written appeal to be placed on probation, as the University's SAP policy requires. The University disbursed \$595,505 in Title IV funds to those 61 students during the 2015-2016 award year. Those students were eligible to receive financial assistance because the University placed them on probation for the entire award year; therefore, there were no questioned costs.

Recommendations:

The University should:

- Calculate each student's COA based on the correct budget and apply manual adjustments accurately.
- Award students the correct amount of Federal Pell Grants according to their enrollment status for the Summer, Fall, and Spring terms.
- Continue to ensure that its SAP policy meets federal requirements by calculating the quantitative pace requirement on a cumulative basis, rather than on an annual basis, and ensure that the SAP policy requires students to graduate within the maximum time frame.

Views of Responsible Officials:

The University agrees with the findings and recommendations.

Corrective Action Plan:

The University has reviewed our policies and procedures to ensure they meet the requirements of the U.S. Department of Education. Staff training has been conducted to mitigate a future occurrence.

Implementation Date: October 2016

Responsible Person: Karen Krause

Reference No. 2016-137

Special Tests and Provisions – Disbursements To or On Behalf of Students

(Prior Audit Issues 2015-130 and 2014-150)

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A154172; CFDA 84.033, Federal Work-Study Program, P033A154172; CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P152335; CFDA 84.268, Federal Direct Student Loans, P268K162335; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T162335

Statistically valid sample – No

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 15 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 financial assistance. The University implemented a process in the 2015-2016 award year to identify transfer students and add those students to its transfer monitoring list; however, the query it used to identify transfer students did not include all of the admission codes required. As a result, the University did not add those 15 student to its transfer monitoring list during the award year. In addition, the University did not place a seven-day hold on any transfer students’ accounts prior to disbursement.

During audit testing, auditors did not identify students to whom the University overawarded financial assistance as a result of the issues 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:

The University agrees with the finding and recommendation.

Corrective Action Plan:

The University has reviewed our policies and procedures to ensure compliance with NSLDS Transfer Monitoring requirements.

Implementation Date: November 2016

Responsible Person: Karen Krause

Reference No. 2016-138

Special Tests and Provisions – Enrollment Reporting

(Prior Audit Issues 2015-131, 2014-152, and 2013-173)

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P152335; and CFDA 84.268, Federal Direct Student Loans, P268K162335

Statistically valid sample – No

Type of finding – Material Weakness 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 Perkins Loan, 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 674.19(f), 685.309(b), and 682.610(c)). Enrollment reporting roster files must also include Federal Pell Grant-only 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).

To protect a student’s interest subsidy, institutions are required to report a graduated status for students who have completed their course of study (*NSLDS Enrollment Reporting Guide*, Appendix C and Chapter 4, and *Dear Colleague Letter*, April 14, 2014 (GEN-14-07)).

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 all students who graduated in the Fall 2015 term to NSLDS. For 5 (8 percent) of 66 students tested, the University reported the students’ status as withdrawn effective the last day of the Fall 2015 term. That occurred because of an error in the graduation file that the University uploaded to NSC in January 2016. NSC rejected that file, and the University did not submit a corrected file. That issue affected a total of 3,676 students who graduated in the Fall 2015 term.

The University did not always report students who unofficially withdrew from all courses for the term to NSLDS or did not report the withdrawn status in a timely manner. 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 always report all of those students as withdrawn to NSLDS. Specifically:

- One (2 percent) of 66 students unofficially withdrew from the Fall 2015 term as of November 1, 2015. Although the University manually reported Fall 2015 unofficial withdrawals to NSLDS, it did not do so in a timely manner. As a result, NSLDS was not updated until March 4, 2016. Because the University was working with NSC to implement a process to report unofficially withdrawn students, it did not submit the Fall 2015 unofficially withdrawn students until late February 2016. That affected a total of 84 students who unofficially withdrew from the Fall 2015 term and were not reported in a timely manner to NSLDS.

- One (2 percent) of 66 students tested unofficially withdrew from the Spring 2016 term as of March 11, 2016. The University did not report unofficial withdrawals to NSLDS for the Spring 2016 term and it was unable to determine the number of students who unofficially withdrew from the Spring term.

In addition, the University did not always report the correct effective date for a student’s status change. For 1 (2 percent) of 66 students tested, the University correctly reported the student as withdrawn; however, it reported an incorrect effective date for the withdrawn status. The University asserted that occurred due to a manual error it made when it updated the student’s status with NSC.

The University does not have an adequate process to ensure that student status changes are reported to NSLDS accurately and completely. 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 status changes and effective dates to NSLDS in a timely manner.

Views of Responsible Officials:

The University agrees with the findings and recommendation.

Corrective Action Plan:

The University is reviewing our policies and procedures to ensure compliance with NSLDS Enrollment Reporting requirements.

Implementation Date: August 2016

Responsible Person: Hans Gatterdam

Reference No. 2016-139

Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award Number – CFDA 84.268, Federal Direct Student Loans, P268K162335

Statistically valid sample – No

Type of finding – Significant Deficiency and Non-Compliance

Institutions must report all loan disbursements and submit required records to the Direct Loan Servicing System (DLSS) via the Common Origination and Disbursement (COD) System within 15 days of disbursement. An institution participating in the Direct Loan Program must ensure that any information it provides to the Secretary of the U.S. Department of Education in connection with loan origination is complete and accurate. An institution must provide to the Secretary of the U.S. Department of Education borrower information that includes, but is not limited to, (1) the student’s eligibility for a loan, as determined in accordance with Title 34, Code of Federal Regulations (CFR), Sections 685.200 and 685.203; (2) the student’s loan amount; and (3) the anticipated and actual disbursement date or dates and disbursement amounts of the loan proceeds (Title 34, CFR, Sections 685.301(a) and (c)).

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

The University of Texas at Arlington (University) did not always report accurate loan disbursement dates to the COD System. For 2 (3 percent) of 60 students tested to whom the University disbursed Federal Direct Student Loans, the University reported incorrect disbursement dates to the COD System. The University asserted that those errors occurred because it did not reconcile information in the COD System with information in its student financial

assistance system, PeopleSoft, between May 2015 and February 2016. In June 2016, the University reconciled the information in those two systems and determined that it had not reported those disbursements to the COD System. The University then manually updated the COD System; however, it did not update the disbursement date with the actual disbursement dates. After auditors brought those errors to the University's attention, it corrected the disbursement dates in the COD System to the actual loan disbursement dates.

Not accurately reporting disbursement dates to the COD System increases the risk that U.S. Department of Education could rely on inaccurate information to manage and monitor Federal Direct Student loans and that students could be overawarded loans.

Recommendation:

The University should accurately report disbursement dates to the COD System.

Views of Responsible Officials:

The University agrees with the finding and recommendation.

Corrective Action Plan:

The University provided staff training to mitigate a future occurrence.

Implementation Date: October 2016

Responsible Person: Lea Ann Sikora

University of Texas at Austin

Reference No. 2016-140
Cash Management

Student Financial Assistance Cluster

Award years – July 1, 2014 to June 30, 2015 and July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.268, Federal Direct Student Loans, P268K152336 and P268K162336

Statistically valid sample – No

Type of finding – Significant Deficiency and 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 1 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 1 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 \$500 per award year (Title 34, CFR, Section 668.163(c)(3)).

Questioned Cost:	\$ 130
U.S. Department of Education	

The University of Texas at Austin (University) did not always minimize the time between drawdowns of federal funds and disbursement of those funds. The University drew down funds for the Federal Direct Student Loans program that exceeded the amount of funds it needed for immediate disbursement, and it did not disburse those funds within three business days of receipt. Specifically:

- The University drew down \$4,058,825 in Federal Direct Student Loans from award year 2015-2016 and deposited those funds in the award year 2014-2015 account; however, it did not expend those funds within three business days. The University returned those funds after 65 days in accordance with the U.S. Department of Education’s request.
- The University drew down \$25,070 in Federal Direct Student Loans from award year 2014-2015 instead of from award year 2015-2016. It expended those funds during the next 16 days. The University had a balance of \$126,476 in the account for award year 2014-2015 when it drew down those funds. The University partially expended those funds after 92 days, and it returned \$70,251 to the U.S. Department of Education upon the U.S. Department of Education’s request.

The University has a review and approval process to ensure that it draws down funds correctly; however, that process did not identify the errors discussed above. The University did not maintain those advances in interest-bearing accounts, and it did not calculate the interest it earned on those advances. Auditors determined that the University would have earned \$630 in interest on those funds. After the \$500 allowance for administrative expenses, the University would be required to remit interest totaling \$19 associated with award number P268K152336 and \$111 associated with award number P268K162336, which are considered questioned costs.

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.

Recommendations:

The University should:

- Develop and implement a process to minimize the time between drawdowns of federal funds and the disbursement of those funds.
- Immediately return any federal advance funds exceeding 1 percent of the prior year’s total drawdowns or that remain in its account after seven days.

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University has developed and implemented corrective action to improve the process.

Corrective Action Plan:

The University has significantly enhanced process controls by implementing an additional level of review and approval. The procedure manual has been revised accordingly and contains documentation to support the review.

Implementation Date: February 2017

Responsible Person: Karen Derouen

Reference No. 2016-141

Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award number – CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable

Statistically valid sample – No

Type of finding – Significant Deficiency and Non-Compliance

Annual loan maximums for the Federal Perkins Loans 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, Section 674.12(a)).

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

Based on a review of all federal student financial assistance recipients, the University of Texas at Austin (University) awarded two undergraduate students Federal Perkins Loans in excess of the annual limit. The amounts by which those awards exceeded the annual limit were \$1,326 and \$200. After auditors brought those errors to the University’s attention, it corrected the overawards; therefore, there were no questioned costs.

Those errors occurred because, during the award year, the University manually awarded Federal Perkins Loans to students, and it did not identify that those awards exceeded the annual limit. Although the University’s financial assistance system, Define, has controls to check annual limits for other awards, it did not have a control to check manually awarded Perkins loans against the annual limits.

Not having adequate controls for aggregate and annual assistance limits increases the risk that the University could overaward student financial assistance.

Recommendations:

The University should:

- Award Federal Perkins Loans in amounts that are within the annual limits.
- Establish and implement a process to ensure that awards that staff enter manually into Define do not exceed the annual limit.

Views of Responsible Officials:

The University acknowledges and agrees with the findings. The Office of Financial Aid (OFA) reviewed the two student files and determined that the Perkins Loan over-awards were due to human error.

Corrective Action Plan:

OFA has developed a corrective action plan whereby multiple staff members will now be reviewing system generated reports designed to indicate potential over-awards. The reports will be reviewed on a regularly scheduled basis during each semester and any potential issues will be resolved.

Implementation Date: January 2017

Responsible Person: Christine Gauger

University of Texas at Dallas

Reference No. 2016-142

Special Tests and Provisions – Enrollment Reporting

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P153234; and CFDA 84.268, Federal Direct Student Loans, P268K163234

Statistically valid sample – No

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 Perkins Loan, 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 674.19(f), 685.309(b), and 682.610(c)). Enrollment reporting roster files must also include Pell Grant-only 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	

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 System (NSLDS) Enrollment Reporting Guide*, Appendix C). To protect a student’s interest subsidy, institutions are required to report a graduated status for students who have completed their course of study (*NSLDS Enrollment Reporting Guide*, Appendix C and Chapter 4).

The University of Texas at Dallas (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 3).

For 15 (24 percent) of 63 students tested who had a status change, the University did not report status changes or effective dates to NSLDS accurately. Specifically:

- For two students who attended a term but did not return for a subsequent term, the University reported those students as withdrawn with an effective date of the first day of the Spring term. However, the University should have reported the effective date as the last day of the previous term. The University asserted that it reported the effective date of those students’ withdrawal as the first day of the Spring term because those students had enrolled for the Spring term but subsequently withdrew without attending that term or withdrew prior to the census date.
- The University incorrectly reported the effective date for one student who officially withdrew. The student withdrew on January 27, 2016; however, the University reported the effective date of the withdrawal as January 11, 2016. That occurred because the University determined that the student withdrew prior to the census date and reported the withdrawal as of the first day of the term.
- The University reported one student’s enrollment level change from half-time to less than half-time with an effective date of January 28, 2016, rather than the date the student’s enrollment level actually changed, which was January 17, 2016.
- The University reported incorrect effective dates for 10 students whose enrollment levels changed during a term. Those errors occurred because the University’s automated process to extract the reporting file for submission to

NSC assigned the effective date as the date the automated process ran, when it should have reported the effective date as the date the enrollment levels changed.

- The University did not report one student's graduated status to NSLDS. The student graduated at the end of the Fall term and subsequently enrolled in the Spring term. The University asserted that it reported that student as graduated to NSC; however, it reported the student as graduated at the institutional level and not at the program level. As a result, NSC noted the student's enrollment in the Spring term and it did not report the graduated status to NSLDS. In addition, the University incorrectly reported the effective date of the Spring enrollment status because the graduated status was not reported.

For 13 (21 percent) of 63 students tested who had a status change, the University did not report the status changes to NSLDS in a timely manner. The University reported those status changes between 61 and 107 days after the effective date. Two of those students were the students discussed above, and the errors discussed above resulted in the status changes not being reported in a timely manner. Specifically:

- Two students changed their enrollment levels during a term, but the University did not report that within 60 days. It reported one student 71 days after the status change occurred and the other student 107 days after the status change occurred.
- Seven students graduated at the end of the Fall 2015 term with an effective date of the last day of that term, which was December 17, 2015. However, the University did not process its graduation report for Fall 2015 in a timely manner, which resulted in six of those students being reported to NSLDS on February 16, 2016, which was 61 days after the effective date. The seventh student's graduated status was never reported to NSLDS.
- For four students, the University did not finalize those students' withdrawals in a timely manner. Those students were reported between 65 and 75 days after the University determined that those students withdrew.

Not reporting effective dates accurately and in a timely manner 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.

Recommendation:

The University should accurately report status changes and effective dates to NSLDS in a timely manner.

Views of Responsible Officials:

The University acknowledges and agrees with the enrollment reporting finding and recommendation.

Corrective Action Plan:

The University has updated its data extract to the National Student Clearinghouse (NSC) and business processes to ensure that accurate dates for students' changes in enrollment status are accurately reported to the National Student Loan Data System (NSLDS) within the appropriate timeframe.

The appropriate graduation status has been reported to NSLDS for the student whose graduation status was reported to NSC on the institutional level but not program level and, therefore, not reported to NSLDS. The University is currently working with NSC to prevent a reoccurrence of this issue

Implementation Date: June 2017

Responsible Person: Jennifer McDowell

University of Texas at El Paso

Reference No. 2016-143

Cash Management Reporting

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A154176; CFDA 84.033, Federal Work-Study Program, P033A154176; CFDA 84.063, Federal Pell Grant Program, P063P152338; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T162338; and CFDA 93.925, Scholarships for Health Professions Students from Disadvantaged Backgrounds, 1 T08HP25261-04-00

Non-Major Program:

Research and Development Cluster

Award year – July 1, 2015 to June 30, 2016

Award number – CFDA 93.310, Trans-National Institute of Health Research Support, 8RL5GM118969-02

Statistically valid sample – No

Type of finding – Significant Deficiency and Non-Compliance

Cash Management

An institution must use a financial management system that enables it to (1) identify, in its accounts, all federal awards received and expended and the federal programs under which they were received; (2) provide for accurate, current, and complete disclosure of the financial results of each federal award or program in accordance with the reporting requirements in Title 2, Code of Federal Regulations (CFR), Sections 200.327 and 200.328; (3) maintain records that adequately identify the source and application of funds for federally-funded activities; (4) establish effective internal control, and accountability for, all funds, property, and other assets, and adequately safeguard those assets, and ensure that they are used only for authorized purposes; (5) compare actual expenditures with the approved budget for the federal award; (6) establish written procedures to implement the requirements of Title 2, CFR, Section 200.305; and (7) establish written procedures for determining the allowability of costs in accordance with the applicable federal cost principles and the terms and conditions of the federal award (Title 2, CFR, Section 200.302).

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

In addition, institutions must establish and maintain effective internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University of Texas at El Paso (University) did not always manage its federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards. The University’s internal controls were not sufficient to ensure that it requested drawdowns from the appropriate federal award. Specifically, using the U.S. Department of Health and Human Services’ Payment Management System (PMS), the University:

- Submitted 5 drawdown or adjustment requests totaling \$581,606 for the Scholarships for Health Professions Students from Disadvantaged Backgrounds (SDS) student financial assistant program from the Trans-National Institute of Health Research Support program (a research and development award).
- Submitted 4 drawdowns requests totaling \$208,462 for the Trans-National Institute of Health Research Support program from the SDS program.

As a result, the University underdrew from the SDS program by \$373,144 and overdrew from the Trans-National Institute of Health Research Support program by the same amount.

Those errors occurred because the University incorrectly entered the award numbers in PMS when it made the drawdown requests. After auditors brought those errors to the University’s attention, it made adjustments in PMS to correct the drawdowns.

In addition, the University generated letter of credit reports for all student financial assistance drawdown requests, except for Federal Direct Loans and the Nurse Faculty Loan Program, to determine the amount of its drawdown requests during the award year. However, those letter of credit reports did not always include all expenditure transactions, which affected the drawdown amounts requested. The University asserted that it could not determine the reason it excluded certain expenditure transactions and that it would subsequently include the excluded expenditures in future drawdown requests. Auditors did not identify instances where excess cash was drawn; however, excluding expenditure transactions from the calculation of drawdown amounts increases the risk that the University would not draw down enough funds to cover disbursements.

The University also did not have adequate, written cash management policies and procedures, and it did not have an adequate review process prior to making drawdown requests. Not having adequate controls over cash management increases the risk that the University could draw down funds in excess of its needs.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not consistently maintain high-profile user access at the database server level for its student financial assistance application system, Banner. Specifically, one former employee had inappropriate access to the database server, and 10 current employees had inappropriate access to the database server based on their job responsibilities. Those errors occurred because the University did not appropriately review users' access based on their job responsibilities and employment status. The University's policy required a documented process for periodically reviewing existing user accounts for validity; however, that policy did not specify the frequency with which the University must perform those reviews.

Allowing inappropriate or excessive access to a system increases the risk of inappropriate changes to the system and does not allow for proper segregation of duties.

Recommendations:

The University should:

- Request drawdowns only from the correct awards.
- Develop and implement written policies and procedures to ensure compliance with cash management compliance requirements.
- Develop and implement a review and approval process for drawdown requests.
- Develop and implement a process to accurately calculate amounts for drawdown requests.
- Appropriately limit access to its student financial assistance system based on user's job responsibilities and employment status.
- Establish and implement a documented process to perform formal, periodic reviews of access to its student financial assistance system.

Views of Responsible Officials:

Cash Management:

Human error between the two different accounts caused the incorrect drawdowns and adjustments to occur.

General Controls:

The University asserts that the "access at the database server level" does not provide excessive access but, instead, only allows the employee to receive file outputs from jobs ran in the Banner system and does not provide access into the Banner system. Therefore, the University has not provided "inappropriate" access. In order to receive output from Banner, the employee must have "access" to the database server. IT has reviewed the employees on the audit list and has determined that only one employee was not accurately terminated from HR. The employees listed as

“active” were provided with the necessary access needed to perform their job duties within their respective positions and departments.

Auditor Follow-up Comment:

To prevent unintended back-end access to applications, access to servers that house application databases should be restricted to only individuals whose duties require that access. After review and consideration of management’s response, the State Auditor’s Office stands by its conclusions based on the evidence presented and compiled during this audit.

Corrective Action Plan:

Cash Management:

A meeting took place in late June 2016, to address internal controls over drawdowns, checks and balances and coordination of efforts between the Office of Student Financial Aid and the Contracts and Grants Office. During that meeting, it was decided that the University would no longer use “letter of credit reports” (commonly referred to as “invoices”) to manage the drawdown of Title IV federal funds. As a replacement, the University established a policy of checks and balances for each disbursement based on actual expenditures in order to request funds and reconcile accurately between Banner, PeopleSoft and G5. The new policy was incorporated into the Office of Student Financial Aid’s internal Policies and Procedures Manual.

Implementation Date: DONE – June 2016

Responsible Persons: Ron Williams and Guadalupe Gomez

General Controls:

The University has submitted clarification of its three mutually exclusive security access levels to the auditors. UTEP will institute a process that will require that any University official providing individuals with this level of access to stipulate a beginning date and an end date to ensure that the access is clearly indicated.

Implementation Date: June 2017

Responsible Person: Luis Hernandez

Reference No. 2016-144

Eligibility

Activities Allowed or Unallowed

Special Tests and Provisions – Verification

Special Tests and Provisions – Disbursements To or On Behalf of Students

Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)

Special Tests and Provisions – Institutional Eligibility

(Prior Year Issues 2015-141, 13-164, 11-171, and 11-170)

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A154176; CFDA 84.033, Federal Work-Study Program, P033A154176; CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P152338; CFDA 84.268, Federal Direct Student Loans, P268K162338; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T162338; CFDA 93.264, Nurse Faculty Loan Program, E01HP27044-01-00; and CFDA 93.925, Scholarships for Health Professions Students from Disadvantaged Backgrounds, 1 T08HP25261-04-00

Statistically valid sample – No

Type of finding – Significant Deficiency and Non-Compliance

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, Code of Federal Regulations (CFR), Section 668.2).

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

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; Title 42, CFR, Section 57.306(b); and Title 42, USC, Chapter 6A, Subchapter V, Section 293a).

The University of Texas at El Paso (University) assigns all students a COA budget based on full-time enrollment and determines the amount of financial assistance a student is eligible to receive based on that COA budget. The University’s student financial assistance system, Banner, calculates a student’s COA at half-time and three-quarter-time enrollment to determine the lowest level of enrollment at which the student’s awards could be disbursed without resulting in an overaward of financial assistance. Banner will not disburse funds to a student whose enrollment level drops below that level.

The 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 37 (80 percent) of 46 students tested, the University based the students’ COA on full-time enrollment when those students were enrolled less than full-time. The University’s automated process helps ensure that it does not disburse financial assistance to students that exceeds their need based on actual enrollment level.

Auditors did not identify students during testing who were overawarded financial assistance as a result of the COA issue. However, not calculating COA budgets on students’ actual or expected enrollment level increases the risk that the University could overaward 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 668.34 (Title 34, CFR, Section 668.32(f), and Title 42, CFR, Section 57.306(a)(iv)). 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 *2015-2016 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 (or quantitative component) of SAP (Title 34, CFR, Section 668.34(b)).

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, repetition of courses, and transfer of credits from other institutions. 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. In making that 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).

The University's SAP policy did not meet certain federal requirements. 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. While the policy specified that students must complete at least 75 percent of attempted hours, the University configured Banner to calculate pace based on a minimum number of hours that must be completed; that minimum was based on the cumulative number of hours enrolled, which did not always ensure that students had completed at least 75 percent of attempted hours. In addition, the University did not include transfer hours in its calculation. The University also configured Banner to calculate the maximum time frame required to complete a degree program based on predefined hour limits for each program, rather than 150 percent of actual program length.

The University's policy also did not specify how a student's grade point average (GPA) was affected by course incompletes, withdrawals, repetition of classes, or the transfer of hours from other institutions.

Auditors did not identify students during testing who would be ineligible for student financial assistance as a result of the issues discussed above. However, not including required elements in the University's SAP policy increases the risk that students will not graduate within the maximum time frame required or meet GPA requirements, and, therefore, would be ineligible for federal financial assistance.

Federal Direct 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 *2015-2016 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 Students (PLUS) Loans.

Based on a review of the full population of federal student financial assistance recipients, the University disbursed 5 graduate students Subsidized Direct Loans totaling \$30,383 that those students were not eligible to receive. The University asserted that those errors occurred because it had not updated Banner to reflect that those students were graduate students.

After auditors brought those errors to the University's attention, it returned the loan funds to the U.S. Department of Education; therefore, there were no questioned costs.

Federal Supplemental Educational Opportunity Grant

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 all federal student financial assistance recipients, the University awarded \$400 in FSEOG assistance to one student who did not also receive Federal Pell Grant assistance. The University did not award FSEOG assistance to all other Federal Pell Grant recipients before awarding FSEOG to that student. The University initially awarded that student Federal Pell Grant and FSEOG funds appropriately; however, the student later became ineligible for financial assistance and the University appropriately returned the Federal Pell Grant and FSEOG funds. The student subsequently became eligible for financial assistance again, and the University disbursed FSEOG funds to that student; however, it did not also disburse the Federal Pell Grant funds to that student due to a manual error in its disbursement process. After auditors brought that error to the University's attention, it disbursed the Federal Pell Grant funds to the student.

Other Compliance Requirements

Although the general control weaknesses described below apply to activities allowed or unallowed, special tests and provisions – verification, special tests and provisions – disbursements to or on behalf of students, and special tests and provisions – borrower data transmission and reconciliation (direct loan), auditors identified no compliance issues regarding those compliance requirements.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not consistently maintain high-profile user access at the database server level for its student financial assistance application system, Banner. Specifically, one former employee had inappropriate access to the database server, and 10 current employees had inappropriate access to the database server based on their job responsibilities. Those errors occurred because the University did not appropriately review users' access based on their job responsibilities and employment status. The University's policy required a documented process for periodically reviewing existing user accounts for validity; however, that policy did not specify the frequency with which the University must perform those reviews.

Allowing inappropriate or excessive access to a system increases the risk of inappropriate changes to the system and does not allow for proper segregation of duties.

Recommendations:

The University should:

- Calculate COA based on students' actual or expected enrollment.
- Update its SAP policy to meet federal requirements.
- Configure Banner to calculate pace based on its SAP policy.
- Award Subsidized Direct Loans only to undergraduate students.
- Award FSEOG assistance only to eligible students.
- Appropriately limit access to its student financial assistance system based on user's job responsibilities and employment status.
- Establish and implement a documented process to perform formal, periodic reviews of access to its student financial assistance system.

Views of Responsible Officials:

Enrollment Level:

In reviewing the University's response to the 2014-2015 audit report, the University stated that its automated process ensured that any Title IV disbursement to students could not exceed the student's need based on actual enrollment level. The University's automated disbursement process calculates the need at three-quarter and half-time enrollment and locks the disbursement level at the lowest enrollment level of eligibility. Therefore, no over-awards could occur based on a student's enrollment status and disbursement amount.

Satisfactory Academic Progress:

The Office of Student Financial Aid received the final report for last year's audit of the 2014-2015 award year in early Spring 2016. In accordance with that report and to be in compliance with federal regulations, in March 2016, the University revised its SAP policy effective for the next award year, 2016-2017. In order not to negatively impact the current 15-16 award year students, the University did not change its policy mid-year for 2015-2016. During the site visit, the auditors requested a copy of our current SAP policy (which was the revised policy) and were informed where it could be found on the Institution's website.

Federal Direct Loans:

After a thorough evaluation of the five graduate students, out of the entire population of 1518 graduate students, who received Subsidized Direct Loans, the University has determined that all five students were accessed correctly at the time of the award process as these students showed enrollment as an undergraduate student. However, a few weeks later, at the time of disbursement for the beginning of the Summer 2016 term, these students were now enrolled as graduate students, but still remained accessed at the undergraduate level. As noted in the audit, the Institution

immediately corrected these mistakes during the site visit and returned the loan funds to the U. S. Department of Education.

Supplemental Educational Opportunity Grant:

The University agrees with the fact that it paid one student SEOG who did not qualify for the grant based on the fact that the institution inadvertently overlooked reinstating the student's Pell Grant award when the student's award package was manually re-packaged; thereby making the student inadvertently ineligible for the SEOG payment. The Institution asked the auditors why one student for this year's audit report would constitute a finding and was informed that the finding was interpreted as a duplicate error based on the prior year's audit. After an in-depth review of last year's audit report, the University does not agree that this error constitutes a duplicate finding. Last year's audit of SEOG reported students that received SEOG who should not have based on these students reaching their lifetime Pell Grant eligibility and an automated process was immediately instituted by the University to ensure no re-occurrence of this type of error. And no re-occurrence of this type of error has occurred in this year's audit report. Even though the two different errors affect the same award type, SEOG, the issues are completely different and therefore, should not constitute a reoccurring mistake, especially since there was only one error of SEOG cited in this year's audit for an amount of \$400.

Auditor Follow-up Comment:

Prior year finding 2015-141 identified ineligible students who received Federal Supplemental Educational Opportunity Grant funds and the current year finding 2016-144 identified an ineligible student who received Federal Supplemental Educational Opportunity Grant funds. After review and consideration of management's response, the State Auditor's Office stands by its conclusions based on the evidence presented and compiled during this audit.

General Controls:

The University asserts that the "access at the database server level" does not provide excessive access but, instead, only allows the employee to receive file outputs from jobs ran in the Banner system and does not provide access into the Banner system. Therefore, the University has not provided "inappropriate" access. In order to receive output from Banner, the employee must have "access" to the database server. IT has reviewed the employees on the audit list and has determined that only one employee was not accurately terminated from HR. The employees listed as "active" were provided with the necessary access needed to perform their job duties within their respective positions and departments.

Auditor Follow-up Comment:

To prevent unintended back-end access to applications, access to servers that house application databases should be restricted to only individuals whose duties require that access. After review and consideration of management's response, the State Auditor's Office stands by its conclusions based on the evidence presented and compiled during this audit.

Corrective Action Plan:

Enrollment Level:

As of Fall 2016-2017 (the beginning of the new award year immediately following last year's audit), to further address the prior year's audit report, the University increased its safeguards by locking the student's enrollment level at census date in order to match the Cost of Attendance to enrollment status. Therefore, Banner now has two levels of "security" to ensure that the system is generating the correct award amounts based on the student's enrollment status and cost of attendance.

Implementation Date: DONE – June/July 2016

Responsible Person: Ron Williams

Satisfactory Academic Progress:

NONE – Revised SAP policy March, 2016, and implemented for the 2016-2017 award year.

Implementation Date: DONE – March 2016

Responsible Person: Ron Williams

Federal Direct Loans:

To avoid this manual error in the future, immediately following the site visit, the University instituted an automated process to prevent students changing from undergraduate to graduate to be listed on an exception report and reviewed prior to disbursement.

Implementation Date: DONE – December 2016

Responsible Person: Ron Williams

Supplemental Educational Opportunity Grant:

The University will closely monitor all students whose award packages are manually re-packaged to ensure compliance with SEOG regulations.

Implementation Date: DONE – December 2016

Responsible Person: Ron Williams

General Controls:

The University has submitted clarification of its three mutually exclusive security access levels to the auditors. UTEP will institute a process that will require that any University official providing individuals with this level of access to stipulate a beginning date and an end date to ensure that the access is clearly indicated.

Implementation Date: June 2017

Responsible Person: Luis Hernandez

Reference No. 2016-145

Special Tests and Provisions – Return of Title IV Funds

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A154176; CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P152338; CFDA 84.268, Federal Direct Student Loans, P268K162338; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T162338

Statistically valid sample – No

Type of finding – Material Weakness and Non-Compliance

Return of Title IV

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:	\$ 1,789
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 that the institution determined 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 as described 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)).

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 the institution determined that a student withdrew (Title 34, CFR, Section 668.22(j)(1)).

The University of Texas at El Paso (University) did not consistently determine the amount of Title IV funds to return and it did not always return the correct amount of Title IV funds. For 11 (18 percent) of 60 students tested for whom the University should have returned Title IV funds, the University incorrectly calculated the amount of funds to be returned. Specifically:

- The University did not perform a return calculation for one student. That occurred because the student withdrew prior to the census date and the University returned all Title IV funds associated with that student without performing a return calculation. As a result, the University returned more funds than was required; therefore, there were no questioned costs.
- The University used an incorrect end-of-term date in its return calculations for three students. Those students withdrew in the Summer term, which had an end date of August 2, 2016; however, the University used an end date of August 9, 2016, in its return calculation. As a result, the University returned more funds than was required; therefore, there were no questioned costs.
- The University did not correctly calculate the amount of Title IV funds earned or the amount of funds to be returned for seven students because it made an error when it determined the number of days in the payment period. The University did not configure its student financial assistance system, Banner, to exclude the number of days for Spring break in the return calculation. As a result, all students who officially withdrew in the Spring term had incorrect return calculations. That error would not have affected the return calculations for unofficial withdrawals because the University calculated those returns using the 50 percent point of the term, which occurred after the Spring break. For two of those seven students, the University returned \$146 less than was required; that amount was associated with CFDA 84.268, Federal Direct Student Loans, award number P268K162338, and was considered questioned costs.

For 6 (10 percent) of 60 students tested for whom the University should have returned Title IV funds, the University did not return those funds within the required time frame. The University returned those funds between 76 and 81 days after it had determined that those students had withdrawn. The University asserted that those errors occurred because it was understaffed and, therefore, did not return all funds in a timely manner.

For 2 (3 percent) of 62 students tested who withdrew and for whom the University did not return Title IV funds, the University did not correctly determine whether those students sufficiently completed the enrollment period to have earned the Title IV funds they received. Specifically, the University did not correctly determine the 60 percent completion point for the Spring term. Those errors occurred because the University did not configure Banner to exclude the number of days for Spring break in the return calculation. As a result, those two students did not meet the 60 percent completion date and did not earn all of their Title IV funds. For those two students, the University returned \$1,643 less than was required; that amount was associated with CFDA 84.268, Federal Direct Student Loans, award number P268K162338, and was considered questioned costs.

The errors discussed above occurred because the University did not have an adequate monitoring process for its return calculation process to ensure that it was accurate and complete.

In addition, the University was not able to provide a complete list of students who withdrew or who never attended. Specifically, the University did not have a process to identify students who never attended or to identify and document the complete population of students who withdrew. The University provided auditors with two populations of students who withdrew: one population was from the Registrar's Office and one population was from the Office of Student Financial Aid; however, there were discrepancies between those two populations. As a result, auditors were unable to determine whether the population of students the University provided was complete and whether the University made appropriate determinations regarding returns of Title IV assistance when required.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not consistently maintain high-profile user access at the database server level for its student financial assistance application system, Banner. Specifically, one former employee had inappropriate access to the database server, and 10 current employees had inappropriate access to the database server based on their job responsibilities. Those errors occurred because the University did not appropriately review users' access based on their job responsibilities and employment status. The University's policy required a documented process for periodically reviewing existing user accounts for validity; however, that policy did not specify the frequency with which the University must perform those reviews.

Allowing inappropriate or excessive access to a system increases the risk of inappropriate changes to the system and does not allow for proper segregation of duties.

Recommendations:

The University should:

- Enhance internal controls for its calculation of Title IV funds to be returned to ensure that its calculations are accurate and that it returns funds within required time frames.
- Develop and implement a process to identify all students who withdraw from the University.
- Appropriately limit access to its student financial assistance system based on user's job responsibilities and employment status.
- Establish and implement a documented process to perform formal, periodic reviews of access to its student financial assistance system.

Views of Responsible Officials:

Return of Title IV:

The University acknowledges the findings cited within this section of the report. Unfortunately, at the time of year the Institution enters its academic semester dates into the Banner student system, there was a new Registrar who evidently omitted entering the correct Spring break dates. That Registrar no longer works at the University. While prior financial aid audits never indicated that the University did not accurately process Return of Title IV, due to numerous changes in personnel and a decrease in staff size, it became difficult for the office to manage this area.

After an extensive analysis of the exceptions identified in this audit, the University will implement corrective actions to improve the processes in order to ensure compliance with all Return of Title IV regulations.

General Controls:

The University asserts that the "access at the database server level" does not provide excessive access but, instead, only allows the employee to receive file outputs from jobs ran in the Banner system and does not provide access into the Banner system. Therefore, the University has not provided "inappropriate" access. In order to receive output from Banner, the employee must have "access" to the database server. IT has reviewed the employees on the audit list and has determined that only one employee was not accurately terminated from HR. The employees listed as

“active” were provided with the necessary access needed to perform their job duties within their respective positions and departments.

Auditor Follow-up Comment:

To prevent unintended back-end access to applications, access to servers that house application databases should be restricted to only individuals whose duties require that access. After review and consideration of management’s response, the State Auditor’s Office stands by its conclusions based on the evidence presented and compiled during this audit.

Corrective Action Plan:

Return of Title IV:

The University has already implemented significant process enhancements in this area. Immediately following the auditors’ site visit, the University entered the accurate calendar dates into Banner and is recalculating all Spring 2016 Title IV returns to be in compliance with Title IV regulations. Additionally, upon a review of the financial aid office structure in Spring 2016, it was determined that the Office of Student Financial Aid was indeed gravely understaffed. As such, between July, 2016, and January, 2017, four new staff members have been hired to assist the financial aid department. Two of these newly hired staff members will be directly responsible for monitoring Return of Title IV to ensure that all future calculations are accurate and submitted timely.

After a discussion with members of the University’s senior management team, the University determined that not all faculty members were utilizing class rosters to determine which students never attended at census date. Stronger enforcement of this policy will occur within the next few months. In the future, after census, a list of students who never attended and were awarded financial aid will be compiled in order to return funds on student’s accounts for which they are not eligible and submit accurate enrollment status data to NSLDS. For students who attend class, but withdrew prior to census, the Return of Title IV calculations will be performed and the student’s status accurately reflected in the submission to NSLDS

Implementation Date: Work began during the site visit but will be ongoing in order to complete training of new staff and faculty members, automate specific processes to ensure compliance and revise institutional policies.

Expected Completion Date - May 2017

Responsible Persons: Ron Williams and Nohemi Gallarzo

General Controls:

The University has submitted clarification of its three mutually exclusive security access levels to the auditors. UTEP will institute a process that will require that any University official providing individuals with this level of access to stipulate a beginning date and an end date to ensure that the access is clearly indicated.

Implementation Date: June 2017

Responsible Person: Luis Hernandez

Reference No. 2016-146

Special Test and Provisions – Enrollment Reporting

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P152338; and CFDA 84.268, Federal Direct Student Loans, P268K162338

Statistically valid sample – No

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 within the next 60 days, it must notify the Secretary within 30 days if it discovers that a Federal Perkins Loan, 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 674.19(f), 685.309(b), and 682.610(c)). Enrollment reporting roster files must also include Federal Pell Grant-only 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	

To protect a student’s interest subsidy, institutions are required to report a graduated status for students who have completed their course of study (*National Student Loan Data System (NSLDS) Enrollment Reporting Guide*, Appendix C and Chapter 4, and *Dear Colleague Letter*, April 14, 2014 (GEN-14-07)).

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 transaction showing the completion of the first program and its effective date and credential level, and another transaction showing the enrollment in the second program and its effective date (*Dear Colleague Letter*, March 30, 2012 (GEN-12-06)).

Institutions must report students on whose behalf a loan was certified or awarded who were admitted, may have enrolled, but never attended classes at the institution as never attended to NSLDS (*NSLDS Enrollment Reporting Guide*, Appendix C).

Institutions must establish and maintain effective internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University of Texas at El Paso (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 10 (16 percent) of 64 students tested who had a status change, the University did not report the status change or effective dates to NSLDS accurately. Specifically:

- The University reported incorrect effective dates for two students who withdrew from the University.
- The University did not report the graduated status for three students. Those students enrolled for a subsequent term; however, the University should have reported their graduated status.
- The University reported incorrect effective dates for five students who graduated. The University was inconsistent in reporting the dates on which students completed their course of study.

In addition, the University did not have a process to identify students who were admitted and awarded or certified a loan but never attended courses at the University. Therefore, auditors could not determine whether the University appropriately reported those students to NSLDS as never attending.

In addition, for 38 (59 percent) of 64 students tested who had a status change, the University did not report the status change to NSLDS or did not report the status change in a timely manner. The University reported the status changes for those students between 63 and 147 days after the effective dates of those changes. Five of those students were the students discussed above, and the errors discussed above resulted in those students not being reported to NSLDS or not being reported in a timely manner.

Those errors occurred because the University did not have a control to ensure that the information it reported to NSC was subsequently submitted accurately to NSLDS in a timely manner.

Not reporting student status changes accurately and in a timely manner 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.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not consistently maintain high-profile user access at the database server level for its student financial assistance application system, Banner. Specifically, one former employee had inappropriate access to the database server, and 10 current employees had inappropriate access to the database server based on their job responsibilities. Those errors occurred because the University did not appropriately review users' access based on their job responsibilities and employment status. The University's policy required a documented process for periodically reviewing existing user accounts for validity; however, that policy did not specify the frequency with which the University must perform those reviews.

Allowing inappropriate or excessive access to a system increases the risk of inappropriate changes to the system and does not allow for proper segregation of duties.

Recommendations:

The University should:

- Accurately report status changes and effective dates to NSLDS in a timely manner.
- Establish and implement a monitoring process to ensure that the status changes it reports to NSC are accurately reported to NSLDS in a timely manner.
- Establish and implement a process to identify students who were admitted and awarded or certified a loan but never attended courses at the University to ensure that it appropriately reports those students to NSLDS.
- Appropriately limit access to its student financial assistance system based on user's job responsibilities and employment status.
- Establish and implement a documented process to perform formal, periodic reviews of access to its student financial assistance system.

Views of Responsible Officials:

Enrollment Reporting:

The University acknowledges the findings cited within this section of the report. Unfortunately, there was a new Registrar who evidently had not accurately submitted the correct submission dates nor completely automated the procedures and processes to accurately reflect changes in student enrollment statuses and submit this information to the National Student Clearinghouse and to the National Student Loan Data System. That Registrar no longer works at the University.

General Controls:

The University asserts that the “access at the database server level” does not provide excessive access but, instead, only allows the employee to receive file outputs from jobs ran in the Banner system and does not provide access into the Banner system. Therefore, the University has not provided “inappropriate” access. In order to receive output from Banner, the employee must have “access” to the database server. IT has reviewed the employees on the audit list and has determined that only one employee was not accurately terminated from HR. The employees listed as “active” were provided with the necessary access needed to perform their job duties within their respective positions and departments.

Auditor Follow-up Comment:

To prevent unintended back-end access to applications, access to servers that house application databases should be restricted to only individuals whose duties require that access. After review and consideration of management’s response, the State Auditor’s Office stands by its conclusions based on the evidence presented and compiled during this audit.

Corrective Action Plan:

Enrollment Reporting:

The University has already implemented significant process enhancements in this area in order to be in compliance. Immediately following the site visit, the University revised its Clearinghouse submission dates for enrollment reporting, automated all processes and removed any manual manipulation of these reports to ensure accurately and timely submission of this information. A copy of the correct enrollment reporting dates has already been provided to the auditors. In addition, two staff members, one individual in the Office of Student Financial Aid and one person in the Registrar’s Office, have been assigned to monitor enrollment reporting and are responsible for reviewing and verifying that the correct enrollment statuses and dates are being submitted accurately and timely to NSLDS.

Implementation Date: *DONE – December 2016*

Responsible Persons: *Ron Williams and Nohemi Gallarzo*

After a discussion with members of the University’s senior management team, the University determined that not all faculty members were utilizing class rosters to determine which students never attended at census date. Stronger enforcement of this policy will occur within the next few months. In the future, after census, a list of students who never attended and were awarded financial aid will be compiled in order to return funds on student’s account for which they are not eligible and submit accurate enrollment status data to NSLDS. For students who attend class, but withdrew prior to census, the Return of Title IV calculations will be performed and the student’s status accurately reflected in the submission to NSLDS.

Implementation Date: *Work began during the site visit but will be ongoing in order to complete training of new staff and faculty members, automate specific processes to ensure compliance and revise institutional policies.*

Expected Completion Date - May 2017

Responsible Persons: *Ron Williams and Nohemi Gallarzo*

General Controls:

The University has submitted clarification of its three mutually exclusive security access levels to the auditors. UTEP will institute a process that will require that any University official providing individuals with this level of access to stipulate a beginning date and an end date to ensure that the access is clearly indicated.

Implementation Date: *June 2017*

Responsible Person: *Luis Hernandez*

University of Texas Rio Grande Valley

Reference No. 2016-147

Cash Management

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A154091; CFDA 84.033, Federal Work-Study Program, P033A154091; CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P152296; CFDA 84.268, Federal Direct Student Loans, P268K162296; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T162296; and CFDA 93.925, Scholarships for Health Professions Students from Disadvantaged Backgrounds, T08HP29369 and T08HP29428

Statistically valid sample – No

Type of finding – Significant Deficiency

Cash Management

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 (Title 34, Code of Federal Regulations (CFR), Section 668.162(b), and Title 45, CFR, Section 75.305). 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, CFR, Section 668.162(b)(3)). 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 1 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 1 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 \$500 per award year (Title 34, CFR, Section 668.163(c)(3), and Title 45, CFR, Section 75.305(b)(9)).

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

Institutions must establish and maintain effective internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University of Texas Rio Grande Valley (University) did not have formalized, documented cash management controls or policies and procedures during the award year. As a result:

- The University’s accounting system inappropriately consolidates transactions from multiple award years during the invoice process for drawing down federal funds.
- The University did not consistently document its review and approval of supporting documentation for drawing down federal funds prior to those drawdowns.
- The University did not retain detailed, transaction-level documentation to support the amount it requested at the time it requested a drawdown. The University retained only summary-level documentation, which did not include sufficient detail necessary to determine whether the University recognized the appropriate award type and amount of expenditures prior to requesting reimbursement.

Not having formalized, documented policies and procedures increases the risk that the University will not conduct its cash draws in compliance with federal requirements and will not minimize the time between the drawdowns of federal funds and the disbursement of those funds.

Despite the weaknesses discussed above, auditors identified no issues in audit testing of compliance with cash management requirements.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provide reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not appropriately restrict access to its student financial assistance information system, Banner, or its database. Specifically:

- Two former employees had inappropriate access to Banner because the University did not remove their access when those employees separated from the University. The University had, however, removed one of those employee's access to its network, which prevented that employee from being able to access Banner.
- Two employees had access that was not appropriate based on their job responsibilities because they were incorrectly granted modify access when the University updated their roles in Banner based on an incorrect request.
- One employee had access to the database that was not appropriate for that employee's job responsibilities. That occurred because the employee changed job responsibilities within the University and no longer needed access; however, the University did not remove that access because it asserted that the employee was still assisting the employee's previous department. Auditors determined that the employee had not logged on to the database in more than one year. After auditors brought that error to the University's attention, it removed the inappropriate access.

Allowing excessive or inappropriate access to a system increases the risk of inappropriate changes to the system and data.

Recommendations:

The University should:

- Document its review and approval of drawdowns of federal funds.
- Retain sufficiently detailed documentation to support its drawdowns of federal funds.
- Develop and implement formalized policies and procedures for cash management, including its drawdowns of federal funds.
- Appropriately limit access to its information systems to current and key personnel.
- Appropriately grant access to its information systems based on user roles and current job responsibilities.

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

- ***Document its review and approval of drawdowns of federal funds.***
- ***Retain sufficiently detailed documentation to support its drawdowns of federal funds.***
- ***Develop and implement formalized policies and procedures for cash management, including its drawdowns of federal funds.***

The University will implement significant enhancements in the drawdown of federal funds process. Different project accounts will be created for each award year and communicated to the Financial Aid office. The University will create and maintain a comprehensive cash management manual. The University will document processes to include steps to retain detailed, transactional-level documentation to support all drawdowns.

- ***Appropriately limit access to its information systems to current and key personnel.***

UTRGV has made several changes to the user provisioning and access request process. In September 2016, UTRGV required that all persons requesting access to university resources exist in the Human Resources (HR) system of record before any access is granted. All records in the HR system are setup with an end of assignment date that is used to disable access. Once setup in the HR system, a user may request access to other university resources thru the online Access Request process. As users contacted the IT Service Desk for access requests, instructions were provided on completing the request to grant access. On January 20, 2017, a mass communication was emailed to the employee listserv communicating the process. When a record reaches the end of assignment date, an automated process is executed that triggers the removal of access to the users whose assignment has ended. Access Admin office processes the request and access to the Student Information System is removed. Access Admins also have an alternative method to override the HR assignment end, for exceptions, that also initiates the automated process for removal of access.

The Information Security Office will implement training through an approved mechanism to ensure Data Owners understand their responsibilities under UTS 165 including access verification and updating. To ensure that no unauthorized users have access to the Information Systems or that their access is appropriate, a process for review of access will be implemented. A report listing the users and their access to the Student Information System will be generated quarterly by the Access Admin office for the Information System owner to review. It will be the responsibility of the Information System owner to review the list and sign-off on access being appropriate or request that access be removed or updated. The Access Admin office will be responsible for documenting the reviews and actions taken if any as a result of the review.

The University will also produce a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. The review will also ensure that access to the student information system is disabled for staff no longer employed by UTRGV. Necessary adjustments to access will be made through the appropriate Student System Access Process.

- **Appropriately grant access to its information systems based on user roles and current job responsibilities.**

The University will develop a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. Necessary adjustments to access will be made through the appropriate Student System Access Process.

Implementation Date: August, 2017

Responsible Persons: Raquel Garcia, Frank Zecca, and Thomas Owen

Reference No. 2016-148

Eligibility

Activities Allowed or Unallowed

Reporting

Special Tests and Provisions – Disbursements To or On Behalf of Students

Special Tests and Provisions – Institutional Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A154091; CFDA 84.033, Federal Work-Study Program, P033A154091; CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P152296; CFDA 84.268, Federal Direct Student Loans, P268K162296; CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T162296; and CFDA 93.925, Scholarships for Health Professions Students from Disadvantaged Backgrounds, T08HP29425 and T08HP29428

Statistically valid sample – No

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). For a student receiving all or part of the student’s instruction by means of telecommunications technology, no distinction shall be made with respect to the mode of instruction in determining costs (Title 20, USC, Chapter 28, Subchapter IV, Section 1087ll(10)).

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 Rio Grande Valley (University) established different COA budgets based on classification, residency, living status, enrollment level, and a student’s tuition and fee rate. The University’s financial assistance system, Banner, initially budgeted students based on full-time enrollment. At the census date, the University locked each student’s enrollment level for financial assistance purposes, and the University then used each student’s actual enrollment level to calculate a revised COA, if applicable.

For 3 (5 percent) of 63 students tested, the University incorrectly calculated the COA. Specifically:

- The University overstated one student’s COA by \$6,965 when it assigned a COA for both a regular graduate program and a graduate online accelerated program for the same term. The University asserted that error occurred because the student’s COA was locked in the student financial assistance system and, therefore, it could not be updated when the automated COA calculation process occurred. Although the student’s COA was overstated, that did not result in an overaward of financial assistance; therefore, there were no questioned costs.
- The University understated the COA for two students by \$455 and \$911 when it assigned incorrect living status components to those students’ COAs. Those errors occurred because of manual errors the University made in updating those students’ COAs.

Additionally, not all of the University’s COA budgets meet federal requirements. The University created a separate COA for its online accelerated master’s degree programs. Unlike COAs for traditional campus-based programs, the COAs for online accelerated master’s degree programs included only the cost of tuition, fees, books,

and room and board; they do not include transportation or personal costs. As a result, COAs for students in online accelerated master's degree programs were understated, which could result in the underaward of financial assistance. A total of 490 students were enrolled in an online accelerated master's degree program and received Direct Loan funds during the award 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 668.34 (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 *2015-2016 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. For a graduate program, a period defined by the institution that is based on the length of the educational program should be used to determine the maximum time frame for the quantitative component of SAP (Title 34, CFR, Section 668.34(b)).

The University evaluates SAP at the end of each term after grades are posted. Students who fail to meet the minimum requirements, other than maximum time frame, will be allowed one warning term to restore satisfactory standing. At the end of the warning term, students must have regained satisfactory SAP status to continue receiving financial assistance. Students who have reached the maximum time frame to complete a program cannot receive a warning term and are no longer eligible to receive financial assistance.

The University's SAP policy does not meet all federal requirements. The University's graduate SAP policy specified that graduate students enrolled in a master's program have a maximum of 63 attempted credit hours. However, the policy did not address the maximum time frame requirements for students in the master of science in occupational therapy program, the master of physician assistant studies program, and the school psychology master of arts program. The University asserted that SAP requirements for those programs were available in an internal desk manual; however, those requirements were not part of the SAP policy published on the University's Web site or the SAP policy it provided to auditors.

Having inadequate policies and procedures increases the risk that the University may not determine SAP in accordance with federal requirements and that students may not understand the requirements they must satisfy to receive financial assistance.

In addition, for 4 (6 percent) of 63 students tested, the University did not assign a SAP status in a timely manner or did not assign a correct SAP status. Specifically:

- The University did not assign the SAP status for three students for the Fall term before that term began. For two of those three students, the Fall term was their first term of enrollment at the University and they did not have a SAP status documented in the student financial assistance system. The University identified those students at the end of the term and manually updated their SAP status in its student financial assistance system. The third student had previously attended the University and should have been placed on a warning status. The University identified that student during the Fall term and manually updated that student's status in its student financial assistance system; however, it used an incorrect SAP code. After auditors brought that error to the University's attention, it corrected the SAP status for that student.
- The University assigned one student an incorrect SAP status for the Spring term. That error occurred because of a manual error the University made when it updated the student's SAP status in its student financial assistance system. After auditors brought that error to the University's attention, it corrected the SAP status for that student.

The students discussed above were eligible for the financial assistance they received; therefore, there were no questioned costs. However, not following established policies and procedures increases the risk that students could receive financial assistance for which they are not eligible.

Incarcerated Students

An institution does not qualify as an eligible institution if more than 25 percent of its regular enrolled students were incarcerated (Title 34, CFR, Section 600.7(a)(1)(iii)), and institutions must demonstrate compliance with that requirement (U.S. Department of Education *2015-2016 Federal Student Aid Handbook*).

The University did not have procedures to identify incarcerated students, and it was not able to demonstrate that less than 25 percent of its enrolled students were incarcerated. The University's process was to place a hold on a student's account that would prevent disbursement of financial assistance if it becomes aware of a student's incarcerated status. However, the University did not have a process to actively identify incarcerated students to demonstrate that it is meeting the incarcerated student limitation. Auditors did not note any evidence of incarceration for the 63 students tested.

Not having procedures in place to identify incarcerated students increases the risk that the University may not qualify as an eligible institution.

Other Compliance Requirements

Although the control weaknesses described below apply to activities allowed or unallowed, reporting, and special tests and provisions – disbursements to or on behalf of students, auditors identified no compliance issues regarding those compliance requirements.

Policies and Procedures

Institutions must establish and maintain effective internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not have adequate policies and procedures during the 2015-2016 award year. The University's Office of Student Financial Services' policy and procedure manual provided to auditors was for the University of Texas – Pan American, which was renamed to form the University of Texas Rio Grande Valley. The University had some policies and procedures for reporting and special tests and provisions – disbursements to or on behalf of students; however, those policies and procedures were not considered to be official University policies and procedures, and they did not contain enough detailed information to replicate the processes.

Not having policies and procedures increases the risk that the University may not perform its processes in accordance with federal requirements.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provide reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not appropriately restrict access to its student financial assistance information system, Banner, or its database. Specifically:

- Two former employees had inappropriate access to Banner because the University did not remove their access when those employees separated from the University. The University had, however, removed one of those employee's access to its network, which prevented that employee from being able to access Banner.
- Two employees had access that was not appropriate based on their job responsibilities because they were incorrectly granted modify access when the University updated their roles in Banner based on an incorrect request.
- One employee had access to the database that was not appropriate for that employee's job responsibilities. That occurred because the employee changed job responsibilities within the University and no longer needed access; however, the University did not remove that access because it asserted that the employee was still assisting the employee's previous department. Auditors determined that the employee had not logged on to the database in more than one year. After auditors brought that error to the University's attention, it removed the inappropriate access.

Allowing excessive or inappropriate access to a system increases the risk of inappropriate changes to the system and data.

Recommendations:

The University should:

- Adjust COAs accurately for all students.
- Ensure that its COA budgets meet all federal requirements.
- Ensure that its SAP policy meets federal requirements by defining a maximum time frame based on the length of the educational program for all graduate students.
- Consistently and accurately apply its SAP policy to ensure that it assigns students the correct SAP status in a timely manner.
- Develop and implement procedures to demonstrate its compliance with the incarcerated student limitation.
- Develop and implement policies and procedures for the eligibility, activities allowed or unallowed, reporting, and special tests and provisions – disbursements or on behalf of students processes.
- Appropriately limit access to its information systems to current and key personnel.
- Appropriately grant access to its information systems based on user roles and current job responsibilities.

Views of Responsible Officials:

UTRGV acknowledges and agrees with the findings. UTRGV will work to develop and implement corrective action to address the findings and recommendations related to Eligibility.

Corrective Action Plan:

- ***Adjust COAs accurately for all students.***

A report has been created to verify budgets for students in the accelerated online program. This report will be run and monitored by the appointed Financial Aid Coordinator during the course of the academic year.

In addition, after the census date of each semester, the Financial Aid Office will identify and correct any budget discrepancies by reviewing a cost of attendance report created for this specific purpose.

- ***Ensure that its COA budgets meet all federal requirements.***

The UTRGV COA budgets have been reviewed and updated to ensure all federal requirements are met. The online accelerated program budgets have been updated to reflect all required cost of attendance components, including transportation and personal costs.

- ***Ensure that its SAP policy meets federal requirements by defining a maximum time frame based on the length of the educational program for all graduate programs.***

UTRGV has taken corrective action to ensure that the published SAP policy meets federal requirements by defining time frame maximums based on educational program length for all graduate programs. The updated SAP policy can be found at http://www.utrgv.edu/ucentral/_files/documents/fin-aid/sap-policy-graduate.pdf

- ***Consistently and accurately apply its SAP policy to ensure that it assigns students the correct SAP status in a timely manner***

Through analysis of the exceptions identified in the audit, the University will develop and implement corrective action to further improve SAP processes. The University is developing a report that will identify SAP statuses for students who have entered new programs to ensure the appropriate statuses are assigned prior to census date.

In addition, the UTRGV Financial Aid Office will create an audit report to assist in identifying and correcting manual errors.

- ***Develop and implement procedures to demonstrate its compliance with the incarcerated student limitation.***

The UTRGV Financial Aid Office will develop and implement procedures to identify incarcerated students by analyzing suspicious addresses.

- ***Develop and implement policies and procedures for the eligibility, activities allowed or unallowed, reporting, and special tests and provisions –disbursements or on behalf of students processes.***

UTRGV Financial Aid leadership staff are reviewing and updating the UTRGV Policies and Procedures to reflect the eligibility, activities allowed or unallowed, reporting and disbursements or on behalf of students processes.

- ***Appropriately limit access to its information systems to current and key personnel.***

UTRGV has made several changes to the user provisioning and access request process. In September 2016, UTRGV required that all persons requesting access to university resources exist in the Human Resources (HR) system of record before any access is granted. All records in the HR system are setup with an end of assignment date that is used to disable access. Once setup in the HR system, a user may request access to other university resources thru the online Access Request process. As users contacted the IT Service Desk for access requests, instructions were provided on completing the request to grant access. On January 20, 2017, a mass communication was emailed to the employee listserv communicating the process. When a record reaches the end of assignment date, an automated process is executed that triggers the removal of access to the users whose assignment has ended. Access Admin office processes the request and access to the Student Information System is removed. Access Admins also have an alternative method to override the HR assignment end, for exceptions, that also initiates the automated process for removal of access.

The Information Security Office will implement training through an approved mechanism to ensure Data Owners understand their responsibilities under UTS 165 including access verification and updating. To ensure that no unauthorized users have access to the Information Systems or that their access is appropriate, a process for review of access will be implemented. A report listing the users and their access to the Student Information System will be generated quarterly by the Access Admin office for the Information System owner to review. It will be the responsibility of the Information System owner to review the list and sign-off on access being appropriate or request that access be removed or updated. The Access Admin office will be responsible for documenting the reviews and actions taken if any as a result of the review.

The University will also produce a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. The review will also ensure that access to the student information system is disabled for staff no longer employed by UTRGV. Necessary adjustments to access will be made through the appropriate Student System Access Process.

- ***Appropriately grant access to its information systems based on user roles and current job responsibilities.***

The University will develop a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. Necessary adjustments to access will be made through the appropriate Student System Access Process.

Implementation Date: July 2017

Responsible Persons: Arnold Trejo, Frank Zecca, and Thomas Owen

Reference No. 2016-149

Special Tests and Provisions – Verification

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A154091; CFDA 84.033, Federal Work-Study Program, P033A154091; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P152296; CFDA 84.268, Federal Direct Student Loans, P268K162296; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T162296

Statistically valid sample – No

Type of finding – Material Weakness 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, Supplemental Nutrition Assistance Program (SNAP), 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 79, Number 122).

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, the 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 10 (16 percent) of 62 students tested, the University of Texas Rio Grande Valley (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. Specifically, the University did not accurately verify one or more of the following items: income information for tax filers, income information for non-tax filers, number of household members, number in college, or the student’s identity. Those errors occurred because of manual errors the University made during the verification process and because the University did not have an adequate process to monitor verification.

When auditors brought those errors to the University’s attention, the deadline to submit corrections for the award year had passed. The University asserted that those errors did not result in a change to the students’ EFC or the amounts of financial assistance they received; 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 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 populations (U.S. Department of Education *2015-2016 Application and Verification Guide*).

The University's verification policies and procedures did not include two of the required elements. Specifically, the University's policies and procedures did not address:

- The time period within which an applicant shall provide the documentation and the consequences of failing to provide such documentation.
- 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 cost of attendance or to the values of the data items required to calculate the EFC.

Having incomplete policies and procedures increases the risk that students may not be aware of all actions required for verification or the consequences related to their not completing those actions.

During the scope of the audit, the University provided conflicting information about its verification process and was unable to confirm its verification policies and procedures during audit fieldwork. Specifically:

- The University asserted that it participated in the U.S. Department of Education's QAP; however, it was unable to provide a copy of the QAP agreement. The University requested a copy of the QAP agreement from the U.S. Department of Education to provide to auditors.
- The policies and procedures that the University initially provided to auditors specified that the University would perform verification of students flagged by the U.S. Department of Education for non-standard verification tracking groups. However, the University provided conflicting information on whether it performed verification for those non-standard tracking groups. Auditors determined that the University did not verify child support paid and household resources, but the University did some verification of the custom and aggregate verification groups. After auditors brought those issues to the University's attention, the University asserted that it would verify the child support paid and household resources verification groups only if they had been selected through the QAP selection process.
- The University asserted that it had provided an outdated policy to auditors and that the policy it provided was developed during the transition period from the University of Texas – Pan American into the University of Texas Rio Grande Valley.

If student financial assistance staff are not aware of the approved policies and procedures for verification, students who should be verified may not be selected for verification, which could result in inconsistencies in the verification process.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provide reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not appropriately restrict access to its student financial assistance information system, Banner, or its database. Specifically:

- Two former employees had inappropriate access to Banner because the University did not remove their access when those employees separated from the University. The University had, however, removed one of those employee's access to its network, which prevented that employee from being able to access Banner.

- Two employees had access that was not appropriate based on their job responsibilities because they were incorrectly granted modify access when the University updated their roles in Banner based on an incorrect request.
- One employee had access to the database that was not appropriate for that employee's job responsibilities. That occurred because the employee changed job responsibilities within the University and no longer needed access; however, the University did not remove that access because it asserted that the employee was still assisting the employee's previous department. Auditors determined that the employee had not logged on to the database in more than one year. After auditors brought that error to the University's attention, it removed the inappropriate 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 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.
- Ensure that all staff who perform verifications are knowledgeable of the verification process as stated in the University's policies and procedures.
- Appropriately limit access to its information systems to current and key personnel.
- Appropriately grant access to its information systems based on user roles and current job responsibilities.

Views of Responsible Officials:

UTRGV acknowledges and agrees with the findings. UTRGV will work to develop and implement corrective action to address the findings and recommendations related to Verification.

Corrective Action Plan:

- ***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.***
- ***Ensure that all staff who perform verifications are knowledgeable of the verification process as stated in the University's policies and procedures.***

UTRGV will adhere to the FSA Handbook to ensure all verifiable items are reviewed and corrected, and upon submitting a correction will request an updated ISIR, as required. A report will be used to monitor corrections to ensure updated ISIRs are received and processed accordingly. The Financial Aid Office will conduct a self-audit of 10% of all records selected for verification as a monitoring process for verification.

The Financial Aid Office will conduct a review of its verification policies and procedures to ensure that they adhere to the requirements established by the U.S. Department of Education. Additional training will be provided to Financial Aid staff working in the verification area to ensure they are fully aware of the different required elements of verification as stated in the University's policies and procedures.

- ***Appropriately limit access to its information systems to current and key personnel.***

UTRGV has made several changes to the user provisioning and access request process. In September 2016, UTRGV required that all persons requesting access to university resources exist in the Human Resources (HR) system of

record before any access is granted. All records in the HR system are setup with an end of assignment date that is used to disable access. Once setup in the HR system, a user may request access to other university resources thru the online Access Request process. As users contacted the IT Service Desk for access requests, instructions were provided on completing the request to grant access. On January 20, 2017, a mass communication was emailed to the employee listserv communicating the process. When a record reaches the end of assignment date, an automated process is executed that triggers the removal of access to the users whose assignment has ended. Access Admin office processes the request and access to the Student Information System is removed. Access Admins also have an alternative method to override the HR assignment end, for exceptions, that also initiates the automated process for removal of access.

The Information Security Office will implement training through an approved mechanism to ensure Data Owners understand their responsibilities under UTS 165 including access verification and updating. To ensure that no unauthorized users have access to the Information Systems or that their access is appropriate, a process for review of access will be implemented. A report listing the users and their access to the Student Information System will be generated quarterly by the Access Admin office for the Information System owner to review. It will be the responsibility of the Information System owner to review the list and sign-off on access being appropriate or request that access be removed or updated. The Access Admin office will be responsible for documenting the reviews and actions taken if any as a result of the review.

The University will also produce a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. The review will also ensure that access to the student information system is disabled for staff no longer employed by UTRGV. Necessary adjustments to access will be made through the appropriate Student System Access Process.

- **Appropriately grant access to its information systems based on user roles and current job responsibilities.**

The University will develop a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. Necessary adjustments to access will be made through the appropriate Student System Access Process.

Implementation Date: July 2017

Responsible Persons: Arnold Trejo, Frank Zecca, and Thomas Owen

Reference No. 2016-150

Special Tests and Provisions – Return of Title IV Funds

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A154091; CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P152296; CFDA 84.268, Federal Direct Student Loans, P268K162296; and CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T162296

Statistically valid sample – No

Type of finding – Significant Deficiency and Non-Compliance

Return of Title IV Funds 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 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 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 that the institution determined 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 as described 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)).

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 the institution determined that a student withdrew (Title 34, CFR, Section 668.22(j)(1)).

The University of Texas Rio Grande Valley (University) did not always accurately determine the amount of Title IV funds to return or return the correct amount. For 3 (5 percent) of 65 students tested who had a return of Title IV funds, the University did not accurately determine the amount of Title IV funds to return or did not return the correct amount of Title IV funds as required. Specifically:

- For one student, the University did not accurately determine the amount of Title IV funds to return. That error occurred because the student dropped a course one day prior to officially withdrawing and the University included the institutional charges for that dropped course in the return of Title IV calculations. As a result, the University returned less funds than it was required to return. After auditors brought that issue to the University's attention, it corrected the return calculation and returned the additional funds; therefore, there were no questioned costs.
- For one student, the University appropriately calculated the amount of Title IV funds to return; however, it returned \$2 more than required. The University submitted corrections to the U.S. Department of Education's Common Origination and Disbursement System; however, those corrections were not accepted. To correct the error, the University subsequently canceled the full loan amount of \$400 that the student earned. After auditors brought that issue to the University's attention, it disbursed the earned funds to the student.
- For one student, the University appropriately calculated the amount of Title IV funds to return; however, it returned \$2 less than required. That occurred because of a manual error the University made when it returned funds. Additionally, the University awarded Title IV funds in error to that student after the student withdrew from all courses. That occurred because the University changed a \$500 Texas Public Educational Grant to a Federal Supplemental Educational Opportunity Grant (FSEOG) to exhaust additional FSEOG funds, and it did not consider that the student had unofficially withdrawn. After auditors brought those errors to the University's attention, it returned the \$2 and the \$500 in additional FSEOG funds; therefore, there were no questioned costs.

In addition, for 2 (3 percent) of 65 students tested who had a return of Title IV funds, the University did not return those funds within required time frames. Specifically, the University returned funds 51 days and 130 days after it determined those students withdrew. Those errors occurred because the students withdrew online and the University did not perform in a timely manner reviews of students who dropped all of their courses online.

Post-withdrawal Disbursement

If the total amount of Title IV grant or loan assistance, or both, that a student earned as calculated above exceeds the total amount of Title IV grant or loan assistance, or both, that was disbursed to the student or on behalf of the student in the case of a Parent Loan for Undergraduate Student (PLUS) loan, as of the date of the institution's determination that the student withdrew, the difference between those amounts must be treated as a post-withdrawal disbursement in accordance with Title 34, CFR, Section 668.164(j) (Title 34, CFR, Section 668.22(a)(5)).

For 1 (2 percent) of 65 students tested, the University did not complete a post-withdrawal disbursement as required. That error occurred because the student withdrew from all classes online prior to the disbursement of any federal financial aid. As a result, a return of Title IV funds was not required; however, the student was eligible for a post-withdrawal disbursement.

After auditors brought that error to the University's attention, it completed the return of Title IV funds calculation. At the time of the withdrawal in September 2015, the student may have been eligible for a late Direct Loan disbursement.

However, the student was reported as having never attended for one class in October 2015, resulting in less-than-half-time enrollment. Half-time enrollment is required for a Direct Loan. Because the University did not complete the post-withdrawal disbursement as required and within required time frames, the calculation was based on less-than-half-time enrollment. As a result, the student was not eligible for a Direct Loan disbursement and the University underawarded the student \$145 in Federal Pell Grant funds.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provide reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not appropriately restrict access to its student financial assistance information system, Banner, or its database. Specifically:

- Two former employees had inappropriate access to Banner because the University did not remove their access when those employees separated from the University. The University had, however, removed one of those employee's access to its network, which prevented that employee from being able to access Banner.
- Two employees had access that was not appropriate based on their job responsibilities because they were incorrectly granted modify access read-the University updated their roles in Banner based on an incorrect request.
- One employee had access to the database that was not appropriate for that employee's job responsibilities. That occurred because the employee changed job responsibilities within the University and no longer needed access; however, the University did not remove that access because it asserted that the employee was still assisting the employee's previous department. Auditors determined that the employee had not logged on to the database in more than one year. After auditors brought that error to the University's attention, it removed the inappropriate 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 calculate and return the required amount of Title IV funds within required time frames.
- Strengthen controls to ensure that it identifies all withdrawn students.
- Complete post-withdrawal disbursements when required.
- Appropriately limit access to its information systems to current and key personnel.
- Appropriately grant access to its information systems based on user roles and current job responsibilities.

Views of Responsible Officials:

UTRGV acknowledges and agrees with the findings related to Return of Title IV Funds. UTRGV will work to develop and implement corrective action to address the findings and recommendations related to Return of Title IV Funds.

Corrective Action Plan:

- ***Accurately calculate and return the required amount of Title IV funds within required timeframes.***

The UTRGV Financial Aid Office has implemented corrective actions to ensure the accuracy and timeliness of Return to Title IV calculations. These actions include quality control review processes by performing a second level review on all relevant transactions to ensure calculations are performed and funds are returned within the federally specified timeframes. In addition, the UTRGV Financial Aid Office will utilize a report to identify potential official withdrawal students that might have dropped a course prior to officially withdrawing.

- **Strengthen controls to ensure that it identifies all withdrawn students.**

The UTRGV Financial Aid Office has implemented corrective action to ensure all withdrawn students requiring a Return of Title IV calculation are identified. The UTRGV Financial Aid Office created an exception report that helps in identifying potential online withdrawals. Furthermore, the Registrar's Office maintains a report, which is evaluated to ensure proper withdrawal codes.

- **Complete post withdrawal disbursements when required.**

To ensure completion of post withdrawal disbursements as required, the UTRGV Financial Aid Office will utilize an audit report to identify students who require a post withdrawal disbursement.

The University will develop a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. Necessary adjustments to access will be made through the appropriate Student System Access Process.

- **Appropriately limit access to its information systems to current and key personnel.**

UTRGV has made several changes to the user provisioning and access request process. In September 2016, UTRGV required that all persons requesting access to university resources exist in the Human Resources (HR) system of record before any access is granted. All records in the HR system are setup with an end of assignment date that is used to disable access. Once setup in the HR system, a user may request access to other university resources thru the online Access Request process. As users contacted the IT Service Desk for access requests, instructions were provided on completing the request to grant access. On January 20, 2017, a mass communication was emailed to the employee listserv communicating the process. When a record reaches the end of assignment date, an automated process is executed that triggers the removal of access to the users whose assignment has ended. Access Admin office processes the request and access to the Student Information System is removed. Access Admins also have an alternative method to override the HR assignment end, for exceptions, that also initiates the automated process for removal of access.

The Information Security Office will implement training through an approved mechanism to ensure Data Owners understand their responsibilities under UTS 165 including access verification and updating. To ensure that no unauthorized users have access to the Information Systems or that their access is appropriate, a process for review of access will be implemented. A report listing the users and their access to the Student Information System will be generated quarterly by the Access Admin office for the Information System owner to review. It will be the responsibility of the Information System owner to review the list and sign-off on access being appropriate or request that access be removed or updated. The Access Admin office will be responsible for documenting the reviews and actions taken if any as a result of the review.

The University will also produce a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. The review will also ensure that access to the student information system is disabled for staff no longer employed by UTRGV. Necessary adjustments to access will be made through the appropriate Student System Access Process.

- **Appropriately grant access to its information systems based on user roles and current job responsibilities.**

The University will develop a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. Necessary adjustments to access will be made through the appropriate Student System Access Process.

Implementation Date: July 2017

Responsible Persons: Arnold Trejo, Frank Zecca, and Thomas Owen

Reference No. 2016-151

Special Tests and Provisions – Enrollment Reporting

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P152296; and CFDA 84.268, Federal Direct Student Loans, P268K162296

Statistically valid sample – No

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 within the next 60 days, it must notify the Secretary within 30 days if it discovers that a Federal Perkins Loan, 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 674.19(f), 685.309(b), and 682.610(c)). Enrollment reporting roster files must also include Federal Pell Grant-only 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).

The University of Texas Rio Grande Valley (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 the students with Title IV financial aid and reports the status those students as 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 7 (11 percent) of 61 students tested who had a status change, the University did not report status changes or effective dates to NSLDS accurately. Specifically:

- The University did not report one student’s graduated status to NSLDS. NSC reported the student’s enrollment status as withdrawn (instead of graduated) when the student did not enroll in the subsequent term.
- The University incorrectly reported one student as withdrawn (instead of half-time) because it incorrectly coded that student’s courses as withdrawn in its student financial assistance system, Banner. That resulted in the effective date also being inaccurately reported to NSLDS.
- The University did not report one student’s enrollment status at the beginning of a term. That error occurred because the student withdrew before the University made the first submission for that term; as a result, that student’s initial less-than-half-time status was never reported to NSLDS. The University attempted to correct NSLDS by reporting the initial enrollment status; however, it reported the status for a university that no longer existed. In addition, the University reported the withdrawal for an incorrect term because of a manual error it made during the reporting process. Those errors resulted in the effective date also being inaccurately reported to NSLDS.
- For four students, the University reported inaccurate effective dates. Those errors occurred because the University made its first submission for a term late, and those students had a change in enrollment status that occurred before

that submission. As a result, the effective date for those students' initial enrollment status was never reported to NSLDS.

In addition, for 17 (28 percent) of 61 students tested, the University did not report student status changes to NSLDS in a timely manner. Six of those students were among the students discussed above, and the errors discussed above resulted in the status change not being reported in a timely manner. For eleven additional students:

- The University reported the graduated status of 7 students 78 days after those students graduated. Those errors occurred because the University did not have sufficient controls to ensure that it reported graduated statuses in a timely manner. For 8 (80 percent) of 10 terms in the 2015-2016 award year, the University transmitted degree verification files to NSC (and, therefore, subsequently to NSLDS) more than 60 days after the end of the term. That resulted in a total of 4,975 graduated statuses not being reported in a timely manner.
- The University did not report the initial enrollment status for two students at the beginning of a term because the University made its first submission for the term late and those students had a change in enrollment status that occurred before that submission. As a result, those students' initial enrollment status was never reported to NSLDS.
- The University reported the status for two students late because it made its first submission for a term late.

Policies and Procedures

Institutions must establish and maintain effective internal control over federal programs that provides reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not have adequate policies and procedures for its enrollment reporting process. While the University had procedures with detailed information, those procedures were not a part of a formal policy or procedure handbook and they contained references to processes of the University of Texas - Pan American, which was renamed to form the University of Texas Rio Grande Valley. There were no dates to determine when or whether those procedures had been created, reviewed, or revised.

Not having updated policies and procedures increases the risk that University staff will not report status changes accurately or in a timely manner.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provide reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not appropriately restrict access to its student financial assistance information system, Banner, or its database. Specifically:

- Two former employees had inappropriate access to Banner because the University did not remove their access when those employees separated from the University. The University had, however, removed one of those employee's access to its network, which prevented that employee from being able to access Banner.
- Two employees had access that was not appropriate based on their job responsibilities because they were incorrectly granted modify access when the University updated their roles in Banner based on an incorrect request.
- One employee had access to the database that was not appropriate for that employee's job responsibilities. That occurred because the employee changed job responsibilities within the University and no longer needed access; however, the University did not remove that access because it asserted that the employee was still assisting the employee's previous department. Auditors determined that the employee had not logged on to the database in more than one year. After auditors brought that error to the University's attention, it removed the inappropriate 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 report student status changes and effective dates to NSLDS in a timely manner.
- Strengthen controls to ensure that it submits student status changes to NSC more frequently to ensure submission to NSLDS in a timely manner.
- Develop and implement policies and procedures for enrollment reporting.
- Appropriately limit access to its information systems to current and key personnel.
- Appropriately grant access to its information systems based on user roles and current job responsibilities.

Views of Responsible Officials:

The UTRGV Office of the University Registrar acknowledges and agrees with the findings. UTRGV will work to develop and implement corrective action to address the findings and recommendations related to enrollment reporting through corrective action plans and continued collaboration with our financial aid colleagues.

Corrective Action Plan:

- **Accurately report student status changes and effective dates to NSLDS in a timely manner.**

The University has taken steps to mitigate recurrence of inaccuracies. Steps taken include increased training, updated procedures and additional communication regarding upcoming registration milestones and timeframes related to tuition, fees and financial aid.

- **Strengthen controls to ensure that it submits student status changes to NSC more frequently to ensure submission to NSLDS in a timely manner.**

The University is updating its processes and procedures to ensure adherence with the National Student Clearinghouse submission schedule. To date, all 2016-2017 submissions have been submitted in a timely manner.

- **Develop and implement policies and procedures for enrollment reporting.**

The Office of the Registrar is in the process of modifying its policies and procedures manual to include updated procedures for the preparation of data to the NSC, the actual submission process, procedures required to work through any errors returned from the NSC, and key roles/contacts and their designated responsibilities to jointly complete each submission.

- **Appropriately limit access to its information systems to current and key personnel.**

UTRGV has made several changes to the user provisioning and access request process. In September 2016, UTRGV required that all persons requesting access to university resources exist in the Human Resources (HR) system of record before any access is granted. All records in the HR system are setup with an end of assignment date that is used to disable access. Once setup in the HR system, a user may request access to other university resources thru the online Access Request process. As users contacted the IT Service Desk for access requests, instructions were provided on completing the request to grant access. On January 20, 2017, a mass communication was emailed to the employee listserv communicating the process. When a record reaches the end of assignment date, an automated process is executed that triggers the removal of access to the users whose assignment has ended. Access Admin office processes the request and access to the Student Information System is removed. Access Admins also have an alternative method to override the HR assignment end, for exceptions, that also initiates the automated process for removal of access.

The Information Security Office will implement training through an approved mechanism to ensure Data Owners understand their responsibilities under UTS 165 including access verification and updating. To ensure that no unauthorized users have access to the Information Systems or that their access is appropriate, a process for review of access will be implemented. A report listing the users and their access to the Student Information System will be generated quarterly by the Access Admin office for the Information System owner to review. It will be the responsibility of the Information System owner to review the list and sign-off on access being appropriate or request that access be

removed or updated. The Access Admin office will be responsible for documenting the reviews and actions taken if any as a result of the review.

The University will also produce a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. The review will also ensure that access to the student information system is disabled for staff no longer employed by UTRGV. Necessary adjustments to access will be made through the appropriate Student System Access Process.

- **Appropriately grant access to its information systems based on user roles and current job responsibilities.**

The University will develop a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. Necessary adjustments to access will be made through the appropriate Student System Access Process.

Implementation Date: July 2017

Responsible Persons: Sofia Montes, Jerry Martinez, Frank Zecca, and Thomas Owen

Reference No. 2016-152

Special Tests and Provisions – Student Loan Repayments

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award number – CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable

Statistically valid sample – No

Type of finding – Significant Deficiency and Non-Compliance

Student Loan Repayments

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, an 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)).

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

The grace period immediately follows a period of enrollment and immediately precedes the date of the first required repayment on a loan. A grace period is always day specific—an initial grace period begins the day after the day the borrower drops below half-time enrollment (Title 34, CFR, Section 674.2(b), and U.S. Department of Education 2015-2016 *Federal Student Aid Handbook*).

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, Sections 674.43(b) and (c)).

The University of Texas Rio Grande Valley (University) did not have a process to ensure that it converted students’ Federal Perkins Loans to repayment status in accordance with federal requirements or in a timely manner. Specifically, the University’s process to determine the start of the grace period depended on a student’s separation date. If a student separated before the tenth of the month, the University used the first day of that month as the start of the grace period. If a student separated after the tenth of the month, the University used the first day of the subsequent month as the start of the grace period. As a result, for all 20 students tested whose loans entered repayment status, the University did not convert those students’ loans to repayment status in a timely manner, and those students’ grace periods exceeded 9 months. Specifically, the grace periods for the 20 students tested were overstated by 14 to 19 days. The University asserted that those errors occurred because of a limitation within its billing system for loans.

The University also did not have a process to ensure that it performed all contact and collection procedures in accordance with requirements. Specifically:

- For 20 (91 percent) of 22 students tested whose loans entered repayment status, the University did not send notifications at the required intervals. The University did not have a process to send required notifications at 90, 150, and 240 days after the beginning of the grace period. The University sent an initial repayment plan and notifications at 30, 60, and 90 days prior to the first payment due date; however, those notifications did not comply with federal requirements.
- For all 17 defaulted loans tested, the University did not send required overdue notices. The University did not have a process to send notifications 15 days after the payment due date, 30 days after the first overdue notice, or a final demand notice 15 days after the second overdue notice. The University generally sent overdue notices 30, 60, or 90 days after the payment was past due; however, that process was not formalized and did not comply with federal requirements.

Not sending notifications within the required time frames increases the risk that students will be (1) unaware of the terms of Federal Perkins Loan repayment and the first payment due date and (2) unaware that their defaulted Federal Perkins Loan will be referred for collection; as a result, students may not have appropriate time to resolve balance deficiencies and prevent their loans from being transferred to a collection agency.

In addition, the University did not have policies and procedures for administering student loan repayments. Not having policies and procedures increases the risk that the University may not perform billing and collection procedures in accordance with federal requirements.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provide reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not appropriately restrict access to its student financial assistance information system, Banner, or its database. Specifically:

- Two former employees had inappropriate access to Banner because the University did not remove their access when those employees separated from the University. The University had, however, removed one of those employee's access to its network, which prevented that employee from being able to access Banner.
- Two employees had access that was not appropriate based on their job responsibilities because they were incorrectly granted modify access when the University updated their roles in Banner based on an incorrect request.
- One employee had access to the database that was not appropriate for that employee's job responsibilities. That occurred because the employee changed job responsibilities within the University and no longer needed access; however, the University did not remove that access because it asserted that the employee was still assisting the employee's previous department. Auditors determined that the employee had not logged on to the database in more than one year. After auditors brought that error to the University's attention, it removed the inappropriate access.

Allowing excessive or inappropriate access to a system increases the risk of inappropriate changes to the system and data

Recommendations:

The University should:

- Convert Federal Perkins Loans to repayment status in a timely manner and in compliance with federal requirements.
- Establish and implement a process to send all required notifications at required intervals.
- Establish and implement policies and procedures for collecting Federal Perkins Loans and administering student loan repayments.

- Appropriately limit access to its information systems to current and key personnel.
- Appropriately grant access to its information systems based on user roles and current job responsibilities.

Views of Responsible Officials:

The University acknowledge and agree with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

- **Convert Federal Perkins Loans to repayment status in a timely manner and in compliance with federal requirements.**
- **Establish and implement a process to send all required notifications at required intervals.**
- **Establish and implement policies and procedures for collecting Federal Perkins Loans and administering student loan repayments.**

The University will implement significant enhancements in the Perkins student loan repayment process. Improvements will be made to properly indicate the start of the grace period. In conjunction, special billing and letters will be created for students that fall in this criteria. The University will have a comprehensive student loan repayment manual.

- **Appropriately limit access to its information systems to current and key personnel.**

UTRGV has made several changes to the user provisioning and access request process. In September 2016, UTRGV required that all persons requesting access to university resources exist in the Human Resources (HR) system of record before any access is granted. All records in the HR system are setup with an end of assignment date that is used to disable access. Once setup in the HR system, a user may request access to other university resources thru the online Access Request process. As users contacted the IT Service Desk for access requests, instructions were provided on completing the request to grant access. On January 20, 2017, a mass communication was emailed to the employee listserv communicating the process. When a record reaches the end of assignment date, an automated process is executed that triggers the removal of access to the users whose assignment has ended. Access Admin office processes the request and access to the Student Information System is removed. Access Admins also have an alternative method to override the HR assignment end, for exceptions, that also initiates the automated process for removal of access.

The Information Security Office will implement training through an approved mechanism to ensure Data Owners understand their responsibilities under UTS 165 including access verification and updating. To ensure that no unauthorized users have access to the Information Systems or that their access is appropriate, a process for review of access will be implemented. A report listing the users and their access to the Student Information System will be generated quarterly by the Access Admin office for the Information System owner to review. It will be the responsibility of the Information System owner to review the list and sign-off on access being appropriate or request that access be removed or updated. The Access Admin office will be responsible for documenting the reviews and actions taken if any as a result of the review.

The University will also produce a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. The review will also ensure that access to the student information system is disabled for staff no longer employed by UTRGV. Necessary adjustments to access will be made through the appropriate Student System Access Process.

- **Appropriately grant access to its information systems based on user roles and current job responsibilities.**

The University will develop a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. Necessary adjustments to access will be made through the appropriate Student System Access Process.

Implementation Date: August 2017

Responsible Persons: Joanna Gonzalez, Frank Zecca, and Thomas Owen

Reference No. 2016-153

Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award number – CFDA 84.268, Federal Direct Student Loans, P268K162296

Statistically valid sample – No

Type of finding – Significant Deficiency and Non-Compliance

Borrower Data Transmission and Reconciliation

Institutions must report all loan disbursements and submit required records to the Direct Loan Servicing System (DLSS) via the Common Origination and Disbursement (COD) System within 15 days of disbursement (*Office of Management and Budget No. 1845-0021*). Each month, the COD System provides institutions with a school account statement (SAS) data file, which consists of cash summary, cash detail, and (optional at the request of the institution) loan detail records. The institution is required to reconcile those files to its financial records. Because up to three Direct Loan program years may be open at any given time, institutions may receive three SAS data files each month (Title 20, United States Code, Chapter 28, Subchapter IV, Section 1087e(k)(2), and U.S. Department of Education *2015-2016 Federal Student Aid Handbook*).

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

The University of Texas Rio Grande Valley (University) did not perform SAS reconciliations on a monthly basis during the 2015-2016 award year. The University completed reconciliations for Direct Loan student-level detail records between the COD System and the University’s student financial assistance system, Banner, on a monthly basis. However, the University did not complete monthly reconciliations for the cash summary and cash detail portion, as required. The University asserted that it did not perform those reconciliations because of a miscommunication between departments.

Not preparing reconciliations between the student financial assistance system and DLSS in a timely manner increases the risk that disbursement data reported to DLSS could be inaccurate and incomplete.

In addition, the University did not have adequate policies and procedures during the 2015-2016 award year. The policies and procedure manual the University provided to auditors was for the University of Texas – Pan American, which was renamed to form the University of Texas Rio Grande Valley. The University had a desk manual that included guidance related to its Direct Loan process; however, the University had not updated that manual to reflect the current process for the 2015-2016 award year.

Not having policies and procedures increases the risk that the University may not perform its processes in accordance with federal requirements.

General Controls

Institutions must establish and maintain effective internal control over federal programs that provide reasonable assurance that the institutions are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, CFR, Section 200.303).

The University did not appropriately restrict access to its student financial assistance information system, Banner, or its database. Specifically:

- Two former employees had inappropriate access to Banner because the University did not remove their access when those employees separated from the University. The University had, however, removed one of those employee’s access to its network, which prevented that employee from being able to access Banner.
- Two employees had access that was not appropriate based on their job responsibilities because they were incorrectly granted modify access when the University updated their roles in Banner based on an incorrect request.
- One employee had access to the database that was not appropriate for that employee’s job responsibilities. That occurred because the employee changed job responsibilities within the University and no longer needed access; however, the University did not remove that access because it asserted that the employee was still assisting the employee’s previous department. Auditors determined that the employee had not logged on to the database in

more than one year. After auditors brought that error to the University's attention, it removed the inappropriate access.

Allowing excessive or inappropriate access to a system increases the risk of inappropriate changes to the system and data.

Recommendations:

The University should:

- Perform monthly reconciliations between its student financial assistance system and DLSS, including the cash summary and cash detail portion, throughout the award year.
- Develop and implement policies and procedures for its borrower data transmission and reconciliation (Direct Loan) process.
- Appropriately limit access to its information systems to current and key personnel.
- Appropriately grant access to its information systems based on user roles and current job responsibilities.

Views of Responsible Officials:

UTRGV Financial Aid Office concurs with the findings and recommendations as they pertain to the monthly reconciliation of the Direct Loan Program which should include not only the student-level detail records between student financial management system (Banner) and COD system, but further, it should also include the cash summary and cash detail portion.

Corrective Action Plan:

- ***Perform monthly reconciliations between its student financial assistance system and DLSS, including the cash summary and cash detail portion, throughout the award year.***

UTRGV Financial aid management has implemented a monthly reconciliation process which includes the cash summary and cash detail for the Direct Loan Program. This process is moving from the Comptroller's Office to Financial Aid. This corrective action will further improve monitoring of the Direct Loan Program. Monthly reconciliations will also be added to the revised policies and procedures manual.

- ***Develop and implement policies and procedures for its borrower data transmission and reconciliation (Direct Loan) process.***

UTRGV Financial Aid leadership staff is reviewing and updating the UTRGV policies and procedures manual.

- ***Appropriately limit access to its information systems to current and key personnel.***

UTRGV has made several changes to the user provisioning and access request process. In September 2016, UTRGV required that all persons requesting access to university resources exist in the Human Resources (HR) system of record before any access is granted. All records in the HR system are setup with an end of assignment date that is used to disable access. Once setup in the HR system, a user may request access to other university resources thru the online Access Request process. As users contacted the IT Service Desk for access requests, instructions were provided on completing the request to grant access. On January 20, 2017, a mass communication was emailed to the employee listserv communicating the process. When a record reaches the end of assignment date, an automated process is executed that triggers the removal of access to the users whose assignment has ended. Access Admin office processes the request and access to the Student Information System is removed. Access Admins also have an alternative method to override the HR assignment end, for exceptions, that also initiates the automated process for removal of access.

The Information Security Office will implement training through an approved mechanism to ensure Data Owners understand their responsibilities under UTS 165 including access verification and updating. To ensure that no unauthorized users have access to the Information Systems or that their access is appropriate, a process for review of access will be implemented. A report listing the users and their access to the Student Information System will be generated quarterly by the Access Admin office for the Information System owner to review. It will be the responsibility

of the Information System owner to review the list and sign-off on access being appropriate or request that access be removed or updated. The Access Admin office will be responsible for documenting the reviews and actions taken if any as a result of the review.

The University will also produce a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. The review will also ensure that access to the student information system is disabled for staff no longer employed by UTRGV. Necessary adjustments to access will be made through the appropriate Student System Access Process.

- **Appropriately grant access to its information systems based on user roles and current job responsibilities.**

The University will develop a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. Necessary adjustments to access will be made through the appropriate Student System Access Process.

Implementation Date: July 2017

Responsible Persons: Arnold Trejo, Frank Zecca, and Thomas Owen

University of Texas at San Antonio

Reference No. 2016-154

Cash Management

Student Financial Assistance Cluster

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

Award number – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A144169

Statistically valid sample - No

Type of finding – Significant Deficiency and 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 1 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 1 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 \$500 per award year (Title 34, CFR, 668.163(c)(3)).

Questioned Cost: \$ 0

U.S. Department of Education

The University of Texas at San Antonio (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 Federal Supplemental Educational Opportunity Grants from a prior award year and did not disburse those funds within three business days of receipt. Specifically, on February 1, 2016, the University drew down \$77,455 as a carry forward from award year 2014-2015, but it did not fully expend those funds for another 94 days. The drawdown amount exceeded 1 percent of the total amount from the prior year and the University exceeded the seven-day tolerance period. The interest the University earned on those funds would not have exceeded the \$500 allowance; therefore, the University was not required to remit any interest.

That error occurred because the University did not draw down its 2014-2015 available carry forward amount prior to drawing down from its 2015-2016 funds. The U.S. Department of Education notified the University that the carry forward amount would expire, and then the University drew down those funds without determining its immediate needs for disbursement purposes.

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.

Recommendations:

The University should:

- Develop and implement a process to minimize the time between drawdowns of federal funds and the disbursement of those funds.
- Immediately return any federal funds exceeding 1 percent of the prior year's total drawdowns or that remain in its account after seven days.

Views of Responsible Officials:

The University acknowledges and agrees with the finding. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

The Office of Financial Aid will ensure they quickly authorize drawdown of any prior year rollforward amounts and disburse amounts within required timeframes. The Office of the Controller will continue to expedite Department of Education financial aid drawdowns once an authorization, including notice of disbursement or planned disbursement, has been received. If either office becomes aware that a rollforward balance has become available to draw, staff will notify the relevant staff from the other office.

Implementation Date: February 2017

Responsible Persons: Sheri Hardison and Diana S. Martinez

Reference No. 2016-155

Special Tests and Provisions – Enrollment Reporting

(Prior Audit Issues 2015-150, 2014-168, and 2013-191)

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.063, Federal Pell Grant Program, P063P153294; CFDA 84.268, Federal Direct Student Loans, P268K163294; and CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable

Statistically valid sample – No

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 Perkins Loan, 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 674.19(f), 685.309(b), and 682.610(c)). Enrollment reporting roster files must also include Federal Pell Grant-only 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 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 3).

For 3 (5 percent) of 60 students tested who had a status change, the University did not always report status changes or effective dates accurately or in a timely manner to NSLDS. Specifically:

- The University did not report one student’s withdrawn status and the effective date for the Fall term to NSLDS. Instead, it backdated the student’s withdrawal after the Fall term had ended; as a result, that student was not reported as withdrawn to NSLDS in the final report submitted to NSC for the Fall term in December 2015. That error occurred because the University’s process to identify students with backdated withdrawals after the end of a term did not identify that student.
- Two students withdrew before the census date, and the University did not report them to NSC. NSC reported the students as withdrawn because the University no longer reported them; however, NSC did not know when the students had withdrawn, and it assigned the effective date of their withdrawals as either the first date of the term or the last date of the previous term they attended. Those errors occurred because the University adjusted the parameters of its reports to NSC by removing students with a “WS” (withdrawn before census) status; therefore,

students who withdrew before the census date would not be captured in the first reports for a term. In addition, the University reported one of those student's status change to NSLDS 72 days after the date of the status change. That occurred because of a timing difference between when the University reported to NSC and when NSC reported to NSLDS.

Additionally, the University did not always ensure that enrollment files submitted to NSC were complete. Specifically, due to a formatting error, NSC deleted 17 records in the March 2016 file that the University submitted. NSC informed the University about the deletion of those records; however, the University did not immediately address that issue due to an oversight by University staff. The University asserted that the April 2016 file it submitted to NSC corrected 15 of those records, and NSC corrected the remaining 2 records manually at the University's request.

Not reporting student status changes accurately, completely, and in a timely manner 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:

- Report the statuses and effective dates for all student status changes to NSLDS accurately and in a timely manner.
- Develop and implement a process to ensure that enrollment files are complete before submitting them to NSC.

Views of Responsible Officials:

The University acknowledge and agree with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

The Registrar's Office has created more refined and detailed processes for reporting backdated withdrawals that includes multiple level checking and documentation of all manual updates performed. The "WS" (withdrawn before census) parameter question has already been addressed. The parameters were adjusted when this noted instance was brought to The Registrar's attention during the audit in July 2016. In response to the formatting error, the Registrar's Office has created more refined pre-transmission error checking in addition to current/existing pre-transmission error checking procedures. The Registrar's office has also created multiple level checking, tracking, and documentation of all error corrections performed.

Implementation Date: March 2017

Responsible Person: Joseph DeCristoforo

Summary Schedule of Prior Audit Findings

Federal Portion of
Statewide Single Audit Report

For the Year Ended August 31, 2016

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Summary Schedule of Prior Year Audit Findings – KPMG

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 200.511, 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 2015 Schedule of Findings and Questioned Costs
- Each finding in the 2015 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, 2016 has been prepared to address these responsibilities.

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)).

Initial Year Written:	2015
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2015
Status:	Partially Implemented
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.

Corrective Action:

This finding was reissued as current year reference number 2016-001.

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.

Initial Year Written:	2015
Status:	Partially Implemented
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.

Corrective Action CAMPS:

This finding was reissued as current year reference number 2016-003.

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 PATHS application 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 un-related party to the request change, such as a systems administrator.

Regarding logical access issues, user reviews should be conducted periodically for the PATHS application 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.

Views of Responsible Officials and Corrective Action Plan - 2015:

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.

2016 Update: Paths

For the PATHS application, one TDA developer continues to have inappropriate administrative access to the production environment, including administrative access to both the application and the database. In addition, TDA did not perform a review of the PATHS application users to confirm appropriateness of access.

Views of Responsible Officials and Corrective Action Plan - 2016:

From March 2016 until August 2016, the TDA Information Security Officer role was assumed by the IRM while the ISO position was vacant. As a result, execution of security activities including periodic review of privileged access did not occur.

TDA removed the PATHS Developer access to the production environment on December 9, 2016 and will be implementing a bi-annual review of the PATHS security access.

AGRICULTURE, DEPARTMENT OF

Implementation Date: *May 2017*

Responsible Person: *Butch Grote*

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.

Corrective Action Procurement:

Corrective action was taken.

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.

Initial Year Written:	2015
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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.

Initial Year Written:	2015
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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))).

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. 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.

Corrective Action:

This finding was reissued as current year reference number 2016-005.

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)).

Initial Year Written:	2015
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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,

Initial Year Written: 2015
Status: Partially Implemented

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;
 - (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.

Corrective Action:

This finding was reissued as current year reference number 2016-010.

FAMILY AND PROTECTIVE SERVICES, DEPARTMENT OF

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.

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.

FAMILY AND PROTECTIVE SERVICES, DEPARTMENT OF

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.

Views of Responsible Officials and Corrective Action Plan - 2016:

DFPS Accounting and Contract Oversight and Support (COS) staff have reviewed the current policy and re-established procedures for FFATA coordination and reporting. Accounting staff is currently working with Contract Managers to validate the FFATA certifications provided by agency subrecipients. Entry of the FY2017 contract awards will be completed by the end of February 2017. The backlog of entry will be completed by the end of April 2017.

Implementation Date: April 28, 2017

Responsible Person: David Schneider

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)).

Initial Year Written:	2013
Status:	Partially Implemented
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.

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- 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 TRecs 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 TRecs application users was performed annually, there is not a formalized review of server or database users. The review of the TRecs application users does not take into consideration appropriate segregation of duties restricting developers from the production environment.

Corrective Action:

This finding was reissued as current year reference number 2016-011.

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:

Initial Year Written:	2015
Status:	Implemented
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.

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.

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- 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.

Corrective Action:

Corrective action was taken.

GENERAL LAND OFFICE

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)).

Initial Year Written: 2015
Status: Partially Implemented
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.

Corrective Action:

This finding was reissued as current year reference number 2016-012.

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).

Initial Year Written: 2015
 Status: Partially Implemented

 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.

HEALTH AND HUMAN SERVICES COMMISSION

Corrective Action:

This finding was reissued as current year reference number 2016-014.

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)).

Initial Year Written:	2015
Status:	Partially Implemented
U.S. Department of Health and Human Services U. S. Department of Agriculture	

<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.

Corrective Action:

This finding was reissued as current year reference number 2016-022.

HEALTH AND HUMAN SERVICES COMMISSION

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.

Initial Year Written:	2014
Status:	Partially Implemented

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.

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- 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.

Corrective Action:

This finding was reissued as current year reference number 2016-016.

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)).

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 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

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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.

Corrective Action:

This finding was reissued as current year reference number 2016-017.

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)).

Initial Year Written:	2015
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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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)).

Initial Year Written:	2015
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2012
Status:	Partially Implemented
U.S. Department of Agriculture	

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, 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.

Views of Responsible Officials and Corrective Action Plan - 2015:

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.

2016 Update

Based on a review of all access to both systems in 2016, 12 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 3 were being monitored as of August 31, 2016. Of those 12, one was an HHSC – Office of Inspector General (OIG) employee.

No exceptions were noted related to monitoring of security over issuance documents.

Views of Responsible Officials and Corrective Action Plan - 2016:

Accepted. The agency will continue to improve processes and tighten controls to prevent high risk system access situations.

Eligibility Operations will modify the quarterly review process by using new system reports available on a monthly basis.

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Eligibility Operations will phase out the current option to request and obtain approval for high-risk role combinations. Additionally, Eligibility Operations will modify the process used when requesting/granting system access to include a requirement that the supervisor/EBT Coordinator maintain screen printouts verifying system access was reviewed and no conflict existed at the time the supervisor/EBT Coordinator is requesting/granting new access to EBT/TIERS for EBT staff.

Eligibility Operations will explore the feasibility of creating a new EBT role for relevant OIG staff. This would allow those OIG staff access to some EBT features without granting access to issue EBT cards.

Implementation Dates:

Phase out of approval process- February 28, 2017

System Access Process: February 28, 2017

Quarterly Review Process: April 30, 2017

New EBT role: April 30, 2017

Responsible Person: Cindi Tamez

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.

Initial Year Written:	2015
Status:	Partially Implemented
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.

Corrective Action:

This finding was reissued as current year reference number 2016-018.

HEALTH AND HUMAN SERVICES COMMISSION

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)).

Initial Year Written:	2015
Status:	Partially Implemented
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.

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.

Corrective Action:

This finding was reissued as current year reference number 2016-019.

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.

Initial Year Written:	2015
Status:	Partially Implemented
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.

Corrective Action:

This finding was reissued as current year reference number 2016-020.

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.

Initial Year Written:	2007
Status:	Partially Implemented
U.S. Department of Health and Human Services	

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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.

Corrective Action:

This finding was reissued as current year reference number 2016-015.

**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.

Initial Year Written:	2012
Status:	Partially Implemented
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

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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.

Corrective Action:

This finding was reissued as current year reference number 2016-027.

**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.

Initial Year Written: 2015
Status: Partially Implemented
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-

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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.

Corrective Action:

This finding was reissued as current year reference number 2016-026.

**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)).

Initial Year Written: 2014
Status: Partially Implemented

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

HEALTH AND HUMAN SERVICES COMMISSION

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	\$670,573,988

Corrective Action:

This finding was reissued as current year reference number 2016-025.

**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.

Initial Year Written: 2013
Status: Partially Implemented

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.

Corrective Action:

This finding was reissued as current year reference number 2016-021.

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

HUMAN SERVICES, DEPARTMENT OF

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 Revenue Service to refer delinquent accounts for collection. As of December 31, 2011, a total of \$584,131 in principal has been collected.

HUMAN SERVICES, DEPARTMENT OF

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.

Views of Responsible Officials and Corrective Action Plan – 2016:

Accepted. 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 5, 2017, a total of \$668,753 in principal has been collected. The AR activity amount is the same as the year for \$668,753.04 but, the refund amount has changed from \$204,034.73 to \$208,085.76 for a difference of \$4,051.03. Last year the refund amount was added to AR activity amount in error 2015 total should have been \$668,753.04.

Implementation Date: Ongoing

Responsible Person: Valerie Pacheco

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.

Initial Year Written: 2015
Status: Partially Implemented

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-2015:

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

Views of Responsible Officials and Corrective Action Plan-2016:

TDHCA implemented additional control procedures that further ensured that the true-up calculation was complete and accurate. Due to staffing turnover, this procedure was temporarily delayed but has been subsequently resumed. All months for 2016 have been analyzed and were deemed to be complete and accurate. Additional staff has been trained to ensure that procedures continue to be implemented as outlined in the SOP for this process.

Implementation Date: January 20, 2017

Responsible Person: Ernie Palacios

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.

Initial Year Written:	2015
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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.

Initial Year Written:	2015
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

PUBLIC SAFETY, DEPARTMENT OF

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

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:

Initial Year Written:	2015
Status:	Implemented
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.

PUBLIC SAFETY, DEPARTMENT OF

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:

<u>Disaster Number</u>	<u>Award Number</u>	<u>Disaster Declaration Date</u>
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
4029	4029DRTXP00000001	September 9, 2011
4136	4136DRTXP00000001	August 2, 2013
4159	4159DRTXP00000001	December 20, 2013
4223	4223DRTXP00000001	May 29, 2015

Corrective Action:

Corrective action was taken.

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 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,

Initial Year Written:	2015
Status:	Partially Implemented
U.S. Department of Homeland Security	

PUBLIC SAFETY, DEPARTMENT OF

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.

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 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

Corrective Action:

This finding was reissued as current year reference number 2016-029.

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)).

Initial Year Written:	2006
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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.

Initial Year Written:	2015
Status:	Implemented
U.S. Department of Homeland Security	

Corrective Action:

Corrective action was taken.

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.

Initial Year Written:	2015
Status:	Implemented
U.S. Department of Transportation – National Highway Traffic Safety Administration	

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

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).

Initial Year Written:	2012
Status:	Implemented
U.S. Department of Homeland Security – Federal Emergency Management Agency	

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

PUBLIC SAFETY, DEPARTMENT OF

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:

Disaster Number	Award Number	Disaster Declaration Date	Questioned Costs
1379	TX01PA1379	June 9, 2001	\$ 0
1425	TX02PA1425	July 4, 2002	0
1606	1606DRTXP00000001	September 24, 2005	0
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

PUBLIC SAFETY, DEPARTMENT OF

<u>Disaster Number</u>	<u>Award Number</u>	<u>Disaster Declaration Date</u>	<u>Questioned Costs</u>
4136	4136DRTXP00000001	August 2, 2013	0
4159	4159DRTXP00000001	December 20, 2013	0
		Total	<u>\$ 7,936</u>

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.

Corrective Action:

Corrective action was taken.

Department of State Health Services

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 Quiltline 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**
 - 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:

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.

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.

Corrective Action:

This finding was reissued as current year reference number 2016-031.

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)).

Initial Year Written:	2015
Status:	Partially Implemented
U.S. Department of Health and Human Services	

STATE HEALTH SERVICES, DEPARTMENT OF

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.

Corrective Action:

This finding was reissued as current year reference number 2016-030.

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.

Initial Year Written:	2015
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2015
Status:	Partially Implemented
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.

Corrective Action:

This finding was reissued as current year reference number 2016-034.

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.

Initial Year Written:	2015
Status:	Partially Implemented
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.

Corrective Action:

This finding was reissued as current year reference number 2016-032.

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

STATE HEALTH SERVICES, DEPARTMENT OF

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:	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. 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.

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.

Corrective Action:

Corrective action was taken.

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.

Initial Year Written:	2009
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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

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

TEXAS EDUCATION AGENCY

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.

Initial Year Written:	2013
Status:	Partially Implemented
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.

Corrective Action:

This finding was reissued as current year reference number 2016-035.

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)).

Initial Year Written:	2015
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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.

Initial Year Written:	2015
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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.

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 2016-040.

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.

Initial Year Written: 2015
Status: Partially Implemented

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.

Corrective Action:

This finding was reissued as current year reference number 2016-041.

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.

Initial Year Written:	2015
Status:	Partially Implemented
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 - 2015:

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.

2016 Update:

One developer had administrative access to the SiteManager production servers and another developer had administrative access to the application, giving these users the ability to promote changes to production. In addition, 30 user accounts with administrative access to the SiteManager production servers were determined to be inappropriate, including 15 users who are developers for applications other than SiteManager. SiteManager is utilized to approve construction expenses for payment.

Views of Responsible Officials and Corrective Action Plan - 2016:

Accepted. The Texas Department of Transportation Information Management Division implemented significant process enhancements in this area. Through analysis of the exceptions identified in the audit, the Texas Department of Transportation Information Management Division will work to develop and implement corrective action to further improve the processes. See the corrective action plan for further details.

The Information Management Division confirmed on January 11, 2017 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, the Information Management Division 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). IMD will implement an audit process to review admin access to all servers and create a plan to perform yearly reviews to confirm proper access.

Implementation Date: March 2017

Responsible Person: James Pennington

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

Initial Year Written:	2008
Status:	Partially Implemented
U.S. Department of Transportation – Federal Highway Administration	

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.

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 policies 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 policies 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.

Recommendation:

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 policies are being consistently applied and monitored.

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.

Recommendation:

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.

TRANSPORTATION, DEPARTMENT OF

Views of Responsible Officials and Corrective Action Plan – Monitoring and Adequate Project Delivery Systems - 2015:

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.

Views of Responsible Officials and Corrective Action Plan – Monitoring and Adequate Project Delivery Systems - 2016::

During FY 2016, TxDOT implemented actions to achieve compliance with both recommendations stated above. The process includes district personnel performing a risk assessment of the each local government (LG) with an active LG project on an annual or bi-annual basis. Upon completion of the risk assessment for a local entity, the district also commits to providing a level of oversight for each individual project with that entity.

Effective Aug. 1, 2016, the new risk assessment process must be completed prior to execution of an Advance Funding Agreement (AFA) for new projects. For all entities with existing LG projects not requiring a new AFA, the risk assessment must be performed prior to August 31, 2017. District commitment to providing a specified level of oversight for each existing LG project is required within 90 days of performance of the LG's risk assessment. The new procedures and forms were presented to Department personnel in advance of the implementation date by webinars on June 9, and June 13, 2016.

Implementation Date: August 1, 2016

Responsible Person: David M.Y. Millikan

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

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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.

Corrective Action:

Corrective action was taken.

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:

<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:

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.

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Views of Responsible Officials and Corrective Action Plan – Award Identification - 2015:

The Department will include the CFDA title in future sub-grant recipient agreements.

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.

2016 Update:

A new standard template for Advanced Funding Agreements (AFA) was implemented in March 2016 which contains the CFDA number and title. As the implementation of the updated contracts was not in place for all of fiscal year 2016, this portion of the finding will repeat.

Views of Responsible Officials and Corrective Action Plan – Award Identification - 2016:

Contract Services Division (CSD) will identify those agreements executed on and after September 1, 2015 through the implementation of the new template identifying those agreements that are subject to the requirement and missing the CFDA number and title. Compliance Division (CMP) will identify active agreements that are subject to the requirement and missing the CFDA number and title. CSD and CMP will forward a letter to each sub-recipient, to be included with the contract file, informing them of the requirement and providing them with the award identification information.

Implementation Date: April 1, 2017

Responsible Person: Kenneth Stewart & Patrick McKinney

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)).

Initial Year Written:	2015
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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).

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 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.

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Views of Responsible Officials and Corrective Action Plan - 2015:

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.

2016 Update:

No compliance exceptions were noted for the six weekly certified payrolls tested. Sample tested were among 5 different districts. Out of 12 semi-annual labor interviews tested throughout fiscal year 2016, 2 were not signed by the reviewer and the payroll review section was not completed.

Views of Responsible Officials and Corrective Action Plan - 2016:

TxDOT launched LCPtracker labor compliance software to replace the Electronic Project Records System (EPRS) for payroll reporting and prevailing wage monitoring beginning with the January 2017 letting. Prior to implementation, the Department conducted a number of informational seminars and trainings for TxDOT and industry users of LCPtracker. Projects let prior to January 2017 will remain in EPRS until completion, unless the Contractor requests migration to LCPtracker.

Until LCPtracker implementation is complete, Construction Division staff will continue to conduct QA audits of recorded wage labor interviews on 10% of projects submitted for wage rate requests to verify that contractors are abiding by the approved or conformed wage. Staff will continue to complete these audits every six months, to coincide with the 1494 Semi-Annual Labor Compliance Report each April and October, until the Department is certain that LCPtracker provides all of the necessary reporting, tracking, and auditing tools needed to assure compliance.

Further, Construction Division will communicate with pertinent Department employees to stress the required completeness of employee interview forms.

Implementation Date: January 2017

Responsible Person: Tracy D. Cain

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

Initial Year Written:	2008
Status:	Partially Implemented
U.S. Department of Transportation – Federal Highway Administration	

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)).

Compliance

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.

Corrective Action:

Corrective action was taken.

Controls

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.

Views of Responsible Officials and Corrective Action Plan – Information Technology Division - 2015:

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 production (updated process documentation was provided as evidence to the auditor). These actions are fully implemented.

Views of Responsible Officials and Corrective Action Plan – Construction Division - 2015:

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.

2016 Update:

One developer had administrative access to the SiteManager production servers and another developer had administrative access to the application, giving these users the ability to promote changes to production. In addition, 30 user accounts with administrative access to the SiteManager production servers were determined to be inappropriate, including 15 users who are developers for applications other than SiteManager. No exceptions were noted in fiscal year 2016 testing in regards to SiteManager requiring the tester and the reviewer to be two different individuals.

Views of Responsible Officials and Corrective Action Plan – Information Technology Division - 2016:

Accepted. The Texas Department of Transportation Information Management Division implemented significant process enhancements in this area. Through analysis of the exceptions identified in the audit, the Texas Department of Transportation Information Management Division will work to develop and implement corrective action to further improve the processes. See the corrective action plan for further details.

The Information Management Division confirmed on January 11, 2017 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, the Information Management Division 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). IMD will implement an audit process to review admin access to all servers and create a plan to perform yearly reviews to confirm proper access.

Implementation Date: March 2017

Responsible Person: James Pennington

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.

Initial Year Written:	2015
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

Summary Schedule of Prior Year Audit Findings – Other Auditors

Federal regulations (Uniform Guidance, Title 2, Code of Federal Regulations, Section 200.511) state, “the auditee is responsible for follow-up and corrective action on all findings.” As part of this responsibility, the auditee reports the corrective action it has taken for each of the following:

- Each finding in the 2015 Schedule of Findings and Questioned Costs.
- Each finding in the 2015 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 year ended August 31, 2016 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, CDFA 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 1087I).

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 halftime. The Director will process the list, changing all affected students from the fulltime COA budgets to a less-than-halftime 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 halftime; 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.

Views of Responsible Officials and Corrective Action Plan 2016:

Angelo State University has implemented an algorithmic budgeting process in the student information system Banner and is using it to calculate accurate costs of attendances for each student. It provides an ongoing calculation of tuition, fees, book and supplies, room and board based on housing status. These variables are updated as the student's enrollment status changes up to the point of census where the student's hours are locked. The system takes into consideration in-state and out-of-state charges, each student classification such as undergraduate or graduate student. The process was implemented for spring semester successfully and is now in use for summer 2016 term and the 2016-2017 award year. The financial aid office staff and programming personnel have been trained and are using the system without issue.

Implementation Date: November 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

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 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.

Corrective Action:

Corrective action was taken.

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

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 Education	

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.

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.

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.

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.*

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.

Views of Responsible Officials and Corrective Action Plan 2016:

Financial Aid management Responses for Eligibility Findings:

Based on the population of the 2015-2016 Cost of Attendances(COA) review of the 15 students in the population, management agrees with the one finding related to the budget group reverting to DFLT after the student was packaged after a manual award of a Graduate PLUS loan, which are manually processed. This was an oversight that has been corrected. There was no over award, therefore, no liability.

The Office of Financial Aid & Scholarships has completed a full check of COA's for the 15-16 aid year of all federal aid applicants to ensure that there were no other similar issues. Through the assessment, there were 5 additional students with DFLT budget groups, in which all have since been corrected.

In the future, the Office of Financial Aid & Scholarships will ensure that during changes of award periods throughout the aid year, a review of all students' budget groups will be conducted to make sure that all budgets are accurately assigned. The Office will use the "Group Budget Lock" process for any manually awarded programs.

Implementation Date: November 2016

Responsible Person: Ralph Perri

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 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.

Corrective Action:

Corrective action was taken.

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.

Views of Responsible Officials and Corrective Action Plan 2016:

Financial Aid management response and plan of action:

A full review of all verifications performed for 2016-2017 will be conducted to ensure eligibility for federal funding. Anticipated completion of full review will be December 2016.

For the 2017-2018 school year, Financial Aid management will be utilizing a sub-contractor to perform verification, which will ensure quality control and resolve conflicting information. Implementation is anticipated to be completed by April 2017.

The Office of Financial Aid & Scholarships revised its verification policies and procedures to reflect the statement that is applicable to section 479A (a) of the HEA as it relates to changes due to professional judgement.

Implementation Date: April 2017

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:	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.

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. 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*).

Initial Year Written:	2013
Status:	Implemented
U.S. Department of Education	

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.

Corrective Action:

Corrective action was taken.

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

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*).

Initial Year Written:	2015
Status:	Partially Implemented
U.S. Department of Education	

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.

Recommendations:

The University should:

- 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.

Views of Responsible Officials and Corrective Action Plan 2015:

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.

Views of Responsible Officials and Corrective Action Plan 2016:

The University has revised the SAP Policy to state a student is ineligible for aid if they attempt 150% of the number of hours needed to obtain their degree for both undergraduate and graduate students.

The Financial Aid office has updated SAP rules in Banner (operating system) to ensure automated calculation of SAP is correct for GPA/Completion Rate components. New Max Hours rules are currently being tested in our operating system and we anticipate implementation of automated calculation soon.

Implementation Date: December 1, 2016

Responsible Person: Michael Corbett

Cost of Attendance

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.

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).

Corrective Action:

Corrective action was taken.

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.

Corrective Action:

Corrective action was taken.

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).

Initial Year Written:	2015
Status:	Partially Implemented
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 2015:

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.

Views of Responsible Officials and Corrective Action Plan 2016:

Staff training was conducted to review what documentation is needed to complete verification. One staff member reviews documentation and completes verification of the file. A different staff member reviews that file to ensure verification is accurate. The Director of FA reviews a sample of files to review the work of the staff.

The Financial Aid Department created a new Household Resources/Untaxed Income verification form in June 2015 for the 2015-16 award year and for the 2016-17 award year that meets Federal guidelines.

Implementation Date: February 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).

Initial Year Written: 2015
Status: Implemented

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.

Corrective Action:

Corrective action was taken.

TEXAS A&M AGRILIFE RESEARCH

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).

Initial Year Written: 2011
 Status: Partially Implemented

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
66.460	Nonpoint Source Implementation Grants	582-10-90468	May 12, 2010 to August 13, 2014

TEXAS A&M AGRILIFE RESEARCH

<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>
98.001	USAID Foreign Assistance for Programs Overseas	696-A-00-06-00157-00	September 1, 2006 to June 27, 2012

Recommendation:

AgriLife 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 2015:

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.

Views of Responsible Officials and Corrective Action Plan 2016:

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. During FY16, actual expenditures on federal projects totaled \$66,416,513. Of this, \$568,460 in expenditures related to transactions occurring more than 90 days after the project end date, \$520,569, coming from one fixed price project alone. This leaves \$47,891, or .72% of the total dollar value on federal projects occurring beyond the project end date. Texas A&M AgriLife and Texas A&M Sponsored Research Services will continue to work to improve the timeliness of closeouts on federal projects.

Implementation Date: January 2016

Responsible Person: Evan Bryant

Texas A&M Engineering Experiment Station

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: 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.

Corrective Action:

Corrective action was taken.

Texas A&M Health Science Center

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.

Views of Responsible Officials and Corrective Action Plan 2016:

Texas A&M Sponsored Research Services has implemented procedures which are designed to provide reasonable assurance that all outstanding obligations on federal projects are liquidated within the time specified by the sponsor. Procedures include liquidation of all outstanding obligations and the final invoice or financial report submission to the sponsor. The Health Science Center and Texas A&M Sponsored Research Services will continue to train staff and principal investigators regarding the closeout of federal projects per sponsor requirements.

Implementation Date: December 2016

Responsible Person: Julie Bishop

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).

Initial Year Written:	2015
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written: 2015 Status: Partially Implemented U.S. Department of Education
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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.

Corrective Action:

This finding was reissued as current year reference number 2016-108.

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)).

Initial Year Written:	2015
Status:	Implemented
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
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

Corrective Action:

Corrective action was taken.

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).

Initial Year Written: 2015
 Status: Partially Implemented

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

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<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>
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
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 2015:

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.

Views of Responsible Officials and Corrective Action Plan 2016:

Texas A&M Sponsored Research Services has implemented procedures which are designed to provide reasonable assurance that all outstanding obligations on federal projects are liquidated within the time specified by the sponsor. Procedures include liquidation of all outstanding obligations and the final invoice or financial report submission to the sponsor. Texas A&M University will continue to train staff and principal investigators regarding the closeout of federal projects per sponsored requirements.

Implementation Date: December 2016

Responsible Person: Crissy Stratta

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).

Initial Year Written:	2015
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 – 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.

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.
- 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 2015:

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.

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.*

Views of Responsible Officials and Corrective Action Plan 2016:

Cost of Attendance

Texas A&M University-Central Texas implemented the following actions previously outlined in the “Views of Responsible Officials and Corrective Action Plan” section:

- *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.*
- *Developed the “Manual Budget Component 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. This report is reviewed by the Assistant Director and disseminated to advisors for adjustments as necessary.*
- *Developed the “Budget Group and Parts of Term” 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 is reviewed by the Assistant Director and disseminated to advisors for adjustments as necessary.*
- *Programming changes within BANNER were implemented to zero out budget components for students not attending a particular semester after the registration deadline for the last part of term for the given semester. This programming changes the student’s budget to reflect semesters of attendance and removes budget components for semesters in which an applicable student did not attend.*
- *Department procedure manuals were updated to reflect the modified procedures and processes.*

Implementation Date: February 2017

Responsible Person: Clifton Jones

General Controls

Texas A&M University-Central Texas has implemented the following actions previously outlined in the “Views of Responsible Officials and Corrective Action Plan” section:

- *Developed and approved revised User Management and Periodic Account Review procedures for Banner systems. The procedure specifies that all Banner accounts and access be reviewed during both Spring and Fall semesters. Reviews for Fall 2015 and Spring 2016 have been completed.*

- *Coordinated with vendor’s managed services to reduce the number of managed service’s users with administrative access to approximately 30 staff and established 3 levels of access; including, standard user, DBA-Development, and DBA-Production. Formal reports are provided from the vendor to the institution’s CIO and ISO on a quarterly basis on these staff and their access levels.*

Implementation Date: July 2017

Responsible Person: Todd Lutz

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.

Corrective Action:

Corrective action was taken.

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).

Initial Year Written:	2015
Status:	Partially Implemented
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 2015:

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.

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.*

Views of Responsible Officials and Corrective Action Plan 2016:

Verification of Applications

Texas A&M University-Central Texas has implemented the following actions previously outlined in the "Views of Responsible Officials and Corrective Action Plan" section:

- *Developed an initial verification cover sheet for immediate use with all verification groups March 3, 2016 until implementation of the individual verification cover sheets effective May 16, 2016. These guides were developed to ensure each required verification item for the respective verification group is reviewed and assist in the identification of discrepant information.*
- *Reviews of samples students within each verification group is conducted by a representative of department management to ensure verification is completed in accordance with applicable regulatory requirements. The sample size will equal 10% of the annual number of student for each verification group.*
- *Department procedure manuals were updated to reflect the modified processes.*

Implementation Date: February 2017

Responsible Person: Clifton Jones

General Controls

Texas A&M University-Central Texas has implemented the following actions previously outlined in the "Views of Responsible Officials and Corrective Action Plan" section:

- *Developed and approved revised User Management and Periodic Account Review procedures for Banner systems. The procedure specifies that all Banner accounts and access be reviewed during both Spring and Fall semesters. Reviews for Fall 2015 and Spring 2016 have been completed.*
- *Coordinated with vendor's managed services to reduce the number of managed service's users with administrative access to approximately 30 staff and established 3 levels of access; including, standard user, DBA-Development, and DBA-Production. Formal reports are provided from the vendor to the institution's CIO and ISO on a quarterly basis on these staff and their access levels.*

Implementation Date: July 2017

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

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).

Initial Year Written: 2015
Status: Partially Implemented

U.S. Department of Education

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.

Recommendation:

The University should award FSEOG assistance only to eligible students.

Views of Responsible Officials and Corrective Action Plan 2015:

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:

Banner awarding and disbursement rules have been updated to ensure that FSEOG will be awarded only to eligible students.

Views of Responsible Officials and Corrective Action Plan 2016:

Banner awarding and disbursement rules were updated to ensure that FSEOG will be awarded only to Pell eligible students. Additional rules have been put in place to ensure that after awarding of FSEOG, students will be verified with NSLDS to ensure Pell Limits were not exceeded after awarding has taken place but before disbursements are performed. The timing between awarding and disbursements is critical to ensure FSEOG is not being awarded to non-Pell recipients.

Implementation Date: September 2016

Responsible Person: Tracie Perez

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 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.

Corrective Action:

Corrective action was taken.

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.

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 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.

Corrective Action:

Corrective action was taken.

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).

Initial Year Written:	2015
Status:	Implemented
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.

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 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.

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 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.

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:	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.

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:

Cost of Attendance:

- *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.*

Views of Responsible Officials and Corrective Action Plan 2016:

Texas A&M University-Kingsville is no longer responsible for calculating cost of attendance or awarding financial aid for the Texas A&M University-San Antonio campus as of fall 2016.

Cost of attendance budgets are reviewed and revised accordingly each financial aid award year. Student budgets include the typical components used to comprise the Cost of Attendance for each budget group; on-campus, off-campus, living at home, resident, non-resident, graduate and undergraduate budget subsets. TAMUK uses a single budget component titled 'Summer' to equate to the student's costs while attending the Summer semester and will be utilized when awarding aid for the summer term. The 'Summer' budget component includes tuition and fees, room and board, books and supplies, transportation, and personal/miscellaneous expenses based on the student's enrollment status. This component is added manually by the Office of Student Financial Aid at the time of awarding. All Budget Groups and types have now been established to include all possible combinations for the Summer term inclusion.

Budget corrections were initiated in January 2016, continued in April 2016 and finalized in May 2016.

Implementation Date: March 1, 2017

Responsible Person: Lisa Seals

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 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).

Initial Year Written:	2014
Status:	Implemented
U.S. Department of Education	

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.

Corrective Action:

Corrective action was taken.

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

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 (U.S. Department of Education *2013-2014 Federal Student Aid Handbook*).

Initial Year Written:	2014
Status:	Implemented
U.S. Department of Education	

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.

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.

Corrective Action:

Corrective action was taken.

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:	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.

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.

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.

Views of Responsible Officials and Corrective Action Plan 2016:

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 by the end 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 2016-17 award year.

Implementation Date: August 2016

Responsible Persons: Federico Peña, Jr., Javier Nieto, and April Falkner

Texas State Technical College - Marshall

Reference No. 2014-122

Eligibility

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.

Views of Responsible Officials and Corrective Action Plan 2016:

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 by the end 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 2016-17 award year.

Implementation Date: August 2016

Responsible Person: Susan Wingate

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).

Initial Year Written:	2015
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2014
Status:	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)(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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2013
Status:	Partially Implemented
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.

Corrective Action:

This finding was reissued as current year reference number 2016-116.

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 1087ll).

Initial Year Written:	2015
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, 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.

Corrective Action:

This finding was reissued as current year reference number 2016-117.

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).

Initial Year Written:	2015
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2015
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 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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2008
Status:	Partially Implemented
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.

Corrective Action:

This finding was reissued as current year reference number 2016-118.

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 06GO86092; 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

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).

Initial Year Written: 2014
Status: Implemented

National Science Foundation
U.S. Department of Defense
U.S. Department of Energy
U.S. Department of Health and
Human Services

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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2015
Status:	Partially Implemented
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 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.

Corrective Action:

This finding was reissued as current year reference number 2016-128.

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).

Initial Year Written:	2014
Status:	Partially Implemented
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.

Corrective Action:

This finding was reissued as current year reference number 2016-129.

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).

Initial Year Written:	2015
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written: 2015
Status: Partially 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 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.

Corrective Action:

This finding was reissued as current year reference number 2016-130.

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)).

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 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.

Corrective Action:

This finding was reissued as current year reference number 2016-131.

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.

The following awards were affected by the payroll expenditures issues discussed above:

<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>
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

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CFDA No.	CFDA Title	Award Number	Award Year
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
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

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CFDA No.	CFDA Title	Award Number	Award Year
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

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	<u>1,276</u>
			Total Questioned Costs	<u><u>\$ 9,875</u></u>

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.

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.

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.

Views of Responsible Officials and Corrective Action Plan 2016:

Payroll Expenditures

The University has completed the MAXIMUS software implementation and training for effort reporting. The effort reporting policy will be updated to reflect that the deadline for after-the-fact effort reporting is 90 days after the last reporting period of the federal grant, which is consistent with the University's policy for expenditure corrections.

Payroll Salary Restrictions

Payroll for employees with monthly salary above the executive level II of the federal executive pay scale that receive salary from a NIH grant, or other PHS grant subject to the cap, is reviewed monthly by the Office of Contracts and Grants. Corrections are made if the amount charged is above the salary cap as it relates to the amount of effort reported. The effort reporting guidelines have been updated to ensure that when two caps exists in a reporting period both caps are considered when calculating the amount that is charged to the federal grant for effort reporting.

Implementation Date: May 2017

Responsible Persons: Beverly Rymer and Grace Rosanes

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 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

Corrective Action:

Corrective action was taken.

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:	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
12.300	Basic and Applied Scientific Research	N00014-11-1-0069	October 1, 2010 to August 31, 2013	6,661

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<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>	<u>Questioned Costs</u>
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	<u>0</u>
Total Questioned Costs				<u><u>\$6,661</u></u>

Corrective Action:

Corrective action was taken.

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

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).

Initial Year Written: 2014
 Status: Implemented

U.S. Department of Health and Human Services
 U.S. Department of Energy
 National Aeronautics and Space Administration

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

Corrective Action:

Corrective action was taken.

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 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 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 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 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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written: 2015
Status: Partially Implemented
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.

Corrective Action:

This finding was reissued as current year reference number 2016-134.

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)).

Initial Year Written:	2015
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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 1087II).

Initial Year Written:	2011
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).

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 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. 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.

Corrective Action:

This finding was reissued as current year reference number 2016-136.

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).

Initial Year Written:	2011
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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).

Initial Year Written: 2014 Status: Partially Implemented 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.

Corrective Action:

This finding was reissued as current year reference number 2016-137.

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

Initial Year Written: 2013 Status: Partially Implemented U.S. Department of Education

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)).

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.

Corrective Action:

This finding was reissued as current year reference number 2016-138.

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)).

Initial Year Written:	2015
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2015
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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)).

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 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.

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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
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

<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>
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 2015:

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.

Views of Responsible Officials and Corrective Action Plan 2016:

Inventory Services has continued striving towards the implementation of process improvements for university inventory related functions. At this time, we are working with several other offices around campus to implement a fully functioning compliance package for inventory, including, but not limited to putting additional controls into place, enhancing policy, and creating a required training module for all stakeholders.

Implementation Date: August 2017

Responsible Person: Jordan Bowersox

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)).

Initial Year Written:	2015
Status:	Partially Implemented
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.

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

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<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>
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

Recommendation:

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.

Views of Responsible Officials and Corrective Action Plan 2015:

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.

Views of Responsible Officials and Corrective Action Plan 2016:

Period of Availability

When the Applied Research Laboratory discovered the error their programmers have installed checks to prevent this type of error from occurring in the future, in addition ARL will continue to review its processes to ensure that documents are processed during the project closeout period.

Implementation Date: January 2016 and 2017

Responsible Person: David G. Dockwiller

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 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 award was affected by the period of performance issues discussed above:

<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>
12.000	Department of Defense	HR0011-15-C0095	July 1, 2015 to December 31, 2015

Corrective Action:

Corrective action was taken.

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.

Initial Year Written:	2015
Status:	Partially Implemented

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:

<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>
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

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<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>
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 2015:

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.

Views of Responsible Officials and Corrective Action Plan 2016:

The template used for the SF-425 was updated to the most recent version and is in use today for reporting to federal entities. In addition, the reporting section Assistant Director and Administrative Manager have a reminder set-up on their calendars for the first Wednesday of each month to review any updates to both invoicing and reporting on the following websites:

https://www.whitehouse.gov/omb/grants_forms

www.gsa.gov/portal/forms/type/SF

In addition, a process has been put in place to aid in the reporting of indirect costs on the SF-425.

Implementation Date: *January 2016 and 2017*

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 (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)).

Initial Year Written: 2015
 Status: Partially Implemented

National Science Foundation
 U.S. Department of Commerce
 U.S. Department of Defense
 U.S. Department of Health and Human Services

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 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:

<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>	<u>Questioned Costs</u>
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

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CFDA No.	CFDA Title	Award Number	Award Year	Questioned Costs
12.300	Basic and Applied Scientific Research	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 Sciences	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
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

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<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>	<u>Questioned Costs</u>
93.310	Trans-NIH Research Support	1 DP2 HD080349	September 30, 2013 to August 31, 2018	<u>0</u>
Total Questioned Costs				<u>\$ 28</u>

Recommendations:

The University should:

- 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.

Views of Responsible Officials and Corrective Action Plan 2015:

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.

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.

Views of Responsible Officials and Corrective Action Plan 2016:

In September 2015, The Office of Post Award Management and Office of Sponsored Projects implemented the following:

Guidelines (currently on the Office of Post Award Management website) to be used as aids 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 The University of Texas at Dallas expenditure of funds policies. These guidelines will help eliminate inconsistent accounting treatment of project-related costs and the potential of unallowable costs being charged to federally funded projects.

The following guidelines have been adopted:

- *Allowable Cost*
- *Cost Sharing*
- *Participant Support*
- *Research Subjects Payments*
- *Travel*

In addition, the process of reviewing and approving expenditures has been updated to ensure sufficient documentation, justification and allowability as specified in the Uniform Guidance.

Implementation Date: March 2016

Responsible Person: Kelly McKinney

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)).

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.

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 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.

Corrective Action:

Corrective action was taken.

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).

Initial Year Written:	2015
Status:	Partially Implemented
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.

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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>
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

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<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>	<u>Questioned Costs</u>
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	<u>1,828</u>
			Total Questioned Costs	<u>\$44,090</u>

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.

Views of Responsible Officials and Corrective Action Plan 2015:

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.

Views of Responsible Officials and Corrective Action Plan 2016:

A report to review potential Federal advances at the award level has been developed. Associated procedures are in progress. A plan has been developed to retain cash request information within the University’s ERP system at the award level. The new process will apply only to records from payment systems not administered by the University. Historical payment requests processed within University systems or as part of letter of credit drawdowns currently have appropriate retention practices. Associated procedures are in progress.

Implementation Date: August 2016

Responsible Person: Greg Argueta

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.

Corrective Action:

Corrective action was taken.

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).

Initial Year Written: 2015
Status: Partially Implemented

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

UNIVERSITY OF TEXAS AT DALLAS

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:

<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award year</u>	<u>Questioned Cost</u>
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
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	<u>0</u>
			Total Questioned Costs	<u><u>\$1,112</u></u>

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.

Views of Responsible Officials and Corrective Action Plan 2015:

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.

Views of Responsible Officials and Corrective Action Plan 2016:

In September 2015, The Office of Post Award Management and Office of Sponsored Projects implemented the following:

Developed the Period of Performance Guideline to be used as an aid in the financial management of an award. This guideline outlines the period of performance requirements of costs for grants, contracts, and sub-awards at the University of Texas at Dallas (UTD). The guideline assures compliance 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.

The Office of Post Award Management has changed the process of approving expenditures after the end date of an award as outlined in the Financial Reporting and Closeout of a Sponsored Project procedure. This closeout procedure was implemented by The Office of Budget and Finance and will help ensure compliance with the OMB 2 CFR 200 Period of Availability requirement.

Implementation Date: March 2016

Responsible Person: Kelly McKinney

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.

Corrective Action:

Corrective action was taken.

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.

Initial Year Written:	2015
Status:	Partially Implemented
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.

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.

Views of Responsible Officials and Corrective Action Plan 2015:

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.

Views of Responsible Officials and Corrective Action Plan 2016:

A plan has been developed to retain financial reports and supporting documentation within the University's ERP system at the award level. Associated procedures to document the existing preparation, review and approval processes are in progress.

Implementation Date: August 2016

Responsible Person: Greg Argueta

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.

Corrective Action:

Corrective action was taken.

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).

Initial Year Written:	2010
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 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.

Corrective Action:

This finding was reissued as current year reference number 2016-144.

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

Initial Year Written:	2013
Status:	Partially Implemented
U.S. Department of Defense National Aeronautics and Space Administration	

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 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.

Views of Responsible Officials and Corrective Action Plan 2016:

All interest generated accounts from all federal fund advances have been created. The process as detailed in the action plan of 2014 has been implemented and is being followed with some changes. The revision in the process requires that all federal advances, regardless if the advance is subject to interest bearing terms, is maintained in these accounts. Further, UTEP changed the action plan of 2014 to require that all interest earned is maintained in a master file and evaluated annually in the aggregate. Any earned interest greater than \$500 will be sent to the Treasury, all funds less than/equal to \$500 will be swept into a university administrative account. Interest bearing Accounting process guide has been updated and implemented, and is being followed.

Implementation Date: April 2016

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.

Views of Responsible Officials and Corrective Action Plan 2016:

As of December 2014, the office of Sponsored Projects fixed all identified findings in the FSRS.gov. With the additional 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, is part of standard operating procedure. Also, continues training and internal reporting for accuracy have minimized administrative errors such as the one self-disclosed (out of 21 samples submitted) in the 2016 audit.

Implementation Date: December 2014

Responsible Person: Manuela Dokie

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(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).

Initial Year Written:	2015
Status:	Implemented
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:

CFDA No.	CFDA Title	Award Number	Award Year	Interest Earned
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

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-08-2-0134	August 1, 2008 to July 31, 2015	58.51
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

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CFDA No.	CFDA Title	Award Number	Award Year	Interest Earned
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
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				<u>(\$250.00)</u>
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.

Corrective Action:

Corrective action was taken.

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).

Initial Year Written: 2014
 Status: Partially Implemented

 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 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	HHSC 529-14-0121- 00001	May 5, 2014 to October 31, 2014

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<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>
	Childhood Home Visiting Program		
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

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.

Views of Responsible Officials and Corrective Action Plan 2015:

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.

Views of Responsible Officials and Corrective Action Plan 2016:

Additional staff training was provided on the close out process 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 timelines and follow-up on award extensions.

The university has created a report to show all accounts on guarantee (those active without a current award document), and Preaward specialists follow-up with collaborators and departmental personnel to inquire about award status.

Implementation Date: February 2016

Responsible Person: Ronald Perez

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.

Corrective Action:

Correction action was taken.

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.

Initial Year Written:	2015
Status:	Partially Implemented
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.

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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.

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

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<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>
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

Recommendation:

The Health Science 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 2015:

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.

Views of Responsible Officials and Corrective Action Plan 2016:

The federal financial report procedures have been revised to ensure that reports are marked as accrual basis and that indirect costs are reported on a cumulative basis.

Implementation Date: February 2016

Responsible Person: Ronald Perez

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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2014
Status:	Partially Implemented
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.

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

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CFDA No.	CFDA Title	Award Number	Award Year
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
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

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<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>
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.

Views of Responsible Officials and Corrective Action Plan 2015:

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.

Views of Responsible Officials and Corrective Action Plan 2016:

Preaward Requirements

The university analyzed its processes and enhanced its training and implemented a more thorough review process to prevent the errors identified from reoccurring.

During-the-award Monitoring

The university analyzed its processes and enhanced its training and implemented a more thorough review process to prevent the errors identified from reoccurring. Additionally, the university updated its monitoring procedure to include its documented process for assessing risk of subrecipients.

The university added language to its subaward templates to notify subrecipients that additional back-up documentation may be requested to support invoice expenses submitted for payment.

Implementation Date: March 2016

Responsible Person: Kathleen Kreidler

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.

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, 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.

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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2015
Status:	Implemented
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.

Corrective Action:

Corrective action was taken.

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:	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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<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>	<u>Questioned Cost</u>
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	<u>99</u>
Total Questioned Cost				<u>\$2,144.00</u>

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:

<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>	<u>Questioned Cost</u>
93.398	Cancer Research Manpower	5 K12 CA088084 14	September 13, 2010 to August 31, 2015	<u>\$6,249</u>

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

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<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>
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.

Views of Responsible Officials and Corrective Action Plan 2016:

The Cancer Center continues to make the effort to have all the information on the asset when it is created. More specifically as it pertains to entering the tag number on the asset prior to its creation. Our current process is to enter the tag number upon receipt of the item. However, there are times when this is not possible. Our next opportunity to obtain that data comes right before asset creation. General Accounting – Asset Finance sends the data on the asset to be created to the Asset Control team managed by Rick Dillard. They then enter the tag number information prior to Asset Finance creating the asset at this time.

The findings did find several assets reviewed that did not have the tag number information. We will review these assets, obtain the tag number information and update the Asset Management module accordingly.

Implementation Date: May 2017

Responsible Persons: Freddy Garcia and Rick Dillard

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:	Implemented
U.S. Department of Health and Human Services	

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.

Corrective Action:

Corrective action was taken.

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).

Initial Year Written:	2015
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 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.

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.
- Ensure that its SAP policy meets federal requirements and that it evaluates SAP for all students.

Views of Responsible Officials and Corrective Action Plan 2015:

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.

Views of Responsible Officials and Corrective Action Plan 2016:

Cost of Attendance:

Following the census date of each term, UTMB runs a report to identify students enrolled less than full-time and revises the tuition/fee component of COA to actual cost. In addition, for students enrolled less than half-time, the COA is revised to include only tuition/fees, books, and supplies. In addition, our process for assigning budgets has been updated so that once we revise a budget, it is not picked up in our auto assign process; this should prevent any changes we have made from being overridden. We have reviewed and adjusted our COA policy to be in compliance with federal guidelines.

Satisfactory Academic Performance:

The SAP policy and procedures have been revised to meet all federal requirements. Audit reports are run after grades have been posted for each term to determine which students are not meeting SAP requirements and students are notified and awards adjusted accordingly.

Implementation Date: October 2016

Responsible Person: Carol Cromie

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.

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 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.

Corrective Action:

Corrective action was taken.

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).

Initial Year Written:	2015
Status:	Partially Implemented
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 2015:

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.

Views of Responsible Officials and Corrective Action Plan 2016:

The updated process we implemented in 2015 has greatly improved our accuracy with verification. The error identified in the follow up was a training issue regarding what data to use from a tax transcript and additional training has been given to our staff in an effort to prevent this in the future. The Director is continuing to review 100% of students selected for verification prior to disbursement to ensure accuracy and completion.

Implementation Date: October 2016

Responsible Person: Carol Cromie

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 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.

Initial Year Written: 2012
 Status: Implemented

 U.S. Department of Health and
 Human Services

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.

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>
93.000	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

Corrective Action:

Corrective action was taken.

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:

<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>
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.

Views of Responsible Officials and Corrective Action Plan 2016:

To ensure ALL sub-awards subject to FFATA/Transparency Act reporting are captured monthly the procedure was enhanced and now includes the following steps:

- *Emails received from Research Services regarding new awards during the month are cross-referenced to the Sub-Contract log maintained by Research Services.*
- *A spreadsheet was created to capture all subaward (8xxxx) projects. The spreadsheet is updated weekly. The spreadsheet is used to cross-reference the emails and contract log mentioned above.*
- *A spreadsheet was also created to track all subaward documents received from Research Services and entered for FFATA purposes. Notes are made on the spreadsheet to assist with tracking and reporting.*
- *A group email address was created for the GCA department and all of the past FFATA reports were migrated from an individual email address to the group email address*

In addition, staff members participate in any webinars or conference calls related to FFATA tracking and reporting.

Implementation Date: December 2016

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:	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.

Corrective Action:

Corrective action was taken.

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.

Views of Responsible Officials and Corrective Action Plan 2016:

A SAP process has been fully implemented in PeopleSoft. This included consideration of not only credits attempted/completed at UTPB but also those transferred into the university for coursework taken at other institutions. At the end of the fall semester, the SAP review process was run for the first time in PeopleSoft. Students not meeting SAP were notified of their status and their spring aid was canceled. Students are given the option to appeal and notified of the process to follow. Students completing the appeal process were reviewed. Those granted an appeal had their aid reinstated for the spring semester. Students at risk of not meeting the SAP requirement were put on a Warning status and notified that they needed to meet the requirement by the end of the spring semester or would be at a Not Meet SAP status and ineligible for financial aid. SAP after the Spring 2016 semester has just been run and currently under review to determine status for those attending Summer 2016 as well as those that will attend in Fall 2016.

It was identified in the process of a need to clarify policy for post BA and graduate students specifically in the area to total attempted hours. This is currently under review with plans to manually review adapt process for the SAP review after the spring semester end.

Implementation Date: February 2016

Responsible Person: Charles Edward Kerestly

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.

Views of Responsible Officials and Corrective Action Plan 2016:

Implementation of PeopleSoft has automated the determination of loan eligibility base on admission and registrar academic status information. In 2015-16 a base loan eligibility was awarded and then a manual determination of award eligibility limits was determined based on student request for additional loan funds.

Packaging parameters for the 2016-17 award year have been established to award student their maximum loan eligibility base on their EFC/COA and enrollment information. Packaging of new, first time students for 2016-17 has begun with plans to begin packaging all other new and returning students in early June.

Implementation Date: June 2016

Responsible Person: Charles Edward Kerestly

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.

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 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.

Corrective Action:

Corrective action was taken.

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.

Views of Responsible Officials and Corrective Action Plan 2016:

The verification process was completed by the, then, assistant director using the reviewed verification policy. Beginning January 2016 a promotion was made to the assistant director to association director and a new FA officer was hired with specific primary responsibility to manage the verification process. This new officer has been trained and is under the supervision of the associate director. The verification policies and procedures document has been revised to reflect changes of the 2016-17 academic year. This document is used by the FA Verification Officer and others in the verification review process. It is also published on the verification section of the financial aid website.

Implementation Date: August 2015

Responsible Person: Charles Edward Kerestly

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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2015
Status:	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)).

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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2013
Status:	Partially Implemented
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.

Corrective Action:

This finding was reissued as current year reference number 2016-155.

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).

Initial Year Written:	2015
Status:	Partially Implemented
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.

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.

Views of Responsible Officials and Corrective Action Plan 2015:

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.

Views of Responsible Officials and Corrective Action Plan 2016:

Service Centers

Due to ongoing revisions to the core policy drafted October 2015, enforcement of monthly monitoring and reconciliation processes have been modified. Once the final core policy and business plan template are approved, the new process for monthly monitoring and reconciliation will be communicated and implemented. At fiscal year-end, Service Centers will continue to work with the Provost's Office to reconcile all expenses/encumbrances and make rate adjustments, if needed. The Provost's Office is working with the Policy Office to finalize the core policy by May 1, 2017.

Implementation Date: May 2017

Responsible Person: Cameron Slocum

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.

Corrective Action:

Corrective action was taken.

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

Initial Year Written:	2015
Status:	Implemented
U.S. Department of Defense	

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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)).

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
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

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<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>
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

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2015
Status:	Partially Implemented
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
93.855	Allergy, Immunology and Transplantation Research	5R37AI034432	December 1, 1994 to August 31, 2019

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CFDA No.	CFDA Title	Award Number	Award Year
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

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.

Views of Responsible Officials and Corrective Action Plan 2015:

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.

Views of Responsible Officials and Corrective Action Plan 2016:

Corrective action is complete. In May 2016, UT Southwestern hired a new Asset Manager (Property Manager). In September 2016, the department executed a reorganization of the Asset Management team, which is designed to strengthen overall controls, create alignment, and ensure proper oversight. Additionally, the department has revised the standard operating procedures (SOPs) to enhance the oversight of equipment locations and movement, the accuracy of property records, and adherence to UT Southwestern policies related to missing equipment and proper disposal.

Implementation Date: November 2016

Responsible Person: Charles Cobb

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.

Corrective Action:

Corrective action was taken.

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)).

Initial Year Written:	2015
Status:	Partially Implemented
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.

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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
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

Recommendation:

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.

Views of Responsible Officials and Corrective Action Plan 2015:

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.

Views of Responsible Officials and Corrective Action Plan 2016:

The programming issue has been resolved. Between 2014-2015, UT Southwestern (UTSW) decommissioned our "home grown" telecommunication billing system, and converted all functions to our enterprise-wide PeopleSoft ERP. While the old system was in place, telecom charges could be posted to closed accounts without proper oversight. This situation has been resolved.

Since uninstalling our legacy administrative system, the UTSW Information Resources staff is no longer able to program financial functions. Under normal circumstances, the UTSW PeopleSoft system is configured to permit posting of charges only between the Start Date and up to 90 days after the End Date of a grant. This period allows posting of legitimate charges that may be received after the grant is closed. We believe this configuration reflects Best Practice.

Exceptions are possible in order to accommodate unusual circumstances. Closed accounts can be reopened to accept charges if deemed necessary. These exceptions can only occur with management/executive approval. The UTSW Office of Sponsored Programs is responsible for managing all exceptions.

Sponsored Program Administration (SPA) has been closing out expired grants in the PeopleSoft electronic system since FY 2016. Full close-out of all grant sub-ledgers should be completed by April 2017. Since the single audit was completed for FY15, Sponsored Programs has implemented a new methodology for closing sub-ledgers on a timely basis, incorporating new work processes and electronic tools. As part of this initiative, the PeopleSoft system has been reprogrammed to include several automated reminder notes to assist SPA staff in managing grants as they expire.

Implementation Date: April 2017

Responsible Person: Kirk Kirksey

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.

Corrective Action:

Corrective action was taken.

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.

Initial Year Written:	2013
Status:	Implemented
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

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<u>CFDA No.</u>	<u>CFDA Title</u>	<u>Award Number</u>	<u>Award Year</u>
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

Corrective Action:

Corrective action was taken.

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.

Corrective Action:

Corrective action was taken.

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:	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.

Corrective Action:

Corrective action was taken.

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:	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.

Corrective Action:

Corrective action was taken.

Corrective Actions Plans

Federal Portion of
Statewide Single Audit Report

For the Year Ended August 31, 2016

Section III of III (Section I and II Bound Separately)**Corrective Action Plan – Table of Contents****Corrective Action Plan – KPMG**

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Corrective Action Plan – KPMG

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 200.511, state, “At the completion of the audit, the auditee must prepare, in a document separate from the auditor’s findings a corrective action plan to address each audit finding included in the current year auditor’s reports.” As part of this responsibility, the auditee’s corrective action plans are presented below.



COMMISSIONER
Jon Weizenbaum

Reference No. 2016-001

Views of Responsible Officials:

Accepted. Department of Aging and Disability Services (DADS) Regulatory Services division, Licensing and Credentialing section has already developed and implemented a formal procedure to conduct quarterly and annual reviews of completed applications for each license type and annual reviews of completed applications for each employee. The new procedures were implemented in July 2016 on a pilot basis and expanded to all license types in January 2017. There were no exceptions identified through analysis of the first and second quarter reviews.

Corrective Action Plan:

DADS Licensing and Credentialing section will conduct quarterly and annual reviews. The quarterly reviews will focus on 10 percent of completed applications, per quarter per license type. Annual reviews will focus on 5 percent of completed applications, per employee at the performance evaluation period. The unit manager will identify the quarterly and annual performance periods. The program manager will review the entire license file, focusing on the application checklist and supporting documentation found in the file. The program manager will complete the licensing checklist. If reviewed items are correct and required documents present, the program manager will email the completed licensing checklist to the unit manager for final approval. If the program manager identifies any exceptions, the program manager will initiate a meeting with the employee to discuss, to identify the review exception, and to attain resolution. The program manager will then specifically email the unit manager to notify him or her of the review exception, including providing a copy of the review checklist. The unit manager will submit all review documents, for reviews conducted during the quarterly or annual review, to the section director.

Implementation Date: January 1, 2017

Responsible Person: Bobby Schmidt



TEXAS DEPARTMENT OF AGRICULTURE COMMISSIONER SID MILLER

Reference No. 2016 – 002

Views of Responsible Officials

TDA understands this documentation finding and the \$3,585,000 questioned costs were due to the inability of employees to select their salary funding source at the time that they entered their actual hours worked. Although the newly implemented timekeeping process did not allow employees to see the funding source or funding allocation percentage, employees did record actual hours worked as directed and monitored by Food and Nutrition management. In addition the actual work employees performed aligned with the program funding source of which employees were aware.

The \$3,585,000 represents salary expenses charged to the State Administrative Funds (SAE) for 203 employees. 58 of the 203 employees account for \$600,000 of the total questioned cost. These 58 employees worked on programs that could be funded by the SAE and at least one other funding source. The remaining questioned costs of \$2,985,000 were for 145 employees, whose time would have been charged to the SAE only. Had employees had the option to select the funding source for the actual hours worked they entered, only the 58 employees totaling \$600,000 would have had the option to charge a funding source other than SAE. All salaries charged to the SAE, were appropriate and in compliance with the federal nutrition program regulations.

Corrective Action Plan:

Near term solution: TDA Information Technology (IT) department will develop a time allocation report for each program supervisor and manager to review and approve actual time and program indicators at least monthly. The report parameters include the following:

- Time period - the previous month
- Contents - The report will provide percent of time each employee worked under a particular PCA for the previous month. Specifically, the report will provide a listing of each employee to include the following data items for each employee: the year, month, position #, Index CD, PCA code, PCA description and the percent of time charged to the PCA.
- Validation - Supervisors/managers will sign the time certification allocation report to indicate validation of the time charged against that PCA code.

Permanent solution: PATHS will be modified to provide a display of employee specific PCA codes when an employee accesses their timesheet. Employees with multiple PCA codes will be instructed on how to select the appropriate PCA code. During the timesheet approval process supervisors will visually validate the PCA code(s) which has time logged against them. Timesheet approval will constitute validation of the time charged against that PCA code.

Implementation Dates:

Short Term Solution: Implemented as of December 20, 2016
Permanent Solution: Estimated December 2017

Responsible Persons:

Short Term Solution: Wynne Hexamer, Robin Roark, and Marios Parpounas
Permanent Solution: Butch Grote, Wynne Hexamer, Robin Roark, Senta Fortune, Suzanne Barnard, and Marios Parpounas



TEXAS DEPARTMENT OF AGRICULTURE COMMISSIONER SID MILLER

Reference No. 2016 – 003

Views of Responsible Officials

The risk of unapproved access to CAMPS, a 3rd party system, was assessed relative to the length of time CAMPS will be an active application at TDA. TDA will be transitioning from CAMPS to CAPPs, the state's enterprise system and will focus on a financially feasible interim solution.

From February 2016 until August 2016, the TDA Information Security Officer role was assumed by the IRM while the ISO position was vacant. As a result, execution of security activities including periodic review of privileged access did not occur during this period. The ISO position was filled in August 2016.

Corrective Action Plan:

TDA will ensure the configuration and policy changes are completed to mitigate any financial and operational risks associated with the findings identified. TDA Corrective Actions are detailed below:

Configuration Changes will include:

1. CAMPs password policy modifications,
2. Evaluation of Pentaho application to application password policy for potential modifications, and
3. Disabling Report Administrators' accounts with access to Pentaho Oracle Database.

Policy Changes will include:

1. Formalization and implementation of the change management policy (drafted in FY16), and
2. Formalization and implementation of procedures for CAMPS and Pentaho security access reviews, addressing administrative and operational users.

Implementation Date:

CAMPs password policy modifications (1) and Pentaho access modifications (3) were completed in December 2016.

All other configuration change actions will be completed by March 2017. Policy changes will be completed by May 2017.

Responsible Person: Butch Grote

Texas Workforce Commission

A Member of Texas Workforce Solutions

Andres Alcantar, Chairman
Commissioner Representing
the Public

Ruth R. Hughs
Commissioner Representing
Employers

Julian Alvarez
Commissioner Representing
Labor

Larry E. Temple
Executive Director

Department of Assistive and Rehabilitation Services has been dissolved as of September 1, 2016 and the Rehabilitation Services - Vocational Rehabilitation Grants to States has been transferred to Texas Workforce Commission.

Reference No. 2016-004

Views of Responsible Officials:

The Texas Workforce Commission (TWC) agrees that DARS should have had a contingency plan in place to allow for the Vocational Rehabilitation (VR) staff to submit a timesheet and complete the certification process when required. TWC management also recognizes the DARS contingency plan should have provided for an alternative method allowing VR staff to record and certify their time through August 31st. TWC staff understands that the DARS OMB time tracking system had limitations preventing midweek processing of certified timesheets. In addition, VR staff were locked out of the OMB system after August 31st as they were no longer DARS employees following program transition to TWC on September 1, 2016.

Corrective Action Plan:

Since September 1, 2016, all employees transferred from DARS to TWC are now required to comply with TWC's timekeeping policies which include a requirement for monthly certification of timesheets in TWC's PeopleSoft HR system. In addition, TWC's Accounting Services area completed a review of time charges (September 1 through December 31, 2016) for the 16 current TWC employees (one out of 17 employees did not transfer to TWC) identified by auditors as former DARS employees lacking a timesheet or certification for the last week of August 2016. TWC staff confirmed these 16 individuals charged 100% of their time to the VR program with no exception keyed time to other programs for the four months since the transition occurred.

Implementation Date: September 1, 2016

Responsible Person: Warren Collier

Texas Workforce Commission

A Member of Texas Workforce Solutions

Andres Alcantar, Chairman
Commissioner Representing
the Public

Ruth R. Hughs
Commissioner Representing
Employers

Julian Alvarez
Commissioner Representing
Labor

Larry E. Temple
Executive Director

Department of Assistive and Rehabilitation Services has been dissolved as of September 1, 2016 and the Rehabilitation Services - Vocational Rehabilitation Grants to States has been transferred to Texas Workforce Commission.

Reference No. 2016-005

Views of Responsible Officials:

Recommendation accepted. As noted above, Texas Workforce Commission's Rehabilitation Services and Blind Services divisions have already implemented significant process enhancements in this area. Through analysis of the exceptions identified in the audit, TWC will work to develop and implement corrective action to further improve the processes. Reference the corrective action plan for further details.

Corrective Action Plan:

At the State office level, additional time will be devoted to the weekly monitoring of IPE and Eligibility due dates. Regional and unit management are required to conduct case reviews and follow-up on corrective actions. The management team will take actions to address issues or patterns identified in these compliance areas in keeping with the published quality assurance processes. The State office staff will routinely communicate compliance status and make recommendations for improvement to managers at all levels.

Implementation Date: March 1, 2017

Responsible Persons: Carline Geiger, Cathy Rutherford, and David Norman

Reference No. 2016-006

Views of Responsible Officials:

Accepted. The Comptroller is analyzing current processes to determine what enhancements are needed to ensure that agency submitted information is consistently reported and reasonable. Once enhancements are determined, they will be formalized in policies and procedures and implemented prior to the next calculation of interest liability.

Corrective Action Plan:

Agency policies and procedures will be revised to include procedures for agency submitted information to be reviewed for consistency and reasonableness.

Implementation Date: August 31, 2017

Responsible Person: Michael Apperley





TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER

H. L. Whitman, Jr.

Reference No. 2016-007

Views of Responsible Officials:

DFPS makes every effort to ensure that staff working solely on a single Federal program complete the required semi-annual certifications. The desk procedures for preparing the Federal Certifications have been updated to ensure that staff coded solely to the PSSF program are included in the database. An additional review of the project/grants selected for reporting has been added to prevent this occurrence in the future.

Corrective Action Plan:

Updated desk procedures are in place to assist staff preparing the required Federal Certification in selecting the appropriate staff working solely on one Federal Program.

Implementation Date: October 5, 2016

Responsible Person: David Schneider

Reference No. 2016-008

Views of Responsible Officials:

DFPS uses the Health and Human Services Administrative System (HHSAS) as the accounting system of record. The reallocation process utilizes a flat file upload to process the thousands of lines that are required to reallocate agency expense at the individual voucher level. Coding within the Microsoft Excel spreadsheet that builds the flat file has been modified to require a valid Month of Allocation (MOA) date be entered for each voucher. This MOA date ensures that the voucher is reversed using the same funding percentages as the original expense. This coding change was implemented prior to the close of the 2016 Fiscal Year.

Corrective Action Plan:

Updated coding is currently in place to prevent reallocation vouchers from being entered without the required MOA date.

Implementation Date: June 2016

Responsible Person: David Schneider



TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER

H. L. Whitman, Jr.

Reference No. 2016-009

Views of Responsible Officials:

Management agrees with this finding.

Corrective Action Plan:

DFPS has policies and rules in place that address the criminal records check requirements for foster family home providers. The non-compliance relative to this finding involved a child placed in a HCS (Home and Community-based Services) home under a child-specific contract. This HCS provider was certified by another state agency - the Department of Aging and Disability Services - an agency whose functions were transferred to the Health and Human Services Commission.

CPS policy - 1576 Child Specific Contract Placements - specifically notes that Title IV-E funds cannot be used for HCS home placements, as HCS homes are not considered to be licensed foster homes or licensed child care institutions under a child-specific contract. This policy was published in December 2015 which was after the date of the initial placement in this HCS setting.

DFPS believes that controls are in place to ensure that IV-E funding is not claimed in similar child specific contracted placements. All child specific contracts are paid through a specific service code that prohibits Title IV-E funds from being utilized to pay the child specific contract. This unique service code (63S-CSC) was created in FY 2008 to prevent the use of IV-E funds in a child specific contracted placement. In addition, when a child is now placed with a provider under a child specific contract a notice is sent to the regional CPS billing staffs informing them that IV-E funds cannot be utilized to reimburse this contract.

Within 60 days the CPS Federal State Support Unit will convene a scan call with regional billing and eligibility staffs to again review the relevant policy that pertains to the use of IV-E federal funds in a child specific contracted placement. Although service code edits are in place to prevent the use of IV-E funds in a child specific contracted placement we want to ensure that the regional billing staffs utilize the correct service code when processing a payment under a child specific contract. This policy was previously reviewed with the CPS regional eligibility staff in September 2016 and with the CPS billing staff in November 2016.

Implementation Date: March 25, 2017

Responsible Person: Max Villarreal



TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER

H. L. Whitman, Jr.

Reference No. 2016-010

Views of Responsible Officials:

We have obtained input on what should be included in the policy and training from applicable stakeholders. Policy development is complete and approved. Publication of the policy is in its beginning stage, as well as the development of a computer based training (CBT) module which all investigation and alternative response staff will be required to take.

Additionally, the agency Accountability office will be asked to include a review of the EA eligibility determination component of the CPS investigation and alternative response as a part of their case reading for quality control purposes once the training has been provided. These case readings are expected to begin six to twelve months after the training period has been completed.

Corrective Action Plan:

Provide policy and training for field staff that complete the EA application in CPS cases, and follow up with case readings for quality control purposes.

Implementation Date: August 31, 2017

Responsible Person: Angela Goodwin



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

Reference No. 2016-011

Views of Responsible Officials-Monitoring Plan:

Accepted.

Corrective Action Plan-Monitoring Plan:

The FY 2016-17 comprehensive monitoring plan was updated to determine a subrecipient's overall compliance with the CDBG program. Determining a subrecipient's compliance will be accomplished through the application of the 2016 Compliance Supplement standards into QA&PI's monitoring reviews.

The annual risk assessment already incorporates financial and program considerations for identifying high, moderate or low risk subrecipients. For FY 2016-17, QA&PI implemented a micro-risk assessment template listing the 12 areas of the Compliance Supplement. The micro-risk assessment template will be used to justify and document which major compliance areas have a direct and material effect on subrecipient projects (i.e. drainage, water facilities, rental housing). Furthermore, the method for selecting projects will also take into consideration financial factors, grant manager input, and previous monitoring reviews.

Effective January 2017 the monitoring plan was updated to include a rotational schedule to ensure active subrecipients receive a full or limited scope review over a 3 to 5-year period. The rotation will be based on the level of high, moderate or low risk factors.

Implementation Date: September 1, 2016; rotational schedule January 2017

Responsible Person: Martin Rivera, Jr.

Views of Responsible Officials – T-RecS:

Accepted.

Corrective Action Plan – T-RecS:

Regarding the approvals for changes not being consistently documented and enacted, this issue is the result of human error. T-RecS IT and Office of Information Security support staff will undergo training to reinforce the standard procedures for granting access to developers and for making system changes. Additionally, management will continue to ask the vendor to provide a system-based mechanism for migrating changes across environments without developer access to production.

Regarding the issue pertaining to password configuration, the GLO IT team plans to change the configuration of the T-RecS application so that GLO staff and contractors must authenticate to Active Directory in order to login to T-RecS. Doing this will allow the GLO to enforce current password rules on all agency staff and contractors by way of the Active Directory login. In order to meet the priorities of management, the T-RecS application will continue to function under the existing password rules so that external users maintain ease of use.

Regarding the issue of access being granted without formal approval, the issue in question was a valid request that originated with the appropriate CDR personnel. An IT staff member failed to follow protocols in documenting and granting access. T-RecS IT support staff will undergo training to reinforce standard procedures for granting access and documenting access requests.



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

CDR will evaluate the system parameters and existing controls to identify the level of precision necessary to prevent and/or detect duplicative invoices. As necessary, modifications will be made to implement and/or strengthen existing controls.

Implementation Date: June 1, 2017

Responsible Person: Dustin Johnson for the first 3 issues; Martin Rivera, Jr. for the fourth issue.

Reference No. 2016-012

Views of Responsible Officials:

Accepted.

Corrective Action Plan:

Program Services developed and implemented the HUD Annual Section 3 Annual Report Review Checklist, which outlines the steps for preparing the Section 3 report and includes the management review controls describing the level of precision necessary for reviewing and ensuring the accuracy and completeness of the Section 3 report.

Management review controls include the independent verification of a random subset of report data to source documents. The manager conducts the review independently of the preparer and documents their work within the working file. If errors are discovered during the review, the preparer and the supervisor review and discuss those errors jointly and make any necessary adjustments.

After a final review is performed, the report is submitted to HUD electronically. The final report, source documents, and review checklist are saved as a PDF documents to fulfill recordkeeping requirements.

Implementation Date: December 1, 2016

Responsible Person: Brandon Clark



GOVERNOR GREG ABBOTT

Reference No. 2016-013

Views of Responsible Officials:

Subgrant Award Report (SAR)

Accepted. The Office of the Texas Governor has been in discussion with Texas A&M Public Policy Research Institute (PPRI) regarding the timely submission of SAR data. CJD has analyzed the finding in the audit and developed a corrective action plan to mitigate against further late submissions. See the corrective action plan for further details.

Corrective Action Plan:

A new policy has been implemented regarding the timely submission of SAR data into the OVC PMT. CJD and PPRI both take reasonable steps to ensure that all subgrantees submit required reports in an accurate and timely manner. Internal Policy 5.93 is now in effect, which states additional preventative measures including fund holds will be levied in the event a subgrantee has not completed the SAR within 60 days of the project period start date in the federal award. At the 60 day mark, both CJD and PPRI staff will continue to contact these grantees to complete their SAR.

Implementation Date: January 19, 2017

Responsible Person: Reilly Webb

Views of Responsible Officials:

Quarterly Performance Report

Accepted. The Office of the Texas Governor has been in discussion with Texas A&M Public Policy Research Institute (PPRI) regarding the accurate submission of quarterly performance reports. CJD has analyzed the finding in the audit and developed a corrective action plan to mitigate against further inaccurate submissions. See the corrective action plan for further details.

Corrective Action Plan:

A new policy has been implemented regarding the accurate submission of quarterly performance report to OVC. Internal Policy 5.92 details the steps to be taken by both PPRI and CJD staff to ensure the accuracy, reliability, and programmatic quality of the data reported. CJD will perform annual consistency checks on 5% of grantee final progress reports to be selected at random.



GOVERNOR GREG ABBOTT

Implementation Date: January 19, 2017

Responsible Person: Reilly Webb

Views of Responsible Officials:

SF-425 Financial Reports

Accepted. The Office of the Texas Governor had identified this as a risk prior to KPMG's involvement in the single audit process and has already moved the function of preparation and submission of SF-425 reports to the Financial Services Division housed within the Office of the Texas Governor as of September 2016. The employee submitting these reports has a financial background and the Office of the Texas Governor has placed this duty and responsibility within the proper division.

Corrective Action Plan:

A policy has been revised and already implemented regarding the review and submission process of SF-425 reports. Internal Policy 3.91 outlines the steps needed to prepare the Financial Status Reports and details the approval routing process before submission of financial reports. CJD has created and implemented a document approval form that accompanies significant documents as evidence of review and authorizations. This form will be utilized when necessary and appropriate in regards to the above findings.

Implementation Date: September 1, 2016

Responsible Person: Reilly Webb



Reference No. 2016-014

Views of Responsible Officials:

Exception Reports already exist, are being monitored, and staff are addressing the exceptions. However, there is a backlog of exceptions and a need to review and revamp the State Data Exchange (SDX) processes and roles and responsibilities; this was also noted in a previous audit which the Corrective Action Plan below references.

Corrective Action Plan:

The plan to clear existing exceptions backlog of SSA and other changes that failed in mass update was implemented and fully documented in September 2016. Workgroup recommendations on the SSA exception report and quarterly reconciliation process are scheduled to be completed by March 31, 2017. Once workgroup recommendations have been completed, automation changes will be added to the governance roadmap for consideration and prioritization in calendar year 2017.

Implementation Date: March 2017

Responsible Person: Mary Catherine Bailey

Reference No. 2016-015

Views of Responsible Officials:

Accepted. HHSC continues to revalidate enrollment information for all enrolled providers to meet the federal requirements. Effective August 1, 2014, HHSC implemented the following Key Measure for the service organization to ensure accuracy. This requirement is measurable and actively monitored for compliance.

PRV -0088

Enrollment-Tier I

Maintain a minimum of 98% accuracy rate for processing provider enrollment applications, which is measured against State-approved criteria.

Liquidated Damage: The State may assess up to \$10,000 for each percentage point, or portion thereof, below the 98% standard for accuracy.

Corrective Action Plan:

The State's current oversight of the contractor's performance on Key Measure PRV-0088 addresses the audit findings. The current oversight protocol is as follows:

TMHP has quality assurance (QA) processes for ensuring provider enrollment applications are processed according to ACA and state requirements. These processes, reviewed and approved by HHSC, were implemented in February 2015. TMHP's QA processes are performed monthly and reported to HHSC in a monthly Key Measure Report, which contains source files identifying the sampled applications. HHSC conducts an annual review of all TMHP QA processes to ensure that the State's interests are being satisfied.

HHSC performs monthly independent validations of TMHP's reported performance on contract Key Measures. HHSC's validation processes were developed by State stakeholders (HHSC Operations, HHSC Data Analytics, etc.), and are documented by the HHSC Claims Administrator Contract Oversight (CACO) team.



HHSC's independent validation process for PRV-0088 involves (1) reviewing TMHP's Key Measure Report findings and TMHP's source files, and (2) selecting a sample of provider applications from the TMHP QA process. That sample of applications is selected from two sets: (1) providers participating in the Medicaid program, and (2) providers who participate in both Medicaid and the Children's Special Health Care Needs (CSHCN) Program. HHSC randomly selects four applications, two applications from each program set. HHSC reviews each application to determine if TMHP's QA process accurately captured the TMHP operations staff's performance. To accomplish this, CACO staff compares the actual source documentation contained in the provider's application files to the TMHP QA report. For example, a provider's professional licensing field in the provider master file is compared for accuracy against the actual source licensing documentation. PRV-0088 includes thirteen (13) critical fields. HHSC staff validate the accuracy of at least two of the critical fields for each application in the selected sample.

HHSC has procedures for issue escalation and consideration of contract remedies to sanction TMHP when Key Measure performance standards are not met, including assessment of liquidated damages. Since October, 2015, HHSC has levied and collected \$220,000 in liquidated damages due to TMHP missing performance measures associated with PRV-0088.

HHSC reviews its contract monitoring procedures annually or more frequently as performance issues are identified. Based on that review, HHSC is working to expand monitoring procedures for provider enrollment.

Implementation Dates: Key Measures Performance Reporting - August 2014
 Monitoring and Validation processes - February 2015
 Expanded Provider Enrollment Monitoring Procedures - January 2018

Responsible Person: Michael Blood

Reference No. 2016-016

Views of Responsible Officials:

Accepted. Since 2010, HHSC has established Access Provisioning Procedures which define the approval process and responsibilities of persons requesting either new access or a change to any existing permissions in any of the software applications. Staff will work to develop and implement corrective action to further improve these processes. See corrective action plan for further details.

Corrective Action Plan:

HHSC Pharmacy Benefit Management (HPBM) staff will modify the Access Provisioning Procedures to ensure developer access to the production application is restricted to a read-only role. Also, the same HPBM staff will revise the procedures to ensure that approvals are formally documented, prior to access being granted, in cases where updated or modified access is required and that all activity is logged and monitored. HHSC will require the PCRA, Conduent formerly Xerox, to submit their periodic reviews to HPBM staff to ensure that timely periodic access reviews are performed by Conduent for existing user accounts on all applications and databases to verify access is appropriate or if modifications should be made.

Implementation Date: April 2017

Responsible Person: Katherine (KJ) Scheib



Reference No. 2016-017

Views of Responsible Officials:

Accepted. In September 2016, HHSC completed additional system and processing modifications to reduce the number of claims paid that are ineligible for a federal rebate. HHSC has also initiated an internal review of the oversight process for dunning notices in order to strengthen controls. HHSC will work to develop and implement corrective action to further improve these processes. See the corrective action plan for further details.

Corrective Action Plan:

In June 2016, HHSC initiated a project to implement additional controls and processes to ensure that all exception records are reviewed, corrected, and resubmitted timely by TMHP. HPBM, in coordination with Medicaid CHIP Division Operations Management and Claims Administrator Contract Oversight, will oversee TMHP's implementation and monitor compliance with the new requirements. This project is on target for implementation by December 31, 2017.

Regarding the distribution of dunning notices, HHSC has reviewed the current process and is developing a monitoring plan to assure all notices are sent timely. The monitoring plan will be implemented by April 1, 2017.

Implementation Date: April 2017 Dunning Notices and December 2017 Clinician-Administered Drug

Responsible Person: Katherine (KJ) Scheib

Reference No. 2016-018

Views of Responsible Officials:

Accepted. HHSC currently reviews policies and supporting contractor work products regarding inpatient hospital audits including the audit program (audit procedures), annual audit schedules, cost verification plans, monthly cost settlement reports, and pending inventory reports used to ensure coverage of providers and timely settlements. Additionally, the contractor is required to comply with a number of requirements associated with cost settlement processing and reporting.

Corrective Action Plan:

HHSC will acquire the services from a qualified firm or work with a qualified internal HHSC departmental unit to conduct an annual performance audit for achieving the objectives of inpatient hospital cost report audits in accordance with the state plan and with HHSC policies and procedures. A December 2017 timeline has been established to allow for the requisite time to secure delegate authority from the State Auditor's Office, to secure resources (either in house or outsourced via a procurement), and to complete the audit.

Implementation Date: December 2017

Responsible Person(s): Mirsa Douglass and Selvadas Govind

Reference No. 2016-019

Views of Responsible Officials:

HHSC-IG: The HHSC Inspector General (IG) is in agreement with the recommendation that (a) long-term care utilization reviews adhere to policy and (b) required documentation is included in the case files to support resolution of suspected fraud cases



HHSC-Health Plan Management (HPM): The Medicaid/CHIP Division is in agreement with the recommendation that 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 (Recommendation 2).

The Medicaid/CHIP Division is in agreement with the recommendation that HHSC should review procedures for logging of MCO communications to ensure adequate controls are in place to ensure completeness of the MCO Materials Log (Recommendation 3).

Corrective Action Plan:

IG-Recommendation 1: TAC rule 371.214(n)(1) requires the IG to select every Medicaid nursing facility in the state for utilization review in a 15 month period. The IG will review this rule to determine whether this method of selection should be revised. If warranted as a result of the review, the IG will consider implementing a rule change that selects nursing facilities for utilization review based on a different selection process, such as a risk assessment of potential fraud, waste or abuse.

Implementation Date: October 2017

Responsible Person: Judy Knobloch

IG has strengthened existing processes, including implementation of a quality assurance review process, to ensure all necessary documentation is included with the case file to support the final resolution determination.

Implementation Date: September 2016

Responsible Person: Alexander Buelna

HPM -Recommendation 2: In March 2016, Health Plan Management (HPM) updated the internal complaint policies and procedures documents in the HPM Desk Manual (Inquiries 15.1, Complaints 16.1, and Second level Review 18.1) to include more specific guidance regarding required documentation and shared with staff. The Research and Resolution Team (RRT) held a face-to-face training for HPM staff in December 2016 to revisit the complaint policies and procedures, including required documentation.

HPM RRT Unit Managers perform a monthly second level review, consisting of six (6) randomly selected cases for each technician, to ensure all documents are uploaded properly in the HEART database. The results of the reviews are shared with technicians so that corrections to the system can be made. Additionally, HPM Research and Resolutions Team holds bi-weekly team meetings (conference call) to discuss trends discovered in second level reviews.

Implementation Date: December 2016

Responsible Person: Grace Windbigler

HPM-Recommendation 3: HPM is implementing weekly Quality Assurance Monitoring of staff material reviews to ensure completeness of the MCO Materials Log. HPM is developing an automated system that will receive and track materials submitted by the MCOs and eliminate future need for the MCO Materials Log.

Implementation Date: Weekly Quality Assurance Monitoring reviews will begin February 2017. Estimated completion date for the automated system is August 2017.

Responsible Person: Grace Windbigler

Reference No. 2016-020

Views of Responsible Officials:

Accepted. SysCat is the Enterprise repository for approved HHS systems and sub-systems and should include all ADP systems. A process for maintaining SysCat exists which includes periodic reviews, however, at some point in the past applications maintained by service organizations were removed from listings.

Corrective Action Plan:

HHSC IT Applications and IT Business Operations will:

- Review the process and controls for maintaining SysCat to ensure all active Medicaid ADP systems internal and supported by external organizations are included.
- Ensure the list of Medicaid systems operated by the service organization is documented correctly in SysCat.

Implementation Date: April 2017

Responsible Persons: PJ Fritsche and Cindy Gray

Reference No. 2016-021

Views of Responsible Officials:

Accepted. All Medicaid providers, including out of state providers, are required to be licensed in the state where they operate, and be enrolled in Medicare as prerequisites 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.

The contract requirements most pertinent to this finding are listed below.

PRV-0068 - *Prior to enrollment and on an ongoing basis, verify that the provider is Medicare enrolled (if required), licensed and certified for procedures for which they will be billing under their enrolled specialty.*

PRV-0097 - *Update provider records and verify provider recertification requirements are met in accordance with State-defined timelines.*

PRV - 0407 - *Maintain a minimum 98% accuracy rate for provider enrollment application information entered by TMHP into the system and sent to HHSC OIG for processing. [This requirement is being converted to a Key Measure, expected effective date 3/1/2017 with revised contract language below.]*

PRV - 0432 Key Measure

Maintain a minimum 95% accuracy rate for complete provider enrollment applications sent to HHSC/IG for processing, which is measured against State-approved criteria.

Liquidated Damage: The State may assess up to \$500 for each percentage point, or portion thereof below the 95% standard.

Corrective Action Plan:

HHSC will develop a control for monitoring Key Measure PRV-0432 and a control for monitoring PRV-0068 and PRV-0097 as described below.

HHSC will implement a monthly independent validation of TMHP's reported performance on contract Key Measure PRV-0432 effective March 1, 2017. HHSC's validation processes will be developed by State stakeholders (HHSC



Operations, HHSC Data Analytics, etc.), and documented by the HHSC Claims Administrator Contract Oversight (CACO) team. PRV-0432 involves 26 individual application criteria including (1) Medicare certification and (2) screening for provider applicants that should be excluded from participation in the Medicaid. HHSC's validation processes will include validation of TMHP's Key Measure Report findings, source files, and a sample of provider applications from TMHP's QA process. HHSC/CACO staff will compare the actual source documentation contained in the provider's application files to the TMHP QA report to determine TMHP's compliance with performance expectations.

By August 1, 2017, HHSC will implement monitoring controls for PRV-0068 and PRV-0097 and other contract requirements associated with the provider enrollment process. HHSC/CACO staff will conduct a risk assessment to determine the appropriate frequency for conducting the monitoring protocol. The monitoring protocol will be developed by CACO to independently verify that TMHP has complied with the performance expectations of the contract requirements and expected outcomes of the business process.

Implementation Date: March 2017 and August 2017

Responsible Person: Michael Blood

Reference No. 2016-022

Views of Responsible Officials:

HHSC accepts the finding. Eligibility Operations has already taken actions to resolve the issue.

Corrective Action Plan:

Eligibility Operations implemented TIERS modifications in September 2016 to prevent the same user from completing an override and the Second Level Review on the same case action. Following the implementation, a minor defect in the new functionality was identified and corrected in November 2016.

Additionally, the cases identified in the audit which had the override and the Second Level Review completed by the same user were reviewed by Quality Assurance staff to ensure the accuracy of the final eligibility determination. Quality Assurance staff found all eligibility determinations to be accurate.

Implementation Date: November 2016

Responsible Person: Cindi Tamez

Reference No. 2016-023

A) HHSC did not incorporate the indirect cost rate into the fiscal year 2016 contracts.

Views of Responsible Officials:

Accepted. The FVP is working with HHSC legal to incorporate language that defines the availability of the de minimis rate in fiscal year 2018 contracts.

Corrective Action Plan:

The HHSC Family Violence Program (FVP) contract will be amended for fiscal year 2018 contracts to include the indirect cost rate and identify the availability of the de minimis rate.

Implementation Date: September 2017



Responsible Party: Laurie Shannon

B) HHSC FVP did not include the pass-through entity or identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement.

View of Responsible Officials:

Accepted. The FVP is developing a report that will reflect the funding source of the annual payments.

Corrective Action Plan:

HHSC FVP will implement the following process to provide the required CFDA Information. HHSC FVP will issue a report to the contractor 90 days after the end of the contract term. The report will provide the following: data elements, the name of the contractor, the contractor's TIN, the CFDA number and amount of funding reported, and the amount of general revenue. HHSC FVP will maintain a copy of the report in the contract management file.

Implementation date: December 2017

Responsible Party: Laurie Shannon

C) One of nine onsite reviews sampled in 2016 was lacking secondary review.

View of Responsible Officials:

Accepted. There was one instance of a report being issued without management approval. The FVP will follow its policies and procedures to ensure that all reports are approved by management.

Corrective Action Plan:

The HHSC FVP follows program specific policies and procedures to ensure compliance reviews are performed completely. The current process identifies the FVP Team Lead or the FVP Manager is responsible to review and approve all monitoring reports prepared by contract management staff. In instances where the team lead conducts a monitoring review, the FVP manager is responsible for the review and approval of the monitoring report. In future instances when the team lead conducts a monitoring review, the family violence program manager will ensure that the current policy is followed.

Implementation Date: Fully Implemented

Responsible Party: Laurie Shannon

D) The audit identified that five of 14 monthly expense reports were not reviewed in a timely manner.

View of Responsible Officials:

Accepted. The FVP will strengthen its application of policy and procedures as they apply to the timely review of monthly expenditures.

Corrective Action Plan:

The HHSC FPV has revised the contract management handbook changing the timeframe for expense reports to be submitted on a quarterly basis, rather than monthly. In addition, the policy requires the contract manager to complete the review of the quarterly expense report within 45 days of receipt of complete and accepted expense report.

Implementation Date: Fully Implemented

Responsible Party: Laurie Shannon

Reference No. 2016-024

Views of Responsible Officials:

Accepted. Information Technology and Central Budget staff have already implemented an effort to finalize factor calculations for prior months. Significant progress has been made. Information Technology and Central Budget are committed to clearing the remaining backlog. In order to prevent future backlogs, a process improvement effort will be completed and implemented. See corrective action plan below.

Corrective Action Plan:

By 6/30/2017, Information Technology and Central Budget will update and finalize the factors that remain in the backlog. Additionally, by that same date, a process improvement analysis will be completed and procedures will be implemented to ensure that HHS remains current and that all future factor inputs are finalized in a timely fashion.

Implementation Date: June 2017

Responsible Person: Terri Ware and Trey Wood

Reference No. 2016-025

Views of Responsible Officials:

Accepted. As stated above, new policies and procedures related to the collection and review processes were developed, and the implementation of the new procedures has been completed in phases.

The procedures related to the monitoring of the collection of the single audit reports have been enhanced to ensure the applicable processes are completed in a timely manner and related supporting documentation of these efforts is retained. In addition, the monitoring of and responding to the receipt of information from the recipients and subrecipients will occur at an earlier stage in the processes to help ensure required information is requested and received in a timely manner.

As indicated by the auditors, the management decision letters were revised as of June 2016 to include all of the required elements, and now emphasize actions required that increase the timeliness of the issuance of the management decision letters. In June 2016, a tracking system for monitoring the implementation of recipient and subrecipient corrective action plans was put into place and an HHSC IG individual was assigned the responsibility for following up on the status of completion.

Corrective Action Plan:

New processes were put in place by HHSC in December 2016 for the identification and collection of the list of recipients and subrecipients from the five agencies; a representative from HHSC Procurement and Contracting Services (PCS) was tasked with coordinating and consolidating the data from the agencies to help ensure completeness and accuracy before the data was provided to the Single Audit group. An additional level of review was then conducted to identify discrepancies between the list and previous year's data. After this, the tracking database was populated with the list of the recipients and subrecipients subject to desk reviews. No subrecipient will be removed from the list without written approval from the HHSC PCS coordinator.

To address the timeliness of the reviews, the Single Audit Desk Review process will be streamlined to contain only the requirements of OMB A-133, the Uniform Grant Guidance and the Uniform Grant Management Standards as applicable.



The Single Audit Desk Review Team will report to the HHSC IG Director for Audit for ongoing monitoring to ensure they are following the revised policies and procedures.

Implementation Date: February 2017

Responsible Person: Kacy VerColen

Reference No. 2016-026

Views of Responsible Officials:

PCS agrees with the recommendation

Corrective Action Plan:

PCS has hired a quality audit manager and has posted positions for 2 procurement quality auditors. All Three positions report to the Policy and Training Manager and will be utilized to help form and modify all policies and training necessary to ensure compliance with all purchasing regulations (both federal and state). Lastly, all of HHS will be using a new accounting system, CAPPs 9.2, on September 1, 2017. This new system has been designed to ensure pre-procurement planning and initiation is correctly documented and handled by program staff before being assigned to a procurement professional for processing.

Implementation Date: January 2017, except for automated controls, which will be effective September 2017.

Responsible Person: Michael D. Parks

Reference No. 2016-027

Views of Responsible Officials:

With regard to the IT production environment, on December 16, 2016 HHSC IT directed ATOS to change the access of the two identified staff to read only by placing them in developers read only group "staff, ma". To validate that the change was processed, on January 5, 2017, Atos supplied a new report and HHSC-IT verified that all developer staff are now in group "staff, ma".

Corrective Action Plan:

The Application Manager will request a quarterly report from the Data Center Services (DCS) vendor (Atos) listing the access of all users of the PPS production database. The Application Manager will review the report to validate that all users have the appropriate access. The first validation occurred in January 2017.

The subsequent quarterly reviews will occur at the beginning of each quarter of the calendar month as follows: January, April, July, and October

Implementation Date: January 2017

Responsible Person: John Schulz



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Reference No. 2016-028

Views of Responsible Officials:

Accepted. The Department has developed a process that requires the capture and retention of the backup documentation that supports the actual reported numbers in the LIHEAP Annual Report at the time of submission. Finance and Reporting staff will ensure that proper retention periods will be observed for the LIHEAP Annual Report.

Corrective Action Plan:

The Fiscal and Reporting staff will retain copies of back up documentation which substantiate the numbers reported in the LIHEAP Annual Report.

Implementation Date: October 1, 2016

Responsible Person: Cathy Collingsworth



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Reference No. 2016-029

Views of Responsible Officials:

The Department of Public Safety agrees with the recommendation. The Department is committed to excellence in all endeavors, including grants management, and strives to work diligently with our federal partners to ensure audit requirement can be met. See the corrective action plan for further details.

Corrective Action Plan:

The Department will establish controls to ensure small project completions are followed to facilitate the Department's certification that small projects are conducted in accordance with Homeland Security requirements. The Department will work with our federal partners to ensure small project completion oversight is adequately documented and will adjust our state administrative plan and division processes as needed.

The Department has already begun notifying subrecipients of the CFDA number associated with each disbursement and will ensure procedures are updated to include this new process.

Implementation Date: March 15, 2017

*Responsible Person: Sandra Fulenwider
Maureen Coulehan*



TEXAS DEPARTMENT OF STATE HEALTH SERVICES

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Reference No. 2016-030

Views of Responsible Officials

Accepted. The Department has already implemented significant process enhancements in this area. Through analysis of the eligibility redetermination exceptions identified in the audit, the Department will work to develop and implement corrective action to further improve the processes. See the corrective action plan for further details.

Corrective Action Plan

The Department's Texas HIV Medication Program (THMP) will continue with the quarterly quality assurance processes. THMP is committed to improving the certification and recertification process by increasing program capacity and updating written documentation of the processes. As of August 2016, contractors were hired to assist with bringing the recertification process up to date. Monthly processes have begun to both identify and correspond with applicants approaching their recertification deadlines.

Implementation Date: March 1, 2017
Responsible Person: Janna Zumbrun, Rachel Sanor

Reference No. 2016-031

Views of Responsible Officials

Accepted. The Department appreciates the acknowledgement of annual employee labor account code and timekeeping training now in place, which explains the payroll timekeeping system and labor accounts for all employees, particularly those in federally funded positions. The Department has already begun working toward addressing this recommendation.

Corrective Action Plan

The Department will identify or create a control to formalize a review of employee labor account code allocations. The budget section is improving employee profile and labor account reports for use by managers for this purpose. Additionally, the Department is in the process of developing biennial training for managers with an emphasis on task profile deviations and monthly timesheet processes.



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To further improve electronic time keeping compliance measures on behalf of the Department, Health and Human Services Payroll/Time Labor and Leave has submitted two Incident Requests into the Comptroller's ITSM system for enhancements to the CAPPs system to provide a direct link between employee time records and recommended certifications. Specifically: To remove the link to the timesheet certification page from the employee's left navigation menu on the CAPPs home page. This will result in the only link to the certification page is directly from the employee's timesheet. To add a link on the timesheet allowing employees and managers to print the Employee Monthly Time report directly from the employee's timesheet.

Implementation Date: August 2017

Responsible Person: Donna Sheppard and Leslie Aguilar

Reference No. 2016-032

Views of Responsible Officials

Accepted. DSHS has already implemented significant process enhancements in this areas. The policies that have been put in place to provide independent review of the peer review process and the addition of a quality assurance process have strengthened the compliance environment and helped to ensure the quality, appropriateness, and efficacy of treatment services.

Corrective Action Plan

As of May 2016 policies regarding these independent peer reviews were updated. Effective September 1, 2016, this program transitioned from DSHS to Health and Human Services Commission (HHSC). HHSC will monitor the implementation of the updated policy to ensure key elements of the peer review process are appropriately and independently reviewed.

Implementation Date: May 26, 2016

Responsible Person: Lauren Lacefield-Lewis



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Reference No. 2016-033

Views of Responsible Officials

Accepted. The Department's HIV Care Services Group has already implemented a structured WICY reporting procedure that requires manager review, and retention of supporting documentation. See the corrective action plan for further details.

Corrective Action Plan

The Department's HIV Care Services implemented a step-by-step WICY reporting process on September 30, 2016. This process requires review and approval by the HIV Care Services Group Manager and that all reports along with supporting documentation used in compiling the WICY report must be saved in the appropriate shared drive folder. The procedure was further updated on December 14, 2016 to specify that the individual completing WICY reports must provide all supporting documentation for the manager's review and verification of amounts reported.

Implementation Date: September 30, 2016

Responsible Person: Janna Zumbrun, Janina Vazquez and Michelle Berkoff

Reference No. 2016-034

Views of Responsible Officials

Accepted. The Department of State Health Services (DSHS) worked with its vendor to resolve glitches with the newly installed account reporting system which had resulted in the late reconciliation and submissions. DSHS has implemented corrective action to ensure timely reconciliation. See the corrective action plan for further details.

Corrective Action Plan

After a thorough review of data reporting limitations associated with the reconciliation process and other issues that would impact the agency's ability to timely reconcile Food Instruments, a new, manual process was implemented and documented. It has been used successfully since May 2016 and will remain in place until the contractor has programmed that into the software.

Implementation Date: May 31, 2016

Responsible Person: Evelyn Delgado, Edgar Curtis

Reference No. 2016-035

Views of Responsible Officials

TEA agrees with this finding and has taken steps to provide separation of duties. TEA has already completed segregation of migration duties and restriction of Application Designer permissions. Developers no longer have access to migrate code to production or make Application Designer changes in production. This function is now performed by a separate production migration support team.

Corrective Action Plan:

TEA will continue to further segregate duties and/or ensure adequate controls are in place to restrict developer access.

Implementation Dates: August 31, 2017

Responsible Person: Melody Parrish

Reference No 2016-036

Views of Responsible Officials:

Accepted. The Texas Education Agency has already implemented significant process enhancements in these areas. Through analysis of the exceptions identified in the audit, the Agency will work to develop and implement corrective action to further improve the processes. See the corrective action plan for further details.

Corrective Action Plan:

TEA will implement additional monitoring procedures for the ESCs to ensure the completeness and accuracy of the identification of PFS children by requesting that each ESC submit to TEA a random sample of Priority For Service (PFS) student list with supporting documentation from LEAs on a quarterly basis. NGS data will be requested by TEA to verify the criteria for PFS is met for each child selected. In addition, TEA will implement procedures for the monitoring of MEP services provided for these children by requesting from each ESC Priority For Service (PFS) Action Plan samples and randomly requesting supporting documentation. TEA will review the action plans and supporting documentation submitted to ensure that LEAs have provided appropriate MEP services to students identified as PFS.

Implementation Date: August 2017 (Information will be provided to ESCs prior to implementation date.)

Responsible Person: Susie Coultriss



TEXAS HIGHER EDUCATION COORDINATING BOARD

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Reference No. 2016-037

Views of Responsible Officials:

Accepted. The Agency has already implemented significant process enhancements in this areas. Through analysis of the exceptions identified in the audit, the Agency will work to develop and implement corrective action to further improve the processes. See the corrective action plan for further details.

Corrective Action Plan:

Additional quality control and quality assurance measures have been put into place since April 2016 to ensure that borrower statuses are being updated completely and accurately, as noted below:

Quality Control

- The Manager of Account Services reviews the Clearinghouse folder weekly to ensure reports are started and completed in a timely manner.
- The Manager reviews reports to ensure all TX and accounts reported as A, G, L or W have been reviewed and notated.
- If corrections are required, the Manager will send notification to the Account Representative who performed the initial review and follow-up to confirm the correction is complete.
- Once document has been determined complete, the Manager will notate on the document that Quality Control is complete, and the document will be moved to the current year folder, indicating it is ready for quality assurance review.

Quality Assurance

- On a rotating monthly basis, a Team Lead in Account Services will select on NCS report and one TERP report for Quality Assurance review.
- Ten percent of the accounts reviewed by an Account Representative will be randomly selected for Quality Assurance review, not to exceed 10 accounts per Account Representative.
- If corrections are required, the Team Lead will send notification to the Account Representative who performed the initial review and follow-up to confirm the correction is completed.
- Accounts reviewed by the Team Lead will be documented and feedback provided to the Account Representative.
- The Team Lead will document accounts reviewed by highlighting the account to correspond with their highlighted initials on the document.

Implementation Date: April 2016 and November 2016

Responsible Person: Ron Stroud



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Reference No. 2016-038

Views of Responsible Officials:

Accepted. The Agency has already implemented significant process enhancements in this area. Through analysis of the exceptions identified in the audit, the Agency will work to develop and implement corrective action to further improve the processes. See the corrective action plan for further details.

Corrective Action Plan:

In August 2016 THECB modified its due diligence process for our FFEL portfolio. Collection calls for all FFEL accounts are attempted every other week, rotating between AM and PM calls and on varying days of the week. On alternating Monday mornings, a list of all guaranteed accounts 10 or more days delinquent is provided to a Senior Customer Service Representative. The Senior Representative will make a collection call for every account on the list in which (1) we have not spoken with the borrower in the previous two weeks or (2) there is not a documented *promise to pay* the delinquent amount. This approach ensures due diligence calls are made every two weeks (a minimum of 11 attempts for a new account reaching 180 days). This process exceeds the *diligent efforts for telephone contacts* requirement (34 CFR 682.411m) of 4 efforts (8 attempts) currently required.

Beginning in February 2017, we are expanding our collection efforts for FFEL accounts by attempting to contact the borrower's references if we have not had contact with the borrower during the first 90 days of delinquency.

Address Skip tracing is being completed by our Collection Specialist within 10 days of notification of the bad address for all FFEL accounts.

Bad telephone number skip tracing is being handled by the Senior Representative making the collection calls within 10 days of identifying a bad telephone number.

Implementation Date: August 2016 and February 2017 (see above)

Responsible Person: Stephen Wessels

Reference No. 2016-039

Views of Responsible Officials:

Accepted. The Agency has already implemented significant process enhancements in this areas. Through analysis of the exceptions identified in the audit, the Agency will work to develop and implement corrective action to further improve the processes. See the corrective action plan for further details.

Corrective Action Plan:

Responsibility for the manual quarterly review ensuring the validity of data submitted to ED was transferred to the Assistant Director-Operations Center, and the Manager-Account Services, in August, 2016. Previously agreed-to procedures will be followed in a timely manner going forward.

Implementation Date: August 2016

Responsible Person: Ron Stroud

Texas Workforce Commission

A Member of Texas Workforce Solutions

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Commissioner Representing
the Public

Ruth R. Hughes
Commissioner Representing
Employers

Julian Alvarez
Commissioner Representing
Labor

Larry E. Temple
Executive Director

Reference No. 2016-040

Views of Responsible Officials

Management agrees. Segregation of duties for migrating TWIST program changes has been completed.

Corrective Action Plan:

No further action required.

Implementation Date: October, 2015

Responsible Person: Andrew York

Reference No. 2016-041

Views of Responsible Officials:

Accepted. The Texas Department of Transportation Information Management Division implemented significant process enhancements in this area. Through analysis of the exceptions identified in the audit, the Texas Department of Transportation Information Management Division fully implemented a corrective action plan in January 2016. See the action plan for further details.

Corrective Action Plan:

The corrective action plan listed below was fully implemented in January 2016 and no further action is required.

All but one of the referenced migrated changes were read-only queries. The removing 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.

Implementation Date: January 2016

Responsible Person: Teri Augustine

Reference No. 2016-042

SF-425 Financial Reports

Views of Responsible Officials:

Accepted. Grant TX-18-X034 is a Fiscal Year 2011 Section 5311 Rural Public Transportation Grant. At that time, PTN calculated local match on a ratio basis (20% for Administration, Planning and Capital, 50% for Operating) for the entire grant. Though PTN asked subrecipients to document match on their individual requests for reimbursement (RFRs), which PTN field staff verified, the division did not aggregate these amounts for reporting in the SF-425. After state audits and an FTA State Management Review in 2013, PTN changed the practice to require aggregating the match amounts documented on each RFR for reporting in the SF-425.

The input error on the SF-425 for Grant TX-18-X039 was a typographical error by the submitter.

Corrective Action Plan:

The policies and procedures for this requirement were added to our FTA-required State Management Plan, to internal division SOPs, and were the subject of internal staff training and subrecipient grant training. The newly adopted electronic Grants system (eGrants) became operational for all project grant agreements after June 2016 and require the exact match amounts for all budget and RFR forms.

Beginning in June 2016, PTN implemented an internal SOP and documented in our current State Management Plan that all SF-425s will be reviewed by the Finance Team Leader or the Section Director, depending on who prepared the SF-425, before the report is submitted to FTA in TrAMS.

Implementation Date: June 1, 2016

Responsible Person: Mark Sprick

National Transit Data (NTD) Report

Views of Responsible Officials:

Accepted. The NTD planner at PTN does review data at the subrecipient level, however, the PTN-128 form itself is not reviewed before PTN headquarters submits the data to NTD.

Corrective Action Plan:

PTN's new policy will have the Public Transportation Coordinators (PTCs; located at TxDOT district offices around the state) to review the PTN-128 and subrecipient information before PTN headquarters submits the data to NTD.

Concerning review of reports by someone other than the preparer, PTN's new policy will include review by the planning and reporting lead worker, and the Administration & Program Support Section Director, who will review report prepared by the NTD planner before it is submitted. PTN will document this review.

Implementation Date: March 31, 2017

Responsible Person: Mark Sprick

Reference No. 2016-043

Views of Responsible Officials:

Accepted. UTMB has already implemented corrective action in several of these areas. Additionally, UTMB will implement corrective actions to further improve the internal control environment. See the corrective action plan for further details.

Corrective Action Plan:

- UTMB will transition the roles and permission for the PeopleSoft DBA function and the PeopleSoft System Administrator functions to appropriately separate them in the financial system.

Implementation Date: February 15, 2017

Responsible Person: Bill Fuqua

- Access to PeopleSoft Development Tools has been restricted appropriately to help ensure only authorized, tested and approved changes are implemented into the production environment. This was completed on October 18, 2016.

Implementation Date: October 18, 2016.

Responsible Person: Bill Fuqua

- UTMB has completed the implementation of the IBM Security Identity Manager software. This software automatically disables accounts in all of the PeopleSoft accounts when a person is terminated. The software went live September 2016. During the implementation process scripts were run to insure the two systems are synchronized.

Implementation Date: September 23, 2016.

Responsible Person: Bill Fuqua

- An enhancement was designed and implemented to secure banking information on the Vendor Location page so only authorized users can access the links to add/update banking information. UTMB will review the enhancement for appropriateness with the results presented to the Administrative Systems Planning Committee for consideration by the June 30, 2017 meeting

Implementation Date: June 30, 2017.

Responsible Person: Bill Fuqua

- UTMB will review the password settings at the domain and the PeopleSoft applications, database and operating systems to align with policy. The findings of this review will be presented to the Administrative Systems Planning Committee by July 31, 2017 for approval and implementation of recommendations.

Implementation Date: July 31, 2017.

Responsible Person: Bill Fuqua

- UTMB will review the procurement process within PeopleSoft to help ensure that one person alone cannot create and approve a purchase order without the proper review.

Implementation Date: August 31, 2017.

Responsible Person: Bill Fuqua

Corrective Action Plan – Other Auditors

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 200.511, state, “At the completion of the audit, the auditee must prepare, in a document separate from the auditor’s findings a corrective action plan to address each audit finding included in the current year auditor’s reports.” As part of this responsibility, the auditee’s corrective action plans are presented below.

Views of Responsible Officials:

Finding 2016-101

Lamar University acknowledges and agrees with the findings. Corrections to the issues noted below were being put in place at the time of audit, and these analysis of these exceptions identified in the audit will assist Lamar University in their efforts to develop and apply solutions to further improve the process.

Accurate and Timely NSLDS Reporting:

Lamar University (LU) has already initiated the first phase of this corrective action in hiring a full-time staff member whose primary duty is to monitor the accuracy and timely reporting to National Student Clearinghouse (NSC) in December of 2015. As the discrepancy between NSC and NSLDS reporting became apparent, said employee now additionally has direct access to the NSLDS database as well – allowing LU to more closely monitor the accuracy of reporting. The last phase in this corrective action is to adjust the reporting date from that NSLDS sends the SCCR roster to NSC. Previously, this report was always sent at the first of the month. At our request, this report will now be sent five to seven (5-7) days from the time the report is initially submitted to NSC. This should address the timeliness issues and give more time to quickly identify issues of accuracy.

Implementation Date: December 1, 2015 (hiring new staff), November 4, 2016 (NSLDS Access) February 1, 2017 (reporting data change)

Responsible Person: W. David Short

Development and Implementation of Policy and Procedure:

LU has begun the revision of their policy and procedure manuals to reflect and emphasize the need for closer monitoring of NSC data submitted to NSLDS. These P&P will continue to be updated and new processes developed. Further, these P&P will undergo review twice a year to ensure their currency and relevance.

Implementation Date: January 3, 2017

Responsible Person: W. David Short



Sam Houston State University

A Member of The Texas State University System

FINANCIAL AID and SCHOLARSHIPS OFFICE

Finding 2016-102

Eligibility

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award number – CFDA 84.007, Federal Supplemental Educational Opportunity Grant, P007A154110 Statistically valid sample – No

Type of finding – Significant Deficiency and Non-Compliance

Views of Responsible Officials:

The University acknowledges and agrees with the findings of this audit. Management recognizes that eligibility for SEOG depends on Pell Grant being disbursed rather than a student only being Pell eligible.

Corrective Action Plan:

The University has already implemented a solution to this finding. The awarding rules were updated to only award FSEOG to students who were awarded Pell Grant. This alleviates potentially awarding FSEOG to a student that has met their Pell LEU. The disbursement rules for FSEOG will hold disbursement until Pell Grant has paid. Once the Pell Grant has disbursed, FSEOG will then disburse.

In addition, the accountants cross reference the SEOG and Pell funds in RPIFAWD to ensure that all SEOG recipients did receive Pell Grant.

Implementation Date: September 12, 2016

Responsible Person: Lydia Hall



Sam Houston State University

A Member of The Texas State University System

FINANCIAL AID and SCHOLARSHIPS OFFICE

Finding 2016-103

Special Tests and Provisions – Disbursements To or On Behalf of Students

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award number – CFDA 84.379, Teacher Education Assistance for College and Higher Education Grants, P379T162301

Statistically valid sample – No

Type of finding – Significant Deficiency and Non-Compliance

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Management was unaware disbursement notifications, or right to cancel letters, were required to be sent to recipients of the TEACH Grant. Upon this discovery, the University created a process to send TEACH Grant Right to Cancel letters for the 1617 aid year.

Corrective Action Plan:

The University has already taken corrective action. Controls were implemented and a process was put in place to send right to cancel letters via school email within the required 30 days before or after crediting a student's account with TEACH grants.

Implementation Date: September 13, 2016

Responsible Person: Lydia Hall



Sam Houston State University

A Member of The Texas State University System

FINANCIAL AID and SCHOLARSHIPS OFFICE

Finding 2016-104

Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award number – CFDA 84.268, Federal Direct Student Loans, P268K162301

Statistically valid sample – No

Type of finding – Significant Deficiency and Non-Compliance

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Due to responsibilities and demands placed on the current accounting staff, monthly reconciliations were not consistently done.

Corrective Action Plan:

The University is taking corrective action by requesting additional staffing positions to accommodate the crucial responsibilities of the accounting staff. The lead accountant will be able to delegate tasks to other skilled accountants so that they can focus on performing monthly SAS reconciliations.

In the interim, the responsibilities that previously kept accountants from performing monthly reconciliations have been delegated to other staff. This has allowed the accountants to complete monthly SAS reconciliations thus far for the fiscal year 2017.

Implementation Date: October 1, 2016

Responsible Person: Lydia Hall



STEPHEN F. AUSTIN STATE UNIVERSITY

Office of the President

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Phone (936) 468-2201 • Fax (936) 468-2202

Eligibility

Finding 2016-105

Views of Responsible Officials:

Stephen F. Austin State University management acknowledges and agrees with the audit findings. Federal Supplemental Education Opportunity Grant (FSEOG) funds are awarded systematically, however the cancellation of awards was handled manually which allowed the opportunity for human error. University management recognizes that the Direct Subsidized Loan was awarded incorrectly and that Banner access should be limited. The University will implement the appropriate corrective actions.

Corrective Action Plan:

Federal Supplemental Education Opportunity Grant

While auditors were on site, University management cancelled the \$1,600 FSEOG award to the student identified in the audit. University management reviewed all FSEOG recipients and found no additional students were awarded incorrectly. To establish appropriate controls, University management developed an exception report to identify potential issues. In addition, university management has retrained staff to ensure proper procedures are followed.

Federal Direct Student Loans

The \$5,442 Subsidized Direct Loan to the one graduate student identified in the audit as incorrectly awarded was cancelled while auditors were on site. University management created an exception report to identify any graduate student that has a Subsidized Direct Loan award. University management has retrained staff to ensure proper awarding procedures are followed.

General Controls

University management corrected the inappropriate security access for the one employee identified in the audit. University management will ensure that appropriate access is given based on job responsibilities.

Implementation Date: FSEOG – January 2017

Direct Subsidized Loan – January 2017

General Controls – November 2016

Responsible Person: H. Rachele' Garrett



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Reporting

Finding 2016-106

Views of Responsible Officials:

Stephen F. Austin State University management acknowledges and agrees with the audit findings. University management agrees that appropriate record retention of supporting documents is essential to maintaining accurate Fiscal Operations and Application to Participate (FISAP) reporting records. University management recognizes that Banner access should be limited. The University will implement the appropriate corrective actions.

Corrective Action Plan:

Fiscal Operations Report and Application to Participate

When the University changed information systems in 1995, the Federal Perkins Loan paid-in-full records were not retained for the time periods prior to the change. To determine the cumulative line items, University management developed a method to accurately report the Perkins Loan data from that point forward. University record retention procedures include maintaining all supporting documentation required to report information on the FISAP.

General Controls

University management corrected the inappropriate security access for the one employee identified in the audit. University management will ensure that appropriate access is given based on job responsibilities.

*Implementation Date: Fiscal Operations Report and Application to Participate – November 2016
General Controls – November 2016*

Responsible Person: H. Rachele' Garrett



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Special Tests and Provisions – Enrollment Reporting

Views of Responsible Officials:

Finding 2016-107

Stephen F. Austin State University management acknowledges and agrees with the audit findings. Accurately reporting enrollment utilizing the National Student Clearinghouse (NSC) has been challenging. The Registrar's Office has worked closely with the NSC to gain a better understanding of their procedures, error reporting and relationship with the National Student Loan Data System (NSLDS) and attempted to utilize every training opportunity provided by the NSC. The University will continue this effort to strengthen enrollment reporting accuracy. University management recognizes that Banner access should be limited. The University will implement the appropriate corrective actions.

Corrective Action Plan:

Enrollment Reporting

Accurately report status changes and effective dates to NSLDS in a timely manner.

The Registrar's Office establishes a reporting schedule with the NSC each semester. In addition, to the scheduled submissions, enrollment files can be submitted as often as we wish. The Registrar's Office will submit enrollment files every other week for the entire semester beginning after census date to ensure timely reporting.

Establish and implement a monitoring process to ensure that the status changes it reports to NSC are accurately reported to NSLDS.

The Registrar's Office made updates and changes to enrollment reporting procedures to include the extra steps of verifying a sample of students from the enrollment submission file against the NSLDS website. The Registrar's Office is working with NSC to ensure data integrity and completeness of information reported through the use of error reports and other procedures. The Registrar's Office employees had additional training on error correction in January 2017.

General Controls

University management corrected the inappropriate security access for the one employee identified in the audit. University management will ensure that appropriate access is given based on job responsibilities.

*Implementation Date: Enrollment Reporting – February 2017
General Controls – November 2016*

*Responsible Person: Lynda Langham – Enrollment Reporting
H. Rachele' Garrett – General Controls*

Views of Responsible Officials:

Finding 2016-108

Texas A&M University acknowledges the indicated deficiencies in enrollment reporting and has worked to make significant improvements in the enrollment reporting processes to eliminate future deficiencies in the areas noted by the Texas State Auditor's Office. We will continue to work on improvements to mitigate and eliminate audit findings.

- Concerning the issue of a student who received Title IV funds and was enrolled in both the Fall and Spring terms but was not reported to NSLDS:
 - The Social Security Number maintained in Texas A&M University's student information system and reported to the National Student Clearinghouse (NSC). NSLDS has another student in their database with the same SSN as our student. The mismatch has been corrected and the student is now being accurately reported.
 - Corrective Action Plan: Reports of mismatches between SSNs for students reported by Texas A&M to the NSC and students on Texas A&M's SSCR (Student Status Change Roster) from NSLDS are being monitored to update SSNs in Texas A&M's student information system and the NSC database or in the NSLDS database. This requires communication between the Office of the Registrar and the Scholarships & Financial Aid Office to verify SSNs through the FAFSA process and the Social Security Administration. In some instances, this may also require reaching out to students individually to obtain SSN verification.
 - Implementation Date: October 2016
 - Responsible Person: Venesa Heidick and Delisa Falks

- Concerning the issue of a student who was reported as Withdrawn at the end of the Fall 2015 semester, but not reported as Graduated at the end of the Spring 2016 semester:
 - The student did not have to enroll at Texas A&M in Spring 2016 in order to complete degree requirements, therefore, he applied for graduation with a "Degree Only" status. Because the student was not enrolled during Spring 2016, he was removed from Texas A&M's SSCR and not reported to NSLDS with a Graduated status. The student has been manually reported with the appropriate Graduated status to NSC and NSLDS.
 - Corrective Action Plan: The Office of the Registrar is requesting and monitoring reports of students who have applied for graduation with a "Degree Only" status. Students in "DO" status who clear their degree evaluation and are awarded a degree from Texas A&M University are manually updated with a "G" status in the NSC and NSLDS databases.
 - Implementation Date: December 2016
 - Responsible Person: Venesa Heidick and Delisa Falks

- Concerning the issue of two students whose Graduated status start dates were incorrectly reported:
 - The Graduated status start date of these students was reported as the last day of the standard Spring 2016 term, however, these students are enrolled in a part of term with different dates. The Graduated status start date for the students has been updated with NSC and NSLDS as the last day of the part of term within the standard Spring 2016 term that reflects their respective program cohort published calendar start and end dates.
 - Corrective Action Plan: The Office of the Registrar modified the enrollment reporting process so it will extract and report start and end dates that accurately reflect the published start and end dates of cohorts within the professional

programs where calendar dates do not coincide with the standard term academic calendar dates.. Parts of term have been established within the standard term with accurate start and end dates according to the individual cohort program calendars.

- Implementation Date: January 2017
 - Responsible Person: Venesa Heidick and Delisa Falks
-
- Concerning the issue of the student whose decreased enrollment status start date was incorrectly reported:
 - The decreased status from full time for this student was reported as the day after the last day of the standard Spring 2016 term, however, the student was enrolled in a part of term with different dates. The decreased status effective date for this student has been updated with NSC and NSLDS as the day after the last day of the part of term within the standard Spring 2016 in which the student was enrolled. This reflects the students' respective program calendar start and end dates.
 - Corrective Action Plan: The Office of the Registrar has modified the enrollment reporting process so it will extract and report start and end dates that accurately reflect the published calendar start and end dates of cohorts within the professional programs; based on the parts of term within the professional program term.
 - Implementation Date: January 2017
 - Responsible Person: Venesa Heidick and Delisa Falks



Texas Southern University

Office of Student Financial Assistance
3100 Cleburne
Houston, TX 77004

Eligibility Activities Allowed or Unallowed Cash Management Reporting

Finding 2016-109

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University has developed and is implementing the corrective actions to further improve the processes.

Cost of Attendance

Corrective Action Plan:

- The University has developed a report to manually identify and correct the COA components and potential overawards for all categories of students.

Implementation Date: March 1, 2017

Responsible Person: Linda Ballard

- The BANNER batch posting process is being revised to ensure the COA for students enrolled less the half-time in the appropriate term.

Implementation Date: March 1, 2017

Responsible Person: Linda Ballard

Corrective Action Plan:

- A manual report will identify any students whose budget has been manually adjusted to add books to the COA for students enrolled in the on-line Masters of Public Administration and Masters of Business Administration programs. Books are provided free of charge to program participants.

Implementation Date: March 1, 2017

Responsible Person: Linda Ballard

Corrective Action Plan:

- The frequency of the monitoring for Federal Pell Grant program has been increased its monitoring to include an end of term review to ensure the student's payments are in agreement with the enrollment status.



Texas Southern University

Office of Student Financial Assistance

3100 Cleburne

Houston, TX 77004

Implementation Date: May 18, 2017.

Responsible Person: Linda Ballard

Corrective Action Plan:

- The University has added a rule to the fund codes for the Federal Direct Subsidized Loans and FSEOG to ensure Graduate students will only disburse to eligible students. Controls are being further strengthened to develop a report to identify any students who received a Federal Pell Grant and FSEOG award and the Federal Pell Grant was subsequently cancelled.

Implementation Date: November 1, 2017

Responsible Person: Linda Ballard

Corrective Action Plan:

- The University is developing a summary report that will identify students with possible overawards to ensure that financial assistance does not exceed the cost of attendance.

Implementation Date: March 1, 2017

Responsible Person: Linda Ballard

Corrective Action Plan:

- The university will retain reports used to review SAP status for graduate programs that vary from the normal standard. Work as begun to incorporate all programs into the automated process to ensure graduate students who have met or exceeded the maximum time frame based on the length of educational program hours and included in the automated process.

Implementation Date: March 1, 2017

Responsible Person: Linda Ballard

Corrective Action Plan:

After research, the University immediately terminated access for the two (2) former employees that had access to the web and database server. Although the accounts were still active on the system – lifeline



Texas Southern University

Office of Student Financial Assistance

3100 Cleburne

Houston, TX 77004

virtual private network (vpn) access was discontinued upon deactivation of each employee's active directory account. Hence, limiting any access to the servers.

The University has already begun implementation of procedures to increase security in this area. A user audit script will be run quarterly to review access. Additionally, continuation of the use of the lifeline virtual private network (vpn) process will remain in place. Thereby, ensuring termination of access to the server(s) as an employee is separated from the University.

Implementation Date: March 31, 2017

Responsible Person: Kathy Booker

Verification of Applications

Finding 2016-110

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University has developed and is implementing the corrective actions to further improve the processes.

Corrective Action Plan

The university has instituted additional training to ensure all required information for applicants selected for verification is verified. All corrections are routinely updated, unfortunately the review conducted occurred outside of the timeframe for corrections to be submitted and processed by the U.S. Department of Education. BANNER's ability to accurately calculate the EFC was utilized to recalculate any dollar items. Oversites to updating benefits such as SNAP were address during training sessions.

Implementation Date

January 30, 2017.

Responsible Person:

Linda Ballard

Corrective Action Plan

A statement specifying that an applicant whose FAFSA information is selected for verification is required to complete verification before the institution makes changes based on professional judgment to the applicant's cost of attendance or to the values of the data items required to calculate the EFC has been awarded to the verification policies



Texas Southern University

Office of Student Financial Assistance
3100 Cleburne
Houston, TX 77004
Implementation Date

January 30, 2017.

Responsible Person:

Linda Ballard

Corrective Action Plan:

After research, the University immediately terminated access for the two (2) former employees that had access to the web and database server. Although the accounts were still active on the system – lifeline virtual private network (vpn) access was discontinued upon deactivation of each employee’s active directory account. Hence, limiting any access to the servers.

The University has already begun implementation of procedures to increase security in this area. A user audit script will be run quarterly to review access. Additionally, continuation of the use of the lifeline virtual private network (vpn) process will remain in place. Thereby, ensuring termination of access to the server(s) as an employee is separated from the University.

Implementation Date: March 31, 2017

Responsible Person: Kathy Booker

Disbursement Notification Letters

Finding 2016-111

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University has developed and is implementing the corrective actions to further improve the processes.

Corrective Action Plan:

After researching the incident, the university reconfigured the letter generation process to ensure disbursement notification letters are sent within 30 days. Additionally, letters were sent to all recipient for the award year to ensure disbursement notification letters were sent for the entire year. The university will also develop a calendar to ensure critical dates within the loan generation process are properly updated.

Implementation Date: November 17, 2017

Responsible Person: Linda Ballard



Texas Southern University

Office of Student Financial Assistance
3100 Cleburne
Houston, TX 77004

Corrective Action Plan:

After research, the University immediately terminated access for the two (2) former employees that had access to the web and database server. Although the accounts were still active on the system – lifeline

virtual private network (vpn) access was discontinued upon deactivation of each employee’s active directory account. Hence, limiting any access to the servers.

The University has already begun implementation of procedures to increase security in this area. A user audit script will be run quarterly to review access. Additionally, continuation of the use of the lifeline virtual private network (vpn) process will remain in place. Thereby, ensuring termination of access to the server(s) as an employee is separated from the University.

Implementation Date: March 31, 2017

Responsible Person: Kathy Booker

Return of Title IV Funds

Finding 2016-112

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University has developed and is implementing the corrective actions to further improve the processes.

Corrective Action Plan:

The university has reassigned the task of reviewing students prior to the calculation of the R2T4 with heightened attention during the initial enrollment period for each term. The inconsistency identified was found to be associated with the cancellation of aid prior to the state reporting deadline. Additionally, the university will develop a report to assist in identifying Federal Pell Grant recipients whose grants who require a R2T4 calculation.

Implementation Date: March 31, 2017

Responsible Person: Linda Ballard



Texas Southern University

Office of Student Financial Assistance

3100 Cleburne

Houston, TX 77004

Corrective Action Plan:

After research, the University immediately terminated access for the two (2) former employees that had access to the web and database server. Although the accounts were still active on the system – lifeline virtual private network (vpn) access was discontinued upon deactivation of each employee’s active directory account. Hence, limiting any access to the servers.

The University has already begun implementation of procedures to increase security in this area. A user audit script will be run quarterly to review access. Additionally, continuation of the use of the lifeline virtual private network (vpn) process will remain in place. Thereby, ensuring termination of access to the server(s) as an employee is separated from the University.

Implementation Date: March 31, 2017

Responsible Person: Kathy Booker

Enrollment Reporting

Finding 2016-113

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University has developed and is implementing the corrective actions to further improve the processes.

Corrective Action Plan:

After researching the incidents, it was determined that a gap in timing between the reporting of information to the National Clearinghouse and the National Student Loan database caused some of the exceptions. The university will directly report enrollment status changes to the National Student Loan Database to meet the appropriate reporting deadlines for all enrollment and degree completion status changes.

The University is additionally revising the policy for grade reports to strengthen the university’s ability to report changes in enrollment statuses and graduation dates in the prescribed time frame.

Implementation Date: May 18, 2017

Responsible Person: Marilyn Square

Corrective Action Plan:



Texas Southern University

Office of Student Financial Assistance

3100 Cleburne

Houston, TX 77004

After research, the University immediately terminated access for the two (2) former employees that had access to the web and database server. Although the accounts were still active on the system – lifeline virtual private network (vpn) access was discontinued upon deactivation of each employee’s active directory account. Hence, limiting any access to the servers.

The University has already begun implementation of procedures to increase security in this area. A user audit script will be run quarterly to review access. Additionally, continuation of the use of the lifeline

virtual private network (vpn) process will remain in place. Thereby, ensuring termination of access to the server(s) as an employee is separated from the University.

Implementation Date: March 31, 2017

Responsible Person: Kathy Booker

Borrower Data Transmission and Reconciliations

Finding 2016-114

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University has developed and is implementing the corrective actions to further improve the processes.

Corrective Action Plan:

The University has instituted a policy to retain the SAS reports for examination. The university additionally uses a manual report that compares the disbursements and COD records to ensure all accounts are properly reconciled on a monthly basis.

Implementation Date: January 2, 2017

Responsible Person: Linda Ballard

Corrective Action Plan:

After research, the University immediately terminated access for the two (2) former employees that had access to the web and database server. Although the accounts were still active on the system – lifeline virtual private network (vpn) access was discontinued upon deactivation of each employee’s active directory account. Hence, limiting any access to the servers.



Texas Southern University

Office of Student Financial Assistance

3100 Cleburne

Houston, TX 77004

The University has already begun implementation of procedures to increase security in this area. A user audit script will be run quarterly to review access. Additionally, continuation of the use of the lifeline

virtual private network (vpn) process will remain in place. Thereby, ensuring termination of access to the server(s) as an employee is separated from the University.

Implementation Date: March 31, 2017

Responsible Person: Kathy Booker

Views of Responsible Officials:

Finding 2016-115

The University acknowledges and agrees with the finding. Through analysis of the exceptions identified in the audit, the University implemented corrective action to ensure future compliance.

Corrective Action Plan:

Upon review of the exceptions, it was determined that Financial Aid and Scholarships did not have the information regarding how many hours from the 1st undergraduate degree satisfied requirements of the 2nd undergraduate degree. In August 2016, we requested that information from academic advisors for all current AY15-16 and AY16-17 2nd bachelor's students. Once received, we calculated the students' grade level and made the appropriate loan adjustments; if applicable. Moving forward, an automated process was implemented that requires the student to provide that information from their academic advisor via a form once they are identified as pursuing a 2nd bachelor's degree. The student will not be offered federal student loans until that information is received and the grade level can be calculated.

Implementation Date: August 2016

Responsible Person: Dr. Christopher D. Murr

FINANCIAL AID AND SCHOLARSHIPS

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Views of Responsible Officials:

Finding 2016-116

Texas State University acknowledges and agrees with the finding. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

Texas State University has already implemented significant process enhancements in this area. We have created a fulltime staff position entitled “Enrollment Data Auditor”. This position’s duties include the complete review of enrollment and graduation data before it is sent to the NSC and will monitor that the correct data is then reported to the NSLDS in a timely and accurate manner. We have developed relationships with staff at both the NSC and the NSLDS to ensure that we maintain constant communication when issues arise before they become out of compliance.

Implementation Date: *November 1, 2016*

Responsible Person: *Louis E. Jimenez Sr.*



(Eligibility)

Finding 2016-117

Views of Responsible Officials:

Texas Tech University acknowledges and agrees with the findings. Texas Tech University has worked to develop and implement corrective action to further improve processes.

Corrective Action Plan:

- *The University has already implemented significant process enhancements in this area.*
- *We have added the following statement to our policies and procedures for documentation of cost of attendance budget adjustments: Advisors will ensure notes on RHACOMM and documentation in imaging if applicable.*
- *For changes to budget components as a result of enrollment changes, we have added the following statements to our policies and procedures: Documentation of student requested changes to the enrollment certifications are saved in RHACOMM. Upon receipt of documentation, students are re-budgeted by dedicated enrollment certification advisors.*
- *Packaging rules are in place to prevent awarding of undergraduate direct loan funds to graduate students. We updated our fund disbursement rules for all direct loan funds to ensure graduate students are not disbursed undergraduate loan funds.*

*Implementation Date: September 1, 2016
January 26, 2017 (implemented Advisor responsibility for notes and imaging documentation)*

Responsible Person: Shannon Crossland

(Special Tests and Provisions - Enrollment Reporting)

Finding 2016-118

Views of Responsible Officials:

Texas Tech University acknowledges and agrees with the findings. Texas Tech University has worked to develop and implement corrective action to further improve processes.

Corrective Action Plan:

- *The University has already implemented significant process enhancements in this area.*
- *Registrar reaches out to students to provide Social Security numbers. Registrar will provide list to Student Financial Aid to cross check financial aid tables for Social Security numbers.*
- *We have created a one-page reference document to utilize for consistency for enrollment reporting in terms of withdrawals, scheduled breaks, suspensions, continuous enrollment and graduates to ensure reporting of effective dates and enrollment changes to NSLDS.*
- *The last day of the term (last day of finals) will be the date used for students who complete a term and do not return for the following term.*
- *We will continue to ensure the enrollment information uploaded is accurate and timely.*

Implementation Date: September 1, 2016

Responsible Person: Bobbie Brown and Shannon Crossland



SAO RESPONSES & CORRECTIVE ACTION PLANS

Eligibility

Finding 2016-119

Activities Allowed or Unallowed Reporting

Special Tests and Provisions - Verification

Special Tests and Provisions – Institutional Eligibility

Student Financial Assistance Cluster Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A155175; CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P153367; CFDA 84.268, Federal Direct Student Loans, P268K163367; and

CFDA 93.264, Nurse Faculty Loan Program, Award Number Not Applicable Statistically valid sample – No Type of finding – Significant Deficiency and Non-Compliance

Recommendations:

The Health Sciences Center should:

- Configure automated algorithmic budgeting rules to assign correct budget component amounts to students.
- Assign students the correct COA budgets according to their enrollment status.
- Update its SAP policy to meet federal requirements by calculating the quantitative pace requirement on a cumulative basis, rather than on a term or annual basis, and by ensuring that the policy requires students to graduate within the maximum time frame.
- Consistently and accurately apply its SAP policy to ensure that it assigns students the correct SAP status in a timely manner.
- Award students the correct amount of Federal Pell Grant funds according to their enrollment status for all terms.
- Award Subsidized Direct Loans only to eligible undergraduate students.
- Appropriately limit access to its student financial assistance system to users based on their job responsibilities.

Views of Responsible Officials:

The University acknowledges and agree with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

The algorithmic budgeting process has been reviewed and revised to verify accuracy. Additional safeguards, such as periodic reviews have been put in place to maintain system accuracy. While it remains necessary to occasionally award a student manually, this capability is highly restricted and exercised only when necessary.

Implementation Date: November 2016

Responsible Person: Fabian Vasquez



TEXAS TECH UNIVERSITY
HEALTH SCIENCES CENTER™
Student Financial Aid

The Texas Tech University Health Sciences Center's Satisfactory Academic Progress (SAP) policies have been updated to include all federal requirements, including the quantitative pace requirement regarding a cumulative basis.

To ensure the consistent, accurate and timely review and documentation of SAP reviews, checklists have been added to document and track the processes.

Implementation Date: November 2016 and January 2017
Responsible Person: Teresa Diaz

Federal Pell eligible or potentially eligible students enrolled for summer terms are manually reviewed to determine eligibility for awards as "regular" awards or Crossover Pell awards. This includes all levels of enrollment. Documentation is maintained.

Implementation Date: November 2016
Responsible Person: Fabian Vasquez, Karen Burnett

Additional reviews have been added to identify students receiving federal awards designated for undergraduates while enrolled in a graduate or professional program.

Implementation Date: November 2016
Responsible Person: Karen Burnett

All users' job responsibilities and system access requirements were reevaluated. The two programmers were assigned to a new user group. All advisors were assigned to one of two different user groups. User access will be reviewed at least twice per year, during the TTUS EAS (Enterprise Application Security) audit. Additional reviews will be performed as needed.

Implementation Date: September 2016
Responsible Person: Marcus Wilson



Special Tests and Provisions – Disbursements To or On Behalf of Students

Finding 2016-120

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.038, Federal Perkins Loan - Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P153367; and CFDA 84.268, Federal Direct Student Loans, P268K163367

Statistically valid sample – No

Type of finding – Significant Deficiency and Non-Compliance

Recommendations:

The Health Sciences Center should:

- Develop and implement a process to review information from NSLDS before it disburses financial assistance for all students who transfer to the Health Sciences Center during the award year.
- Appropriately limit access to its student financial assistance system to users based on their job responsibilities.

Views of Responsible Officials:

The University acknowledges and agree with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

Transfer Monitoring is being processed on a weekly basis (some exceptions apply) for each term. As ISIR's are loaded into the system, they are reviewed for aggregate loan flags as well as C-Flags issues. These issues prevent disbursement until they are resolved. In addition, as loan origination/disbursement files are processed, any rejected records are reviewed and if an overpayment is identified, the loan amount is de-fed and loan eligibility adjusted.

Implementation Date: November 2016

Responsible Person: Fabian Vasquez

All users' job responsibilities and system access requirements were reevaluated. The two programmers were assigned to a new user group. All advisors were assigned to one of two different user groups. User access will be reviewed at least twice per year, during the TTUS EAS (Enterprise Application Security) audit. Additional reviews will be performed as needed.

Implementation Date: September 2016

Responsible Person: Marcus Wilson



Special Tests and Provisions – Return of Title IV Funds

Finding 2016-121

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.007, Federal Supplemental Educational Opportunity Grants, P007A155175; CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P153367; and CFDA 84.268, Federal Direct Student Loans, P268K163367

Statistically valid sample – No

Type of finding – Significant Deficiency and Non-Compliance

Recommendations:

The Health Sciences Center should:

- Return Title IV funds within required time frames.
- Document its process for reviewing calculations for returns of Title IV funds.
- Appropriately limit access to its student financial assistance system to users based on their job responsibilities.

Views of Responsible Officials:

The University acknowledges and agree with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

The Texas Tech University Health Sciences Center’s Financial Aid Office has revised R2T4 processes. This includes having three reviewers; the initial review, a secondary review, and a weekly review and signoff. This will address any lapses regarding the time frame issue as well as compiling the necessary documentation.

Implementation Date: November 2016
 Responsible Person: Mia Myers, Lena Hooker

All users’ job responsibilities and system access requirements were reevaluated. The two programmers were assigned to a new user group. All advisors were assigned to one of two different user groups. User access will be reviewed at least twice per year, during the TTUS EAS (Enterprise Application Security) audit. Additional reviews will be performed as needed.

Implementation Date: September 2016
 Responsible Person: Marcus Wilson



Special Tests and Provisions – Enrollment Reporting

Finding 2016-122

Student Financial Assistance Cluster

Award year – July 1, 2015 to June 30, 2016

Award numbers – CFDA 84.038, Federal Perkins Loan – Federal Capital Contributions, Award Number Not Applicable; CFDA 84.063, Federal Pell Grant Program, P063P153367; and CFDA 84.268, Federal Direct Student Loans, P268K163367

Statistically valid sample – No

Type of finding – Significant Deficiency and Non-Compliance

Recommendations:

The Health Sciences Center should:

- Accurately report all status changes and effective dates to NSLDS in a timely manner.
- Strengthen controls over the establishment of the minimum number of credit hours required for different enrollment levels in Banner to ensure that students’ statuses are accurate.
- Appropriately limit access to its student financial assistance system to users based on their job responsibilities.

Views of Responsible Officials:

The University acknowledges and agree with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

Procedures have been modified to ensure all student status changes are reported correctly and in a timely manner. Clearinghouse reports are submitted every 30 days.

Implementation Date: November 2016
 Enrollment Reporting: Mike Carpenter

Procedures have been added that strengthen the controls for the SFATMST table in Banner. This is the table that controls the credit hour requirements for the enrollment levels. In addition, this table will be reviewed prior to the beginning of each term for accuracy.

Implementation Date: December 2016
 Enrollment Reporting: Tamara Krauser

All users’ job responsibilities and system access requirements were reevaluated. The two programmers were assigned to a new user group. All advisors were assigned to one of two different user groups. User access will be reviewed at least twice per year, during the TTUS EAS (Enterprise Application Security) audit. Additional reviews will be performed as needed.

Implementation Date: September 2016
 Responsible Person: Marcus Wilson



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Finding 2016-123

Eligibility

Activities Allowed or Unallowed

Cash Management

Reporting

Special Tests and Provisions – Disbursements To or On Behalf of Students

Special Tests and Provisions – Institutional Eligibility

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

- The University will modify its procedures to ensure that the calculation of each student’s COA is based on the correct budget and that manual adjustments are applied correctly.
- The University will modify its disbursement process to ensure that no FSEOG is disbursed for less than the \$100 minimum amount.
- The University will update its SAP policy to meet federal requirements by calculating the quantitative pace requirement on a cumulative basis, rather than on term basis, and ensure that its SAP policy requires students to graduate within the maximum time frame.
- The University will strengthen its controls to ensure that Subsidized Direct Loans are only awarded to undergraduate students.
- The University will strengthen its controls to ensure that Federal Pell Grants are only awarded to first-time undergraduate students.
- The University will establish and implement a process to ensure that manual student financial assistance awards do not cause students’ total awards to exceed annual and aggregate award limits.
- The University will implement appropriate segregation of duties, controls to track migration and document reviews, and approvals of changes to critical information systems.
- The University will strengthen controls over user access to ensure that access is appropriate based on users’ job functions.

Implementation Date: April 15, 2017

Responsible Person: Governor Jackson
Dr. Robert Placido



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Special Tests and Provisions - Verification

Finding 2016-124

Views of Responsible Officials:

The University acknowledges and agrees with the findings, but does not agree with the total questioned costs assigned to these findings. As additional information, seven students were selected for verification after they had completed enrollment in the academic/award year. Additionally, five of the students who were not verified by the institutional deadline were verified after the deadline during the audit, and there was no change in any of the EFCs. Since there were no changes to the five EFCs, the five ISIRs on hand were determined to be valid ISIRs after the verifications were completed. The Ellucian software used to recalculate the five ISIRs met all of the CPS specifications and had been validated against all CPS test cases for recalculating valid EFCs. The University believes that questioned costs should be re-evaluated on the basis of that information. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

- The University will modify its procedures to ensure verification of all required FAFSA information for students selected for verification and request updated ISIRs when required.
- The University will strengthen its controls over its process to obtain required documentation to complete its verification of students' FAFSA information.
- The University will implement appropriate segregation of duties, controls to track migration and document reviews, and approvals of changes to critical information systems.
- The University will strengthen controls over user access to ensure that access is appropriate based on users' job functions.

Implementation Date: April 15, 2017

Responsible Person: Governor Jackson
Dr. Robert Placido



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Special Tests and Provisions – Return of Title IV Funds

Finding 2016-125

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

- The University will enhance the reviews of its calculations of Title IV funds required to be returned to the U.S. Department of Education, including the variables it uses in those calculations.
- The University will implement appropriate segregation of duties, controls to track migration and document reviews, and approvals of changes to critical information systems.
- The University will strengthen controls over user access to ensure that access is appropriate based on users' job functions.

Implementation Date: April 15, 2017

Responsible Person: Governor Jackson
Dr. Robert Placido



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Special Tests and Provisions – Enrollment Reporting

Finding 2016-126

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

- The University has worked with the National Student Clearinghouse (NSC) to identify the necessary changes to ensure that status changes and effective dates to NSLDS will be reported in a timely manner. Specifically, additional end-of-term report submissions to the NSC will ensure graduated statuses are reported to the NSLDS regardless if the student re-enrolls or had fallen off previous SSCR submissions.
- The University will establish and implement a process to communicate accurate attendance information regarding students who unofficially withdraw.
- The University will implement appropriate segregation of duties, controls to track migration and document reviews, and approvals of changes to critical information systems.
- The University will strengthen controls over user access to ensure that access is appropriate based on users' job functions.

Implementation Date: April 15, 2017

Responsible Person: Governor Jackson
Robert Lothringer
Dr. Robert Placido



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Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)

Finding 2016-127

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

- The University will perform and document complete monthly reconciliations, including reviews of cash detail and cash summary records, between the financial assistance information in Colleague and the monthly SAS files it receives.
- The University will implement appropriate segregation of duties, controls to track migration and document reviews, and approvals of changes to critical information systems.
- The University will strengthen controls over user access to ensure that access is appropriate based on users' job functions.

Implementation Date: April 15, 2017

*Responsible Person: Governor Jackson
Colette Woods/Carolyn Whitlock
Dr. Robert Placido*

Eligibility

Activities Allowed or Unallowed

Cash Management

Reporting

Special Tests and Provisions – Disbursements To or On Behalf of Students

Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loan)

Special Tests and Provisions – Institutional Eligibility (Prior Audit Issue 2015-120)

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Recommendation:

- Calculate each student's COA based on the correct budget.

Corrective Action Plan:

In order to help ensure the accuracy and compliance of our cost of attendance calculations, we have changed our internal process of calculating cost of attendance. We have done this by adding layers of approval to the process of budget development which will help ensure that, at the beginning of each payment period, COAs will be reviewed. Policies and procedures will be updated with the new process. In addition, SFA has a new director of IT, who will be more actively involved in the budget formula process to help ensure that PeopleSoft is accurately set up.

In addition, staff have been advised to be more careful when manually adjusting a student's cost of attendance. Finally, to assist in developing accurate figures for non-tuition components of the budget, students were surveyed.

Implementation Date: March 31, 2017

Responsible Person: Scott A. Moore

Recommendation:

- Configure PeopleSoft to align with its SAP policy by defining a maximum time frame based on 150 percent of the educational program hours for master- and doctoral-level students.

Corrective Action Plan:

We have changed our internal process to help ensure compliance with the maximum hours requirements. A query has been created to help ensure that the hours requirements within our SAP programming match those listed in the PeopleSoft system for each academic program.

A second query will search for students who are enrolled in programs for which there are no maximum hours rules within our SAP programming. If a student is enrolled in a program with no maximum hours rule, the student will appear on an authentication fail report which is manually reviewed and corrected.

These two queries will be reviewed by staff prior to the start of each term, and will help ensure accuracy in the calculation of the 150% hours rules.

In addition, policies and procedures will be updated with the new process.

Implementation Date: November, 2016

Responsible Person: Scott A. Moore

Recommendation:

- Award students the correct amount of Federal Pell Grant assistance for an award year.

Corrective Action Plan:

This incident resulted from an isolated manual error. Staff have been advised to be more cautious in manual awarding processes.

Implementation Date: September, 2016

Responsible Person: Candida DuBose

Recommendation:

- Award TEACH grants only to eligible students.

Corrective Action Plan:

Schools that participate in the TEACH Grant Program determine which of the programs they offer are TEACH Grant-eligible. The University of Houston will update its website and policies to clarify which academic programs are TEACH-eligible and will confirm that all applicants are enrolled only in eligible programs, prior to awarding.

Implementation Date: February 3, 2017

Responsible Person: Briget A. Jans

Recommendation:

- Update its ECAR as required, and ensure that it does not disburse financial assistance to students at locations that are not on its ECAR.

Corrective Action Plan:

Prior to the auditors on site visit, the University of Houston 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 prior to the start of each payment period.

For international locations, we have created a query which will run monthly to help ensure that no students at international locations are eligible for federal aid.

Implementation Date: January 31, 2016

Responsible Person: Chris Stanich, Briget A. Jans

Recommendations:

- Strengthen its periodic access review process to ensure that it is comprehensive across all departments and includes each role to which a user is assigned.
- Limit access to its information systems based on users' job responsibilities.

Corrective Action Plan:

The Office of Scholarships and Financial Aid implemented new PeopleSoft financial aid security roles that are more restrictive and dynamic, as part of a three-month project that included reviewing all financial aid pages, designing new financial aid security roles for all job levels, and areas in our office. In addition, SFA revamped quarterly PeopleSoft security audit reviews to include all staff members, regardless of department, that have financial aid roles.

Implementation Date: September 30, 2016

Responsible Person: Leticia Gallegos

Special Tests and Provisions – Verification
(Prior Audit Issues 2015-121 and 2014-139)

Finding 2016-129

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Recommendations:

- 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, and properly document its verification process.

Corrective Action Plan:

Subsequent to the auditors' visit, SFA reviewed the five students identified in the finding. Three of the five students had no change to their EFCs and did not require a correction. Two required corrections that would have resulted in a decrease to the students' EFCs. UH has since replaced the additional Pell Grant funds to which the students would have been entitled with institutional funds to make the students whole.

To help ensure compliance going forward, SFA moved to a two-step process that results in complicated verification situations being reviewed by two staff members. In addition, SFA has provided additional training to the quality control staff responsible for verification. Staff meets regularly with the Executive Director of SFA to help ensure clarity in both processing and in student-specific documentation requirements. Staff is aware of the need to take action when verification documents are received.

In addition, policies and procedures will be updated with the new process.

Implementation Date: November, 2016

Responsible Person: Candida DuBose

Recommendations:

- Strengthen its periodic access review process to help ensure that it is comprehensive across all departments and includes each role to which a user is assigned.

- Limit access to its information systems based on users' job responsibilities.

Corrective Action Plan:

The Office of Scholarships and Financial Aid implemented new PeopleSoft financial aid security roles that are more restrictive and dynamic, as part of a three-month project that included reviewing all financial aid pages, designing new financial aid security roles for all job levels, and areas in our office. In addition, SFA revamped quarterly PeopleSoft security audit reviews to include all staff members, regardless of department, that have financial aid roles.

Implementation Date: September 30, 2016

Responsible Person: Leticia Gallegos

Special Tests and Provisions – Return of Title IV Funds
(Prior Audit Issue 2015-123)

Finding 2016-130

Recommendations:

- Accurately determine students' withdrawal dates and calculate the amount of Title IV funds to be returned.
- 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.
- Return Title IV funds within required time frames.

Corrective Action Plan:

The University has already implemented significant process enhancements in this area. The staff member primarily responsible for the Return of Title IV Funds processing has received additional training and support to help ensure that he understands the importance of properly calculating and returning the funds in a timely manner. Processes are now being run more frequently to help ensure that funds are being returned timely.

In addition, SFA has worked more closely with the Office of the University Registrar to help ensure we are using accurate dates, as well as stressed to the academic departments the need to process student withdrawals in a timely manner.

In addition, policies and procedures will be updated with the new process.

Implementation Date: September, 2016

Responsible Person: Candida DuBose

Recommendations:

- Strengthen its periodic access review process to ensure that it is comprehensive across all departments and includes each role to which a user is assigned.
- Limit access to its information systems based on users' job responsibilities.

Corrective Action Plan:

The Office of Scholarships and Financial Aid implemented new PeopleSoft financial aid security roles that are more restrictive and dynamic, as part of a three-month project that included reviewing all financial aid pages, designing new financial aid security roles for all job levels, and areas in our

office. In addition, SFA revamped quarterly PeopleSoft security audit reviews to include all staff members, regardless of department, that have financial aid roles.

Implementation Date: September 30, 2016

Responsible Person: Leticia Gallegos

Special Tests and Provisions – Enrollment Reporting

(Prior Audit Issues 2015-124, 2014-140, 2013-165, 13-147, 12-153, 11-154, 10-98, 09-87, 08-74, and 07-58)

Views of Responsible Officials:

The University acknowledge and agree with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Recommendation:

- Accurately report all status changes and effective dates to NSLDS.

Corrective Action Plan:

The University has implemented significant process enhancements in this area. The Office of Scholarships and Financial Aid is working more closely with the Office of the University Registrar (OUR) to help ensure that OUR is advised of students who are identified as unofficial withdrawals at the end of each term. With this information, OUR can help ensure that enrollment statuses are properly reported to NSLDS.

Implementation Date: January, 2017

Responsible Person: Debbie Henry

Recommendations:

- Strengthen its periodic access review process to ensure that it is comprehensive across all departments and includes each role to which a user is assigned.
- Limit access to its information systems based on users' job responsibilities.

Corrective Action Plan:

The Office of Scholarships and Financial Aid implemented new PeopleSoft financial aid security roles that are more restrictive and dynamic, as part of a three-month project that included reviewing all financial aid pages, designing new financial aid security roles for all job levels, and areas in our office. In addition, SFA revamped quarterly PeopleSoft security audit reviews to include all staff members, regardless of department, that have financial aid roles.

Implementation Date: September 30, 2016

Responsible Person: Leticia Gallegos

Special Tests and Provisions - Verification

Finding 2016-132

Views of Responsible Officials:

Management acknowledges and agrees with the findings and recommendations. Through analysis of the exceptions identified in the audit, the University will work to develop and implement the corrective action plan.

Corrective Action Plan:

Management reviewed manual errors with employees and made changes to improve its verification entry, review and monitoring process of completed verifications.

Implementation Date: June 2016

Responsible Persons: Dena Guzman-Torres and Lacey Thompson

Special Tests and Provisions – Return of Title IV Funds

Finding 2016-133

Views of Responsible Officials:

Management acknowledges and agrees with the findings and recommendations. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

The Office of the Registrar and the Office of Financial Aid updated its procedures to verify the accuracy of the number of days in scheduled breaks to ensure calculations for the Return of Title IV funds are correct based on the period of enrollment excluding scheduled breaks, and Title IV funds are returned within the required time frames.

Implementation Date: July 2016

Responsible Persons: Bryan Heard, Melissa Boyer and Lacey Thompson

Special Tests and Provisions – Enrollment Reporting

Finding 2016-134

(Prior Audit Issue 2015-126)

Views of Responsible Officials:

Management is attentive to the U.S. Department of Education requirements associated with Student Status Changes. Management has updated and implemented business controls to ensure accurate and timely reporting to the National Student Clearinghouse and the National Student Loan Data System for all students who have status changes.

Corrective Action Plan:

The Office of the Registrar has implemented the following to ensure the timely and accurate reporting of enrollment:

- New business procedures addressing the reporting of deceased students.
- Errors related to the reporting of students enrolled between terms have been corrected via changes to protocols for processing of administrative changes.
- New business procedures for the correction of errors for manual error correction processes with the National Student Clearinghouse have also been implemented.

Implementation Date: December 2016

Responsible Person: Bryan Heard

Cash Management

Finding 2016-135

Views of Responsible Officials:

The University agrees with the finding and recommendations.

Corrective Action Plan:

The University has revised its policies and procedures to ensure no excess funds are drawn down from the U.S. Department of Education.

Implementation Date: December 1, 2016

Responsible Person: Stephanie Scott and Andrea Wright

Eligibility

Finding 2016-136

Views of Responsible Officials:

The University agrees with the findings and recommendations.

Corrective Action Plan:

The University has reviewed our policies and procedures to ensure they meet the requirements of the U.S. Department of Education. Staff training has been conducted to mitigate a future occurrence.

Implementation Date: October 1, 2016

Responsible Person: Karen Krause



Special Tests and Provisions – Disbursements To or On Behalf of Students

Finding 2016-137

Views of Responsible Officials:

The University agrees with the finding and recommendation.

Corrective Action Plan:

The University has reviewed our policies and procedures to ensure compliance with NSLDS Transfer Monitoring requirements.

Implementation Date: November 1, 2016

Responsible Person: Karen Krause

Special Tests and Provisions – Enrollment Reporting

Finding 2016-138

Views of Responsible Officials:

The University agrees with the findings and recommendation.

Corrective Action Plan:

The University is reviewing our policies and procedures to ensure compliance with NSLDS Enrollment Reporting requirements.

Implementation Date: August 1, 2016

Responsible Person: Hans Gatterdam



Finding 2016-139

Special Tests and Provisions – Borrower Data Transmission and Reconciliation (Direct Loans)

Views of Responsible Officials:

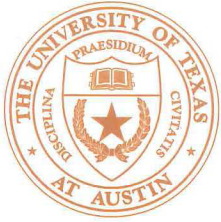
The University agrees with the finding and recommendation.

Corrective Action Plan:

The University provided staff training to mitigate a future occurrence.

Implementation Date: October 1, 2016

Responsible Person: Lea Ann Sikora



OFFICE OF ACCOUNTING
THE UNIVERSITY OF TEXAS AT AUSTIN

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Cash Management

Finding 2016-140

Views of Responsible Officials:

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University has developed and implemented corrective action to improve the process.

Corrective Action Plan:

The University has significantly enhanced process controls by implementing an additional level of review and approval. The procedure manual has been revised accordingly and contains documentation to support the review.

Implementation Date: February 2017

Responsible Person: Karen Derouen

Eligibility

Finding 2016-141

Views of Responsible Officials:

The University acknowledges and agrees with the findings. The Office of Financial Aid (OFA) reviewed the two student files and determined that the Perkins Loan over-awards were due to human error.

Corrective Action Plan:

OFA has developed a corrective action plan whereby multiple staff members will now be reviewing system generated reports designed to indicate potential over-awards. The reports will be reviewed on a regularly scheduled basis during each semester and any potential issues will be resolved.

Implementation Date: January 2017

Responsible Person: Christine Gauger

Finding 2016-142

Views of Responsible Officials:

The University acknowledges and agrees with the enrollment reporting finding and recommendation.

Corrective Action Plan:

The University has updated its data extract to the National Student Clearinghouse (NSC) and business processes to ensure that accurate dates for students' changes in enrollment status are accurately reported to the National Student Loan Data System (NSLDS) within the appropriate timeframe.

The appropriate graduation status has been reported to NSLDS for the student whose graduation status was reported to NSC on the institutional level but not program level and, therefore, not reported to NSLDS. The University is currently working with NSC to prevent a reoccurrence of this issue.

Implementation Date: June 2017

Responsible Person: Jennifer McDowell



Office of Student
Financial Aid

Cash Management Reporting

Finding 2016-143

Cash Management

Views of Responsible Officials:

Human error between the two different accounts caused the incorrect drawdowns and adjustments to occur.

Corrective Action Plan:

A meeting took place in late June 2016, to address internal controls over drawdowns, checks and balances and coordination of efforts between the Office of Student Financial Aid and the Contracts and Grants Office. During that meeting, it was decided that the University would no longer use "letter of credit reports" (commonly referred to as "invoices") to manage the drawdown of Title IV federal funds. As a replacement, the University established a policy of checks and balances for each disbursement based on actual expenditures in order to request funds and reconcile accurately between Banner, PeopleSoft and G5. The new policy was incorporated into the Office of Student Financial Aid's internal Policies and Procedures Manual.

Implementation Date: DONE - June 30, 2016

Responsible Person: Ron Williams and Guadalupe Gomez

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Office of Student
Financial Aid

Cash Management Reporting

General Controls

Views of Responsible Officials:

The University asserts that the "access at the database server level" does not provide excessive access but, instead, only allows the employee to receive file outputs from jobs ran in the Banner system and does not provide access into the Banner system. Therefore, the University has not provided "inappropriate" access. In order to receive output from Banner, the employee must have "access" to the database server. IT has reviewed the employees on the audit list and has determined that only one employee was not accurately terminated from HR. The employees listed as "active" were provided with the necessary access needed to perform their job duties within their respective positions and departments.

Corrective Action Plan:

The University has submitted clarification of its three mutually exclusive security access levels to the auditors. UTEP will institute a process that will require that any University official providing individuals with this level of access to stipulate a beginning date and an end date to ensure that the access is clearly indicated.

Implementation Date: June, 2017

Responsible Person: Luis Hernandez

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Office of Student
Financial Aid

Eligibility

Finding 2016-144

Enrollment Level

Views of Responsible Officials:

In reviewing the University's response to the 2014-2015 audit report, the University stated that its automated process ensured that any Title IV disbursement to students could not exceed the student's need based on actual enrollment level. The University's automated disbursement process calculates the need at three-quarter and half-time enrollment and locks the disbursement level at the lowest enrollment level of eligibility. Therefore, no over-awards could occur based on a student's enrollment status and disbursement amount.

Corrective Action Plan:

As of Fall 2016-2017 (the beginning of the new award year immediately following last year's audit), to further address the prior year's audit report, the University increased its safeguards by locking the student's enrollment level at census date in order to match the Cost of Attendance to enrollment status. Therefore, Banner now has two levels of "security" to ensure that the system is generating the correct award amounts based on the student's enrollment status and cost of attendance.

Implementation Date: DONE – June/July 2016

Responsible Person: Ron Williams

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Office of Student
Financial Aid

Eligibility

Satisfactory Academic Progress

Views of Responsible Officials:

The Office of Student Financial Aid received the final report for last year's audit of the 2014-2015 award year in early Spring 2016. In accordance with that report and to be in compliance with federal regulations, in March 2016, the University revised its SAP policy effective for the next award year, 2016-2017. In order not to negatively impact the current 15-16 award year students, the University did not change its policy mid-year for 2015-2016. During the site visit, the auditors requested a copy of our current SAP policy (which was the revised policy) and were informed where it could be found on the Institution's website.

Corrective Action Plan:

NONE – Revised SAP policy March, 2016, and implemented for the 2016-2017 award year.

Implementation Date: DONE – March 2016

Responsible Person: Ron Williams

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Office of Student
Financial Aid

Eligibility

Federal Direct Loans

Views of Responsible Officials:

After a thorough evaluation of the five graduate students, out of the entire population of 1518 graduate students, who received Subsidized Direct Loans, the University has determined that all five students were accessed correctly at the time of the award process as these students showed enrollment as an undergraduate student. However, a few weeks later, at the time of disbursement for the beginning of the Summer 2016 term, these students were now enrolled as graduate students, but still remained accessed at the undergraduate level. As noted in the audit, the Institution immediately corrected these mistakes during the site visit and returned the loan funds to the U. S. Department of Education.

Corrective Action Plan:

To avoid this manual error in the future, immediately following the site visit, the University instituted an automated process to prevent students changing from undergraduate to graduate to be listed on an exception report and reviewed prior to disbursement.

Implementation Date: DONE – December 2016

Responsible Person: Ron Williams

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Office of Student
Financial Aid

Eligibility

Supplemental Educational Opportunity Grant

Views of Responsible Officials:

The University agrees with the fact that it paid one student SEOG who did not qualify for the grant based on the fact that the institution inadvertently overlooked reinstating the student's Pell Grant award when the student's award package was manually re-packaged; thereby making the student inadvertently ineligible for the SEOG payment. The Institution asked the auditors why one student for this year's audit report would constitute a finding and was informed that the finding was interpreted as a duplicate error based on the prior year's audit. After an in-depth review of last year's audit report, the University does not agree that this error constitutes a duplicate finding. Last year's audit of SEOG reported students that received SEOG who should not have based on these students reaching their lifetime Pell Grant eligibility and an automated process was immediately instituted by the University to ensure no re-occurrence of this type of error. And no re-occurrence of this type of error has occurred in this year's audit report. Even though the two different errors affect the same award type, SEOG, the issues are completely different and therefore, should not constitute a reoccurring mistake, especially since there was only one error of SEOG cited in this year's audit for an amount of \$400.

Corrective Action Plan:

The University will closely monitor all students whose award packages are manually re-packaged to ensure compliance with SEOG regulations.

Implementation Date: DONE – December 2016

Responsible Person: Ron Williams

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Office of Student
Financial Aid

Eligibility

General Controls

Views of Responsible Officials:

The University asserts that the "access at the database server level" does not provide excessive access but, instead, only allows the employee to receive file outputs from jobs ran in the Banner system and does not provide access into the Banner system. Therefore, the University has not provided "inappropriate" access. In order to receive output from Banner, the employee must have "access" to the database server. IT has reviewed the employees on the audit list and has determined that only one employee was not accurately terminated from HR. The employees listed as "active" were provided with the necessary access needed to perform their job duties within their respective positions and departments.

Corrective Action Plan:

The University has submitted clarification of its three mutually exclusive security access levels to the auditors. UTEP will institute a process that will require that any University official providing individuals with this level of access to stipulate a beginning date and an end date to ensure that the access is clearly indicated.

Implementation Date: June, 2017

Responsible Person: Luis Hernandez

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Office of Student
Financial Aid

Special Tests and Provisions – Return of Title IV Funds

Finding 2016-145

Return of Title IV

Views of Responsible Officials:

The University acknowledges the findings cited within this section of the report. Unfortunately, at the time of year the Institution enters its academic semester dates into the Banner student system, there was a new Registrar who evidently omitted entering the correct Spring break dates. That Registrar no longer works at the University. While prior financial aid audits never indicated that the University did not accurately process Return of Title IV, due to numerous changes in personnel and a decrease in staff size, it became difficult for the office to manage this area.

After an extensive analysis of the exceptions identified in this audit, the University will implement corrective actions to improve the processes in order to ensure compliance with all Return of Title IV regulations.

Corrective Action Plan:

The University has already implemented significant process enhancements in this area. Immediately following the auditors’ site visit, the University entered the accurate calendar dates into Banner and is recalculating all Spring 2016 Title IV returns to be in compliance with Title IV regulations. Additionally, upon a review of the financial aid office structure in Spring 2016, it was determined that the Office of Student Financial Aid was indeed gravely understaffed. As such, between July, 2016, and January, 2017, four new staff members have been hired to assist the financial aid department. Two of these newly hired staff members will be directly responsible for monitoring Return of Title IV to ensure that all future calculations are accurate and submitted timely.

After a discussion with members of the University’s senior management team, the University determined that not all faculty members were utilizing class rosters to determine which students never attended at census date. Stronger enforcement of this policy will occur within the next few months. In the future, after census, a list of students who never attended and were awarded financial aid will be compiled in order to return funds on student’s accounts for which they are not eligible and submit accurate enrollment status data to NSLDS. For students who attend class, but withdrew prior to census, the Return of Title IV calculations will be performed and the student’s status accurately reflected in the submission to NSLDS.

Implementation Date: Work began during the site visit but will be ongoing in order to complete training of new staff and faculty members, automate specific processes to ensure compliance and revise institutional policies.

Expected completion date – May, 2017

Responsible Person: Ron Williams/Nohemi Gallarzo

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Office of Student
Financial Aid

Special Tests and Provisions – Return of Title IV Funds

General Controls

Views of Responsible Officials:

The University asserts that the “access at the database server level” does not provide excessive access but, instead, only allows the employee to receive file outputs from jobs ran in the Banner system and does not provide access into the Banner system. Therefore, the University has not provided “inappropriate” access. In order to receive output from Banner, the employee must have “access” to the database server. IT has reviewed the employees on the audit list and has determined that only one employee was not accurately terminated from HR. The employees listed as “active” were provided with the necessary access needed to perform their job duties within their respective positions and departments.

Corrective Action Plan:

The University has submitted clarification of its three mutually exclusive security access levels to the auditors. UTEP will institute a process that will require that any University official providing individuals with this level of access to stipulate a beginning date and an end date to ensure that the access is clearly indicated.

Implementation Date: June, 2017

Responsible Person: Luis Hernandez

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Office of Student
Financial Aid

Special Test and Provisions – Enrollment Reporting

Finding 2016-146

Enrollment Reporting

Views of Responsible Officials:

The University acknowledges the findings cited within this section of the report. Unfortunately, there was a new Registrar who evidently had not accurately submitted the correct submission dates nor completely automated the procedures and processes to accurately reflect changes in student enrollment statuses and submit this information to the National Student Clearinghouse and to the National Student Loan Data System. That Registrar no longer works at the University.

Corrective Action Plan:

The University has already implemented significant process enhancements in this area in order to be in compliance. Immediately following the site visit, the University revised its Clearinghouse submission dates for enrollment reporting, automated all processes and removed any manual manipulation of these reports to ensure accurately and timely submission of this information. A copy of the correct enrollment reporting dates has already been provided to the auditors. In addition, two staff members, one individual in the Office of Student Financial Aid and one person in the Registrar's Office, have been assigned to monitor enrollment reporting and are responsible for reviewing and verifying that the correct enrollment statuses and dates are being submitted accurately and timely to NSLDS.

Implementation Date: DONE – December 2016

Responsible Person: Ron Williams/Nohemi Gallarzo

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Office of Student
Financial Aid

Special Test and Provisions – Enrollment Reporting

Enrollment Reporting

After a discussion with members of the University's senior management team, the University determined that not all faculty members were utilizing class rosters to determine which students never attended at census date. Stronger enforcement of this policy will occur within the next few months. In the future, after census, a list of students who never attended and were awarded financial aid will be compiled in order to return funds on student's account for which they are not eligible and submit accurate enrollment status data to NSLDS. For students who attend class, but withdrew prior to census, the Return of Title IV calculations will be performed and the student's status accurately reflected in the submission to NSLDS.

Implementation Date: Work began during the site visit but will be ongoing in order to complete training of new staff and faculty members, automate specific processes to ensure compliance and revise institutional policies.

Expected completion date – May, 2017

Responsible Person: Ron Williams/Nohemi Gallarzo

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Office of Student
Financial Aid

Special Test and Provisions – Enrollment Reporting

General Controls

Views of Responsible Officials:

The University asserts that the “access at the database server level” does not provide excessive access but, instead, only allows the employee to receive file outputs from jobs ran in the Banner system and does not provide access into the Banner system. Therefore, the University has not provided “inappropriate” access. In order to receive output from Banner, the employee must have “access” to the database server. IT has reviewed the employees on the audit list and has determined that only one employee was not accurately terminated from HR. The employees listed as “active” were provided with the necessary access needed to perform their job duties within their respective positions and departments.

Corrective Action Plan:

The University has submitted clarification of its three mutually exclusive security access levels to the auditors. UTEP will institute a process that will require that any University official providing individuals with this level of access to stipulate a beginning date and an end date to ensure that the access is clearly indicated.

Implementation Date: June, 2017

Responsible Person: Luis Hernandez

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Views of Responsible Officials:

Finding 2016-147

The University acknowledges and agrees with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

- **Document its review and approval of drawdowns of federal funds.**
- **Retain sufficiently detailed documentation to support its drawdowns of federal funds.**
- **Develop and implement formalized policies and procedures for cash management, including its drawdowns of federal funds.**

The University will implement significant enhancements in the drawdown of federal funds process. Different project accounts will be created for each award year and communicated to the Financial Aid office. The University will create and maintain a comprehensive cash management manual. The University will document processes to include steps to retain detailed, transactional-level documentation to support all drawdowns.

- **Appropriately limit access to its information systems to current and key personnel.**

UTRGV has made several changes to the user provisioning and access request process. In September 2016, UTRGV required that all persons requesting access to university resources exist in the Human Resources (HR) system of record before any access is granted. All records in the HR system are setup with an end of assignment date that is used to disable access. Once setup in the HR system, a user may request access to other university resources thru the online Access Request process. As users contacted the IT Service Desk for access requests, instructions were provided on completing the request to grant access. On January 20, 2017, a mass communication was emailed to the employee listserv communicating the process. When a record reaches the end of assignment date, an automated process is executed that triggers the removal of access to the users whose assignment has ended. Access Admin office processes the request and access to the Student Information System is removed. Access Admins also have an alternative method to override the HR assignment end, for exceptions, that also initiates the automated process for removal of access.

The Information Security Office will implement training through an approved mechanism to ensure Data Owners understand their responsibilities under UTS 165 including access verification and updating. To ensure that no unauthorized users have access to the Information Systems or that their access is appropriate, a process for review of access will be implemented. A report listing the users and their access to the Student Information System will be generated quarterly by the Access Admin office for the Information System owner to review. It will be the responsibility of the Information System owner to review the list and sign-off on access being appropriate or request that access be removed or updated. The Access Admin office will be responsible for documenting the reviews and actions taken if any as a result of the review.

The University will also produce a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. The review will also ensure that

access to the student information system is disabled for staff no longer employed by UTRGV. Necessary adjustments to access will be made through the appropriate Student System Access Process.

- **Appropriately grant access to its information systems based on user roles and current job responsibilities.**

The University will develop a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. Necessary adjustments to access will be made through the appropriate Student System Access Process.

Implementation Date: August, 2017

Responsible Person: Raquel Garcia
Frank Zecca
Thomas Owen

Views of Responsible Officials:

Finding 2016-148

UTRGV acknowledges and agrees with the findings. UTRGV will work to develop and implement corrective action to address the findings and recommendations related to Eligibility.

Corrective Action Plan:

- **Adjust COAs accurately for all students.**

A report has been created to verify budgets for students in the accelerated online program. This report will be run and monitored by the appointed Financial Aid Coordinator during the course of the academic year.

In addition, after the census date of each semester, the Financial Aid Office will identify and correct any budget discrepancies by reviewing a cost of attendance report created for this specific purpose.

- **Ensure that its COA budgets meet all federal requirements.**

The UTRGV COA budgets have been reviewed and updated to ensure all federal requirements are met. The online accelerated program budgets have been updated to reflect all required cost of attendance components, including transportation and personal costs.

- **Ensure that its SAP policy meets federal requirements by defining a maximum time frame based on the length of the educational program for all graduate programs.**

UTRGV has taken corrective action to ensure that the published SAP policy meets federal requirements by defining time frame maximums based on educational program length for all graduate programs. The updated SAP policy can be found at http://www.utrgv.edu/ucentral/_files/documents/fin-aid/sap-policy-graduate.pdf

- **Consistently and accurately apply its SAP policy to ensure that it assigns students the correct SAP status in a timely manner**

Through analysis of the exceptions identified in the audit, the University will develop and implement corrective action to further improve SAP processes. The University is developing a report that will identify SAP statuses for students who have entered new programs to ensure the appropriate statuses are assigned prior to census date.

In addition, the UTRGV Financial Aid Office will create an audit report to assist in identifying and correcting manual errors.

- **Develop and implement procedures to demonstrate its compliance with the incarcerated student limitation.**

The UTRGV Financial Aid Office will develop and implement procedures to identify incarcerated students by analyzing suspicious addresses.

- **Develop and implement policies and procedures for the eligibility, activities allowed or unallowed, reporting, and special tests and provisions –disbursements or on behalf of students processes.**

UTRGV Financial Aid leadership staff are reviewing and updating the UTRGV Policies and Procedures to reflect the eligibility, activities allowed or unallowed, reporting and disbursements or on behalf of students processes.

- **Appropriately limit access to its information systems to current and key personnel.**

UTRGV has made several changes to the user provisioning and access request process. In September 2016, UTRGV required that all persons requesting access to university resources exist in the Human Resources (HR) system of record before any access is granted. All records in the HR system are setup with an end of assignment date that is used to disable access. Once setup in the HR system, a user may request access to other university resources thru the online Access Request process. As users contacted the IT Service Desk for access requests, instructions were provided on completing the request to grant access. On January 20, 2017, a mass communication was emailed to the employee listserv communicating the process. When a record reaches the end of assignment date, an automated process is executed that triggers the removal of access to the users whose assignment has ended. Access Admin office processes the request and access to the Student Information System is removed. Access Admins also have an alternative method to override the HR assignment end, for exceptions, that also initiates the automated process for removal of access.

The Information Security Office will implement training through an approved mechanism to ensure Data Owners understand their responsibilities under UTS 165 including access verification and updating. To ensure that no unauthorized users have access to the Information Systems or that their access is appropriate, a process for review of access will be implemented. A report listing the users and their access to the Student Information System will be generated quarterly by the Access Admin office for the Information System owner to review. It will be the responsibility of the Information System owner to review the list and sign-off on access being appropriate or request that access be removed or updated. The Access Admin office will be responsible for documenting the reviews and actions taken if any as a result of the review.

The University will also produce a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. The review will also ensure that access to the student information system is disabled for staff no longer employed by UTRGV. Necessary adjustments to access will be made through the appropriate Student System Access Process.

- **Appropriately grant access to its information systems based on user roles and current job responsibilities.**

The University will develop a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. Necessary adjustments to access will be made through the appropriate Student System Access Process.

Implementation Date: July, 2017

*Responsible Person: Arnold Trejo
Frank Zecca
Thomas Owen*

Views of Responsible Officials:

Finding 2016-149

UTRGV acknowledges and agrees with the findings. UTRGV will work to develop and implement corrective action to address the findings and recommendations related to Verification.

Corrective Action Plan:

- **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.**
- **Ensure that all staff who perform verifications are knowledgeable of the verification process as stated in the University's policies and procedures.**

UTRGV will adhere to the FSA Handbook to ensure all verifiable items are reviewed and corrected, and upon submitting a correction will request an updated ISIR, as required. A report will be used to monitor corrections to ensure updated ISIRs are received and processed accordingly. The Financial Aid Office will conduct a self-audit of 10% of all records selected for verification as a monitoring process for verification.

The Financial Aid Office will conduct a review of its verification policies and procedures to ensure that they adhere to the requirements established by the U.S. Department of Education. Additional training will be provided to Financial Aid staff working in the verification area to ensure they are fully aware of the different required elements of verification as stated in the University's policies and procedures.

- **Appropriately limit access to its information systems to current and key personnel.**

UTRGV has made several changes to the user provisioning and access request process. In September 2016, UTRGV required that all persons requesting access to university resources exist in the Human Resources (HR) system of record before any access is granted. All records in the HR system are setup with an end of assignment date that is used to disable access. Once setup in the HR system, a user may request access to other university resources thru the online Access Request process. As users contacted the IT Service Desk for access requests, instructions were provided on completing the request to grant access. On January 20, 2017, a mass communication was emailed to the employee listserv communicating the process. When a record reaches the end of assignment date, an automated process is executed that triggers the removal of access to the users whose assignment has ended. Access Admin office

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processes the request and access to the Student Information System is removed. Access Admins also have an alternative method to override the HR assignment end, for exceptions, that also initiates the automated process for removal of access.

The Information Security Office will implement training through an approved mechanism to ensure Data Owners understand their responsibilities under UTS 165 including access verification and updating. To ensure that no unauthorized users have access to the Information Systems or that their access is appropriate, a process for review of access will be implemented. A report listing the users and their access to the Student Information System will be generated quarterly by the Access Admin office for the Information System owner to review. It will be the responsibility of the Information System owner to review the list and sign-off on access being appropriate or request that access be removed or updated. The Access Admin office will be responsible for documenting the reviews and actions taken if any as a result of the review.

The University will also produce a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. The review will also ensure that access to the student information system is disabled for staff no longer employed by UTRGV. Necessary adjustments to access will be made through the appropriate Student System Access Process.

- **Appropriately grant access to its information systems based on user roles and current job responsibilities.**

The University will develop a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. Necessary adjustments to access will be made through the appropriate Student System Access Process.

Implementation Date: July, 2017

*Responsible Person: Arnold Trejo
Frank Zecca
Thomas Owen*

Views of Responsible Officials:

Finding 2016-150

UTRGV acknowledges and agrees with the findings related to Return of Title IV Funds. UTRGV will work to develop and implement corrective action to address the findings and recommendations related to Return of Title IV Funds.

Corrective Action Plan:

- **Accurately calculate and return the required amount of Title IV funds within required timeframes.**

The UTRGV Financial Aid Office has implemented corrective actions to ensure the accuracy and timeliness of Return to Title IV calculations. These actions include quality control review processes by performing a second level review on all relevant transactions to ensure calculations are performed and funds are returned within the federally specified timeframes. In addition, the UTRGV Financial Aid Office will utilize a report to identify potential official withdrawal students that might have dropped a course prior to officially withdrawing.

- **Strengthen controls to ensure that it identifies all withdrawn students.**

The UTRGV Financial Aid Office has implemented corrective action to ensure all withdrawn students requiring a Return of Title IV calculation are identified. The UTRGV Financial Aid Office created an exception report that helps in identifying potential online withdrawals. Furthermore, the Registrar's Office maintains a report, which is evaluated to ensure proper withdrawal codes.

- **Complete post withdrawal disbursements when required.**

To ensure completion of post withdrawal disbursements as required, the UTRGV Financial Aid Office will utilize an audit report to identify students who require a post withdrawal disbursement.

The University will develop a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. Necessary adjustments to access will be made through the appropriate Student System Access Process.

- **Appropriately limit access to its information systems to current and key personnel.**

UTRGV has made several changes to the user provisioning and access request process. In September 2016, UTRGV required that all persons requesting access to university resources exist in the Human Resources (HR) system of record before any access is granted. All records in the HR system are setup with an end of assignment date that is used to disable access. Once setup in the HR system, a user may request access to other university resources thru the online Access Request process. As users contacted the IT Service Desk for access requests, instructions were provided on completing the request to grant access. On January 20, 2017, a mass communication was emailed to the employee listserv communicating the process. When a record reaches the end of assignment date, an automated process is executed that triggers the removal of access to the users whose assignment has ended. Access Admin office processes the request and access to the Student Information System is removed. Access Admins also have an alternative method to override the HR assignment end, for exceptions, that also initiates the automated process for removal of access.

The Information Security Office will implement training through an approved mechanism to ensure Data Owners understand their responsibilities under UTS 165 including access verification and updating. To ensure that no unauthorized users have access to the Information Systems or that their access is appropriate, a process for review of access will be implemented. A report listing the users and their access to the Student Information System will be generated quarterly by the Access Admin office for the Information System owner to review. It will be the responsibility of the Information System owner to review the list and sign-off on access being appropriate or request that access be removed or updated. The Access Admin office will be responsible for documenting the reviews and actions taken if any as a result of the review.

The University will also produce a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. The review will also ensure that access to the student information system is disabled for staff no longer employed by UTRGV. Necessary adjustments to access will be made through the appropriate Student System Access Process.

- **Appropriately grant access to its information systems based on user roles and current job responsibilities.**

The University will develop a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. Necessary adjustments to access will be made through the appropriate Student System Access Process.

Implementation Date: July, 2017

*Responsible Person: Arnold Trejo
Frank Zecca*

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Views of Responsible Officials:

Finding 2016-151

The UTRGV Office of the University Registrar acknowledges and agrees with the findings. UTRGV will work to develop and implement corrective action to address the findings and recommendations related to enrollment reporting through corrective action plans and continued collaboration with our financial aid colleagues.

Corrective Action Plan:

- **Accurately report student status changes and effective dates to NSLDS in a timely manner.**

The University has taken steps to mitigate recurrence of inaccuracies. Steps taken include increased training, updated procedures and additional communication regarding upcoming registration milestones and timeframes related to tuition, fees and financial aid.

- **Strengthen controls to ensure that it submits student status changes to NSC more frequently to ensure submission to NSLDS in a timely manner.**

The University is updating its processes and procedures to ensure adherence with the National Student Clearinghouse submission schedule. To date, all 2016-2017 submissions have been submitted in a timely manner.

- **Develop and implement policies and procedures for enrollment reporting.**

The Office of the Registrar is in the process of modifying its policies and procedures manual to include updated procedures for the preparation of data to the NSC, the actual submission process, procedures required to work through any errors returned from the NSC, and key roles/contacts and their designated responsibilities to jointly complete each submission.

- **Appropriately limit access to its information systems to current and key personnel.**

UTRGV has made several changes to the user provisioning and access request process. In September 2016, UTRGV required that all persons requesting access to university resources exist in the Human Resources (HR) system of record before any access is granted. All records in the HR system are setup with an end of assignment date that is used to disable access. Once setup in the HR system, a user may request access to other university resources thru the online Access Request process. As users contacted the IT Service Desk for access requests, instructions were provided on completing the request to grant access. On January 20, 2017, a mass communication was emailed to the employee listserv communicating the process. When a record reaches the end of assignment date, an automated process is executed that triggers the removal of access to the users whose assignment has ended. Access Admin office processes the request and access to the Student Information System is removed. Access Admins also have an alternative method to override the HR assignment end, for exceptions, that also initiates the automated process for removal of access.

The Information Security Office will implement training through an approved mechanism to ensure Data Owners understand their responsibilities under UTS 165 including access verification and updating. To ensure that no unauthorized users have access to the Information Systems or that their access is appropriate, a process for review of access will be implemented. A report listing the users and their access to the Student Information System will be generated quarterly by the Access Admin office for the Information System owner to review. It will be the responsibility of the Information System owner to review the list and sign-off on access being appropriate or request that access be removed or updated. The Access Admin office will be responsible for documenting the reviews and actions taken if any as a result of the review.

The University will also produce a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. The review will also ensure that

access to the student information system is disabled for staff no longer employed by UTRGV. Necessary adjustments to access will be made through the appropriate Student System Access Process.

- **Appropriately grant access to its information systems based on user roles and current job responsibilities.**

The University will develop a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. Necessary adjustments to access will be made through the appropriate Student System Access Process.

Implementation Date: July 2017

*Responsible Person: Sofia Montes
Jerry Martinez
Frank Zecca
Thomas Owen*

Views of Responsible Officials:

Finding 2016-152

The University acknowledge and agree with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

- **Convert Federal Perkins Loans to repayment status in a timely manner and in compliance with federal requirements.**
- **Establish and implement a process to send all required notifications at required intervals.**
- **Establish and implement policies and procedures for collecting Federal Perkins Loans and administering student loan repayments.**

The University will implement significant enhancements in the Perkins student loan repayment process. Improvements will be made to properly indicate the start of the grace period. In conjunction, special billing and letters will be created for students that fall in this criteria. The University will have a comprehensive student loan repayment manual.

- **Appropriately limit access to its information systems to current and key personnel.**

UTRGV has made several changes to the user provisioning and access request process. In September 2016, UTRGV required that all persons requesting access to university resources exist in the Human Resources (HR) system of record before any access is granted. All records in the HR system are setup with an end of assignment date that is used to disable access. Once setup in the HR system, a user may request access to other university resources thru the online Access Request process. As users contacted the IT

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One West University Blvd.
Brownsville, Texas 78520
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Service Desk for access requests, instructions were provided on completing the request to grant access. On January 20, 2017, a mass communication was emailed to the employee listserv communicating the process. When a record reaches the end of assignment date, an automated process is executed that triggers the removal of access to the users whose assignment has ended. Access Admin office processes the request and access to the Student Information System is removed. Access Admins also have an alternative method to override the HR assignment end, for exceptions, that also initiates the automated process for removal of access.

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- **Appropriately grant access to its information systems based on user roles and current job responsibilities.**

The University will develop a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. Necessary adjustments to access will be made through the appropriate Student System Access Process.

Implementation Date: August, 2017

*Responsible Person: Joanna Gonzalez
Frank Zecca
Thomas Owen*

Views of Responsible Officials:

Finding 2016-153

UTRGV Financial Aid Office concurs with the findings and recommendations as they pertain to the monthly reconciliation of the Direct Loan Program which should include not only the student-level detail records between student financial management system (Banner) and COD system, but further, it should also include the cash summary and cash detail portion.

Corrective Action Plan:

- **Perform monthly reconciliations between its student financial assistance system and DLSS, including the cash summary and cash detail portion, throughout the award year.**

UTRGV Financial aid management has implemented a monthly reconciliation process which includes the cash summary and cash detail for the Direct Loan Program. This process is moving from the Comptroller's Office to Financial Aid. This corrective action will further

improve monitoring of the Direct Loan Program. Monthly reconciliations will also be added to the revised policies and procedures manual.

- **Develop and implement policies and procedures for its borrower data transmission and reconciliation (Direct Loan) process.**

UTRGV Financial Aid leadership staff is reviewing and updating the UTRGV policies and procedures manual.

- **Appropriately limit access to its information systems to current and key personnel.**

UTRGV has made several changes to the user provisioning and access request process. In September 2016, UTRGV required that all persons requesting access to university resources exist in the Human Resources (HR) system of record before any access is granted. All records in the HR system are setup with an end of assignment date that is used to disable access. Once setup in the HR system, a user may request access to other university resources thru the online Access Request process. As users contacted the IT Service Desk for access requests, instructions were provided on completing the request to grant access. On January 20, 2017, a mass communication was emailed to the employee listserv communicating the process. When a record reaches the end of assignment date, an automated process is executed that triggers the removal of access to the users whose assignment has ended. Access Admin office processes the request and access to the Student Information System is removed. Access Admins also have an alternative method to override the HR assignment end, for exceptions, that also initiates the automated process for removal of access.

The Information Security Office will implement training through an approved mechanism to ensure Data Owners understand their responsibilities under UTS 165 including access verification and updating. To ensure that no unauthorized users have access to the Information Systems or that their access is appropriate, a process for review of access will be implemented. A report listing the users and their access to the Student Information System will be generated quarterly by the Access Admin office for the Information System owner to review. It will be the responsibility of the Information System owner to review the list and sign-off on access being appropriate or request that access be removed or updated. The Access Admin office will be responsible for documenting the reviews and actions taken if any as a result of the review.

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- **Appropriately grant access to its information systems based on user roles and current job responsibilities.**

The University will develop a report that shows staff with update access to critical financial aid forms. Financial aid management will review the staff list to ensure appropriate access is granted based on roles and responsibilities. Necessary adjustments to access will be made through the appropriate Student System Access Process.

Implementation Date: July 2017

*Responsible Person: Arnold Trejo
Frank Zecca
Thomas Owen*

Views of Responsible Officials:

Finding 2016-154

The University acknowledges and agrees with the finding. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

The Office of Financial Aid will ensure they quickly authorize drawdown of any prior year rollforward amounts and disburse amounts within required timeframes. The Office of the Controller will continue to expedite Department of Education financial aid drawdowns once an authorization, including notice of disbursement or planned disbursement, has been received. If either office becomes aware that a rollforward balance has become available to draw, staff will notify the relevant staff from the other office.

Implementation Date: 2/1/2017

Responsible Person: Sheri Hardison and Diana S. Martinez

Financial Aid and Scholarships

Views of Responsible Officials:

Finding 2016-155

The University acknowledge and agree with the findings. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

Corrective Action Plan:

The Registrar's Office has created more refined and detailed processes for reporting backdated withdrawals that includes multiple level checking and documentation of all manual updates performed. The "WS" (withdrawn before census) parameter question has already been addressed. The parameters were adjusted when this noted instance was brought to The Registrar's attention during the audit in July 2016. In response to the formatting error, the Registrar's Office has created more refined pre-transmission error checking in addition to current/existing pre-transmission error checking procedures. The Registrar's office has also created multiple level checking, tracking, and documentation of all error corrections performed.

Implementation Date: March 2017

Responsible Person: Joseph DeCristoforo